

Bangladesh Bank **Quarterly**

January-March, 2022

Volume XIX, No. 3



Bangladesh Bank Quarterly

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মুজিববর্ষের অঙ্গীকার
দেশী পণ্যের ব্যবহার

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Economic and Financial Developments

Executive Summary

Notwithstanding the COVID-driven global supply shock amid the ongoing Russia-Ukraine war, a broad-based recovery of Bangladesh economy appeared to have continued in Q3FY22. The exuberance of economic activities was concentrated mainly in the industry and service sectors, favored by a buoyant domestic demand reflected in the surge in imports and a solid external demand indicated by higher growth of exports. The real GDP growth is expected to be around 7.25 percent in FY22, as estimated by the Bangladesh Bureau of Statistics (BBS).

Headline CPI inflation (point-to-point) edged up to 6.22 percent in March 2022 from 6.05 percent in December 2021, driven by food inflation, while non-food inflation moderated considerably. The rise in inflation originated mainly from the pass-through of soaring global commodity and energy prices in the face of worsening supply conditions further exacerbated by the Russia-Ukraine war. Twelve-month average CPI inflation increased to 5.75 percent in March 2022 from 5.55 percent in December 2021.

The external sector faced some headwinds during the first three-quarters of FY22, reflected in widened current account deficit (CAD) resulting from high import growth over export earnings and remittance inflows. Despite a growing surplus in the financial account, the overall balance posted a deficit of USD 3.1 billion, which exerted a depreciating pressure on the exchange rate during this period. To reduce the excessive volatility of BDT's exchange rate, Bangladesh Bank (BB) sold USD 3.83 billion (net) in the foreign exchange market during the first three-quarters of FY22. As a result, the foreign exchange reserve declined to USD 44.1 billion at the end of March 2022 from USD 46.2 billion at the end of December 2021.

Broad money (M2) growth edged up to 9.85 percent in March 2022 from 9.60 percent in December 2021. This was driven mainly by higher net domestic assets (NDA) growth emanated from increased credit flows to the private and public sectors. At the same time, the widening balance of payment deficit led to a contraction of Net Foreign Assets (NFA). A slowdown in deposit growth in tandem with a rise in the domestic credit led to a decline in liquidity in the banking system. Nonetheless, interest rates in the inter-bank money market declined at the end of March 2022 mainly because of the government's redemption of short-term bank borrowings. The banking sector's asset quality lessened slightly in Q3FY22 compared to Q3FY21.

The capital market witnessed some moderation in Q3FY22, reflected in a downturn in price indices, market capitalization, price-earnings ratio, and turnover. The weak performance can be attributed to investors' disquiet regarding the account of banks' exposure limit cost price vs. market price, commodity prices instability in both global and domestic markets, and financial tightening concerns in both developing and emerging markets.

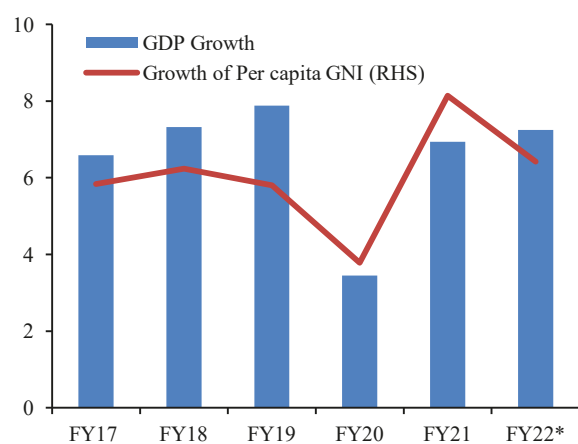
The strong growth momentum in economic activities is expected to prevail during the rest of the fiscal year, led by robust industry and service sector activities. However, this growth prospect is clouded by some uncertainties in the form of pass-through effects of higher global commodity and energy prices into domestic wage and production costs and potential loss of export demand in Europe caused by the Russia-Ukraine war driven economic slowdown. The inflation and exchange rate volatility may be elevated in the coming quarters due to global commodity price hikes and growing current account deficits. Overall macro stability warrants cautious monetary and fiscal measures in the near term.

I. Real Economy

1.1 Despite a downturn in global economic outlook in the face of COVID driven global supply shocks further amplified by the Russia-Ukraine war, the rebound of Bangladesh economy appeared to have continued until Q3FY22, reflected in several indicators. A broad-based expansion of manufacturing production and a pick-up in activities in the service sector helped maintain the robust growth momentum. Large and medium scale manufacturing output grew at a faster pace in Q3FY22 relying upon supportive fiscal and accommodative monetary policy measures, ongoing stimulus package, strong both domestic and external demand, and government's higher development spending. The service sector also benefitted from the healthy growth performance of local industries as well as higher external demand. More recently, Bangladesh Bureau of Statistics (BBS) has projected real GDP growth to be 7.25 percent in FY22, driven mainly by the industry and service sectors.

Chart I.1: Growth of Real GDP and Per Capita GNI

(In percent)

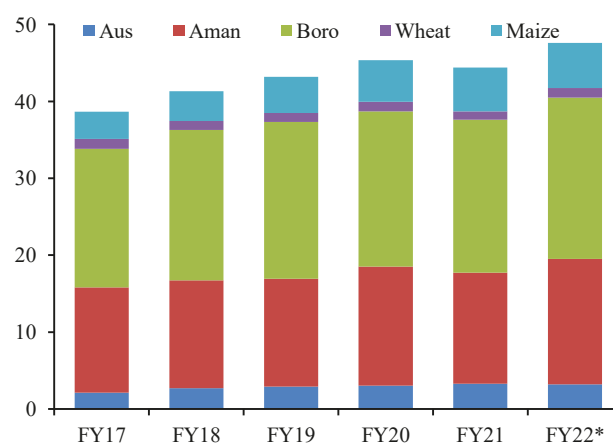


* provisional

Source: Bangladesh Bureau of Statistics (BBS).

Chart I.2: Production of Major Crops

(In million MT)



* provisional

Source: Department of Agricultural Extension (DAE).

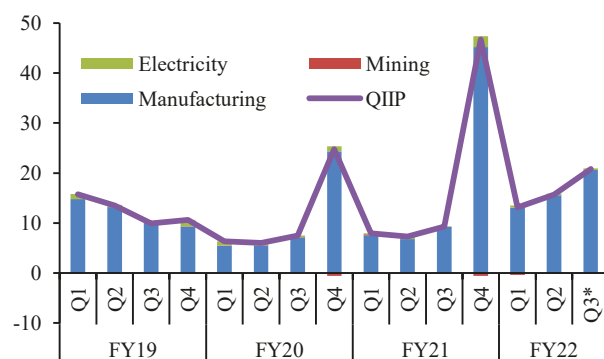
1.2 After a higher growth in FY21, BBS projected a lower growth of 2.20 percent for the agriculture sector in FY22, mainly because of a modest growth of crop and horticulture production. Notwithstanding a gradual decline in arable land in the face of growing urbanization, crop production maintained a positive growth with the support of availability of inputs and credit facilities along with favorable weather conditions and higher crop prices. In Q3FY22, the production of major crops broadly observed a notable growth. Among rice variants, aman, the second-biggest crop of the country after boro, observed promising performance by registering 12.69 percent growth mainly because of a rise in acreage by 4.94 percent on the back of moderated production of aus rice compared to the last fiscal year. On the other hand, notwithstanding a slight damage to boro crop by the recent flood in haor areas, the production of boro rice is expected to exceed that of the previous year since cultivation has surpassed targeted acreage by 3.68 percent in this fiscal year. Among non-rice crops, the production of jute, potato, vegetables, mustard and onion grew by 7.14 percent, 11.85 percent, 9.90 percent, 4.73 percent and 8.28 percent, respectively, aided by favorable market prices, low cost finance, subsidies, mechanization of agriculture, and rising cropping intensity (Chart I.2).

During the quarter under review, the pass-through of global food price surge in the face of supply bottleneck was observed on prices of major food items in the domestic market. However, to ensure food security and to stabilize food prices, the government maintained supportive measures for importing necessary food items. In Q3FY22, the import of total food grain stood at 4.17 MMT, of which rice was 0.96 MMT and wheat was 3.21 MMT¹. Focusing on wheat, according to the latest report of the USDA, Bangladesh emerged as the world's 5th largest importer of wheat by importing the grain in excess of seven million tons in the previous year² on the back of 7.59 percent growth of wheat production in FY22 compared to FY21. Furthermore, due to timely interventions of the government to diversify import destinations and minimize importing costs of wheat, the top importing partners of Bangladesh for wheat are; India (66 percent), Ukraine (15 percent), Russia (7 percent), Canada (6 percent) and Australia (5 percent) as of January 2022 which were Russia (26 percent), India (26 percent), Ukraine (16 percent), Canada (20 percent) and Australia (4 percent) in the FY21³. However, the ongoing Russia-Ukraine war and consequent supply disruptions of wheat might require more policy supports to ensure availability of wheat as well as price stability in the local market.

Besides, analyzing the food production situation from the availability of inputs, local market observed unprecedented price escalation of chemical fertilizers amid international trade sanctions over Bangladesh's major fertilizer import sources: Russia and Belarus. Since import satisfies more than 73 percent of the total demand of fertilizer of Bangladesh⁴, further price volatilities and fertilizer shortages may hamper production the country's agriculture production targets.

1.3 Activities in the industrial sector as measured by the available data on industrial production for selected medium and large-scale manufacturing industries observed robust growth during this quarter under observation since 17 out of 22 major industry groups registered notable growth. The index of medium and large scale industrial output grew by 20.80 percent in the first month of Q3FY22 compared to the same period of last year hinging mainly upon the 22.13 percent growth of manufacturing output. The growth of manufacturing production was stemmed mostly from the growth in production of textile (23.51 percent), wearing apparel (48.05 percent), pharmaceuticals (13.58 percent), basic metal (17.95 percent), fabricated metal (10.63 percent), tobacco (10.14 percent), coke and refined petroleum (10.64 percent), and rubber and plastic (25.20 percent) (Chart I.4). Continued sector specific fiscal supports, higher external demand, and accommodative monetary policy facilitated this growth against the healthy growth of domestic credit.

Chart I.3: Growth Decomposition of Quantum Index of Industrial Production
(In percent)



*Based on data available for January, 2022
Source: BB Staff's calculation based on BBS data.

¹ Bangladesh Food Situation Report, January-March 2022, Volume 128, Food Planning and Monitoring Unit (FPMU).

^{2,3} United States Department of Agriculture Foreign Agricultural Service, Bangladesh: Grain and Feed Annual, April 2022.

⁴ Demand, Production, Import & Consumption situation of Urea, TSP, DAP & MOP Fertilizer for last Fifteen years in Bangladesh, Bangladesh Fertilizer Association (BFA).

Chart I.4: Heat Map for Large and Medium Scale Manufacturing Output Growth (In percent)

	Weight	FY20		FY21				FY22		
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*
General Index of Manufacturing	100	7.7	-16	8.3	7.3	14.2	50.3	14.4	13.3	22.1
Food products	10.8	17	5	-4	6	8	25	11	-14	-5
Beverage	0.3	18	-50	11	13	71	160	52	89	74
Tobacco product	2.9	1	10	-11	-7	-9	-17	-9	-15	10
Textile	14.1	17	2	17	6	21	49	26	25	24
Wearing apparel	34.8	-8	-50	3	-4	3	106	17	42	48
Leather and related product	4.4	2	-1	63	35	78	163	47	-26	2
Wood and product of wood and cork	0.3	5	5	5	41	26	12	16	-15	6
Paper and paper products	0.3	5	10	14	-7	17	-2	14	68	21
Printing and recorded media	1.8	14	14	11	16	10	8	-3	-11	3
Coke and refined petroleum product	1.3	-51	-60	-6	83	103	166	14	-39	11
Chemical and chemical product	3.7	-4	-3	43	8	12	20	-24	-10	-2
Pharmaceuticals products	8.2	36	32	14	14	21	12	12	18	14
Rubber and plastic products	1.6	2	-14	-8	-8	-8	8	-7	-7	25
Non-metallic mineral product	7.1	27	-6	5	9	16	29	14	3	0
Basic metal	3.2	4	-38	-15	2	-5	63	24	14	18
Fabricated metal product	2.3	6	-13	47	51	37	52	-22	-28	11
Computer and electronic products	0.2	10	-65	-11	-19	-1	143	-14	2	-2
Electrical equipments	0.7	-8	-21	121	249	254	183	-39	-56	24
Machinery and equipments	0.2	24	7	3	2	0	4	-1	1	7
Motor vehicles and trailers	0.1	-51	-57	-61	-64	-13	124	105	480	189
Transport equipment	0.7	4	-15	13	4	12	37	-1	-6	9
Furniture	0.9	-1	-16	-16	-5	18	31	-13	-4	-10

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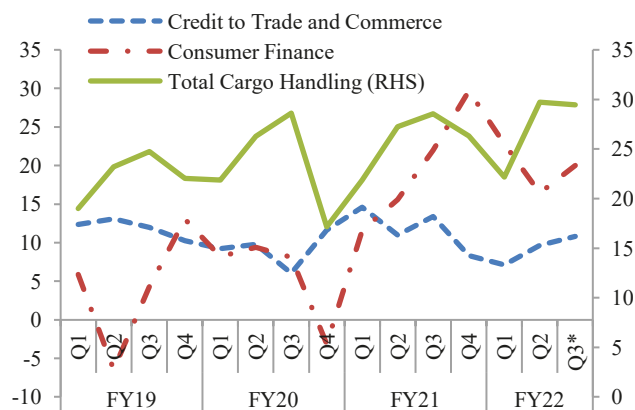
*Based on data available for January 2022

Source: BB staff's calculation based on BBS data.

1.4 Proxy indicators for the service sector-related activities manifested an uptrend during Q3FY22, on the back of growth in the commodity producing sectors and international trade. Among those proxy indicators, total cargo handling through Chattogram port, credit to trade and commerce, and consumer finance grew by 3.20 percent, 10.80 percent and 20.02 percent (y-o-y) respectively, in Q3FY22 (Chart I.5). Moreover, credit to construction sector increased by 10.60 percent and credit to transportation seized the declining trend after falling continuously for the last few quarters. Overall, government's policy supports and an improvement in the activities in related sectors such as the industry sector are expected to have a trickle-down effect on activities in the service sector in the rest of the fiscal year.

1.5 Going forward, the strong growth momentum in economic activities is expected to prevail during rest of the fiscal year, led by strong industry and service sector activities. However, this growth prospect is clouded by a number of uncertainties in the form of higher input cost and potential loss of export demand in Europe as the economic fallout of the Russia-Ukraine war.

Chart I.5: Growth of Credit to Trade and Commerce and Consumer Finance (In percent) and Total Cargo Handled by Chattogram Port (In MMT)

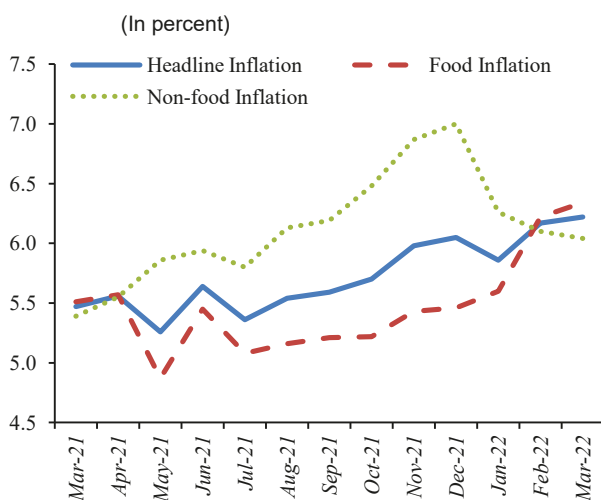


* Credit to Trade and Commerce and Consumer Finance data are provisional.
Source: Bangladesh Bank and Chattogram Port Authority.

II. Price

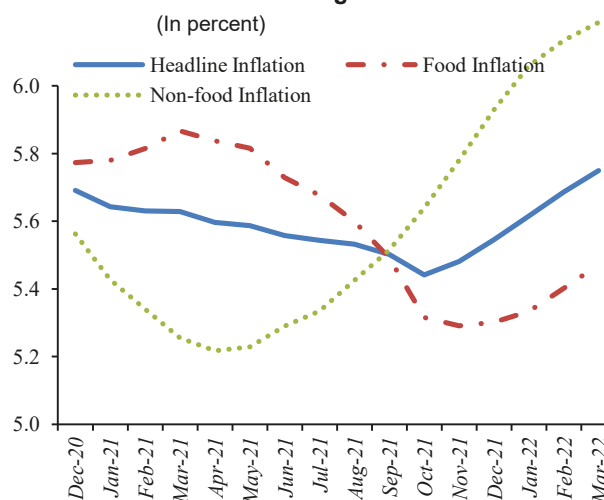
2.1 The headline CPI inflation (point to point) continued to increase in Q3FY22, mostly driven by food inflation, reaching 6.22 percent at the end of March 2022 from 6.05 percent at the end of December 2021. The recent surge in inflation largely attributed to supply shocks against the increased domestic demand as the economy has been recovering from the COVID-19 pandemic and persistent rise in global commodity prices. Moreover, recent Russia-Ukraine war induced headwinds suddenly to the restoration of global economy from the pandemic effect and the impacts are falling significantly on domestic food market through import channel. On the contrary, non-food CPI inflation softened gradually from 7.0 percent in December 2021 to 6.04 percent in March 2022 (Chart II.1). Accordingly, the 12-month average CPI inflation also continued to increase from 5.55 percent in December 2021 to 5.75 percent in March 2022, fueled by both food and non-food inflation (Chart II.2).

Chart II.1: Point-to-Point CPI Inflation



Source: Bangladesh Bureau of statistics.

Chart II.2: 12-Month Average CPI Inflation



Source: Bangladesh Bureau of statistics.

2.2 Point-to-point food inflation continued its upward trend in Q3FY22 and reached 6.34 percent in March 2022 from 5.46 percent in December 2021. The price momentum in food group in Q3FY22 mainly attributed to the inflation in vegetables, fish (fresh) and dry fish, and milk and milk product prices, while edible oil and fat prices continued its double-digit inflation. After remaining low even negative inflation for the most of the months in FY22, the price of vegetable sharply increased to 17.8 percent on an average during February-March 2022, reflecting partly the base effect. Fish (fresh) and dry fish prices also increased from 6.9 percent in December 2021 to 7.9 percent in March 2022. Milk and milk product prices increased from 3.0 percent to 4.7 percent during the same period. Moreover, edible oil and fat price continued its uptrend reaching 21.5 percent in March 2022, although it softened to 15.3 percent in January 2022 from 24.4 percent in December 2021, (Chart II.3). Decomposition of food inflation data show that prices of egg and meat and edible oils and fats maintained a significant contribution to inflation development in Q3FY22. On the other hand, share of cereal's inflation to food inflation decelerated in the quarter under review (Chart II.4). To curb the increasing price of edible oil and fats, government cut import duty on edible oil, while the Bangladesh Bank directed to keep LC margin as minimum as zero percent on these essential items.

Chart II.3: Point-to-point Inflation Heat Map (In percent)

	WEIGHTS	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Headline	100.00	5.47	5.56	5.26	5.64	5.36	5.54	5.59	5.70	5.98	6.05	5.86	6.17	6.22
Food, Beverage and Tobacco	56.18	5.51	5.57	4.87	5.45	5.08	5.16	5.21	5.22	5.43	5.46	5.60	6.22	6.34
1. Food	52.17	5.86	5.97	5.36	5.89	5.27	5.21	4.32	3.41	3.62	3.63	3.62	4.90	4.68
(a) Cereals	21.62	18.49	11.85	12.10	14.69	15.26	15.15	14.41	11.08	10.68	8.58	4.75	3.50	1.97
(i) Rice	20.31	19.61	12.45	12.78	15.18	15.82	15.62	14.80	11.10	10.81	8.57	4.74	3.37	1.68
(ii) Other Cereals	1.30	-0.28	1.29	1.06	6.44	5.85	6.80	7.21	10.70	8.33	8.76	5.08	6.03	7.82
(b) Pulses:	1.51	-4.11	-13.91	-10.93	-2.78	-0.72	4.83	8.21	5.24	-0.26	2.01	4.11	2.09	0.81
(c) Fish (fresh) & dry fish	6.98	-7.78	-3.82	-7.33	-6.46	-5.77	-2.70	-2.77	8.65	8.17	6.90	5.74	6.42	7.89
(d) Eggs and Meat	4.94	5.31	4.50	0.66	2.87	3.51	6.16	5.92	7.51	5.72	6.38	5.43	4.36	4.89
(e) Vegetable	4.78	2.41	24.78	25.27	12.47	8.52	-3.70	-11.51	-21.61	-19.25	-13.53	0.47	18.60	16.96
(f) Fruits	1.85	-0.45	0.59	-2.27	-10.75	-12.44	-6.69	-4.27	-2.03	-4.68	-6.20	-8.41	-11.50	-6.53
(g) Spices	4.29	-8.89	-8.19	-2.26	0.79	-5.41	-5.65	-6.68	-5.14	-4.75	-6.79	-3.78	-0.46	-2.37
(h) Edible oils & fats	1.93	16.81	11.09	11.64	17.47	19.79	21.07	22.74	23.09	23.07	24.44	15.34	17.84	21.53
(i) Milk and milk products	2.05	1.47	7.81	3.43	2.86	2.12	2.35	7.80	7.47	4.20	3.04	2.86	1.84	4.71
(j) Miscellaneous food items	2.24	-0.04	-1.46	-1.61	-1.58	-1.09	-0.69	1.33	5.42	14.64	14.09	9.60	7.62	8.37
2. Beverage	1.34	6.90	16.06	17.54	32.06	33.94	36.10	61.34	62.69	64.64	67.72	80.15	69.90	77.42
3. Tobacco & Products	2.67	1.77	-0.19	-0.14	-3.29	-1.73	-0.71	4.74	15.22	14.69	14.10	13.17	7.66	10.37
Non-food	43.82	5.39	5.56	5.86	5.94	5.80	6.13	6.19	6.48	6.87	7.00	6.26	6.10	6.04
I. Clothing and Footwear	6.84	4.22	4.37	4.58	4.80	5.10	6.18	7.26	7.49	8.20	9.32	6.78	7.07	7.10
II. Rent, Fuel & Lighting	14.88	1.58	1.50	1.32	-0.20	-0.20	0.20	1.15	1.56	1.68	1.69	1.54	1.87	2.04
III. Household Furniture, operations and repairing	4.73	6.00	6.72	7.05	7.73	7.39	6.98	8.04	8.01	7.66	7.76	7.75	7.52	6.90
IV. Medical Care & Health Expenses	3.47	7.65	7.62	5.09	4.89	4.92	4.92	2.62	2.62	2.56	2.37	1.78	1.11	1.11
V. Transport and Communication	5.80	9.72	10.16	9.59	17.42	16.94	17.30	13.60	16.45	18.68	18.37	17.41	16.64	16.03
VI. Recreation & Educational Expenses	4.28	2.60	2.62	2.62	2.92	3.15	3.38	4.05	4.12	4.32	4.61	4.65	4.43	4.62
VII. Miscellaneous Goods & Services	3.82	13.64	13.77	13.78	12.96	11.55	11.53	8.99	9.11	8.77	8.15	7.33	6.08	6.28

Source: BB staff's calculation based on BBS data

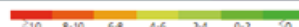
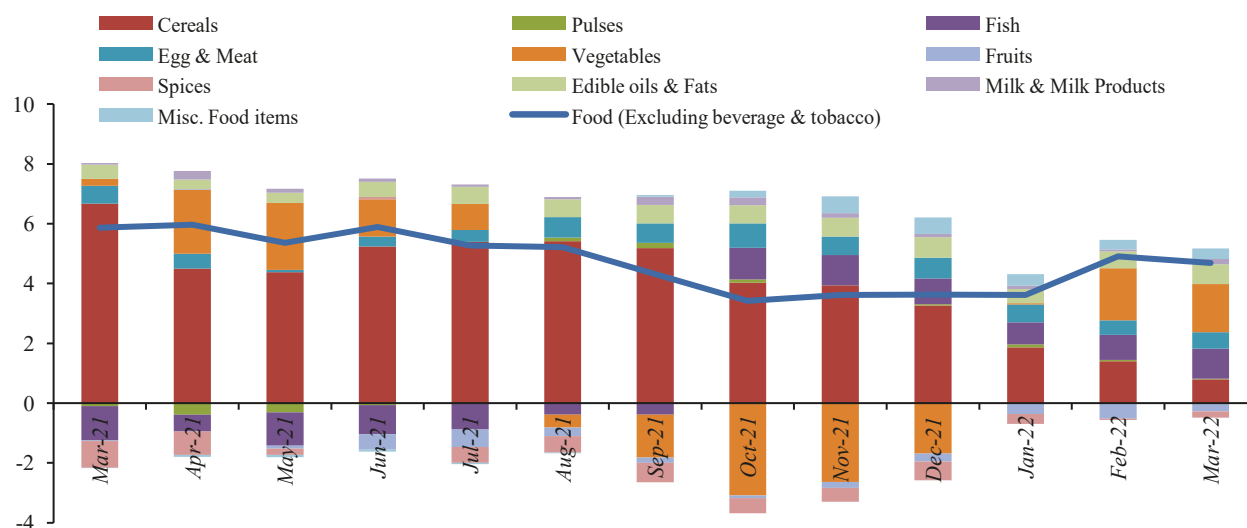


Chart II.4: Decomposition of CPI Food (excluding beverage and tobacco) Inflation (In percent)

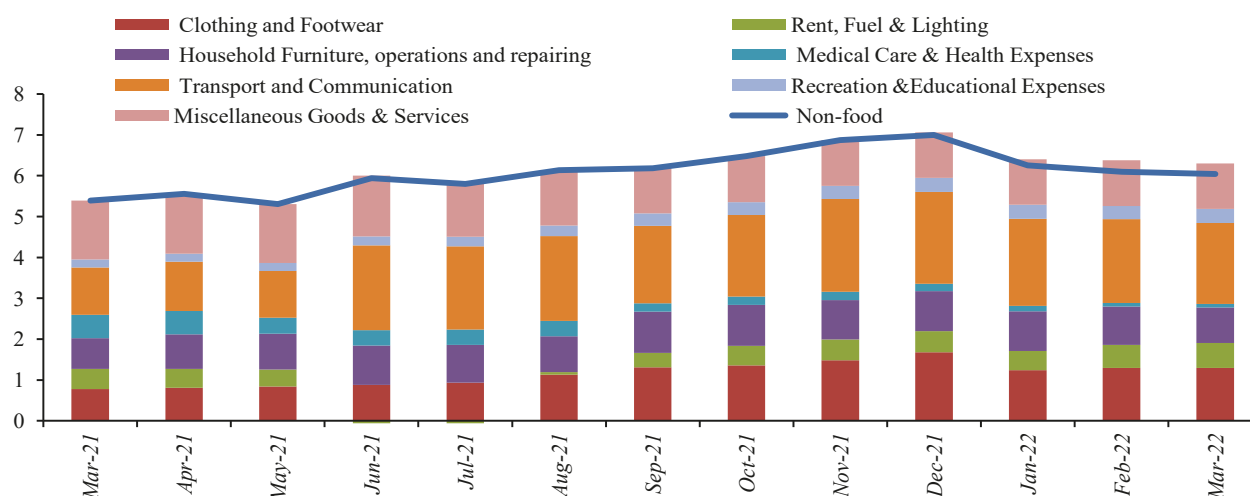


Source: BB staff's calculation based on BBS data

2.3 In Q3FY22, non-food inflation observed a gradual moderation from a recent high of 7.0 percent in December 2021 to 6.0 percent in March 2022, mostly attributed by clothing and footwear, household furniture, operations and repairing. Clothing and footwear and household furniture, operations and repairing inflation stepped down from 9.3 percent and 7.8 percent in December 2021 to 7.1 percent and 6.9 percent in March 2022, respectively. Medical care and health expenses exhibited a declining trend in the months of FY22, declining to 1.1 percent in both in last month of Q3FY22 as the fear of *coronavirus* waned in the face of adequate vaccine

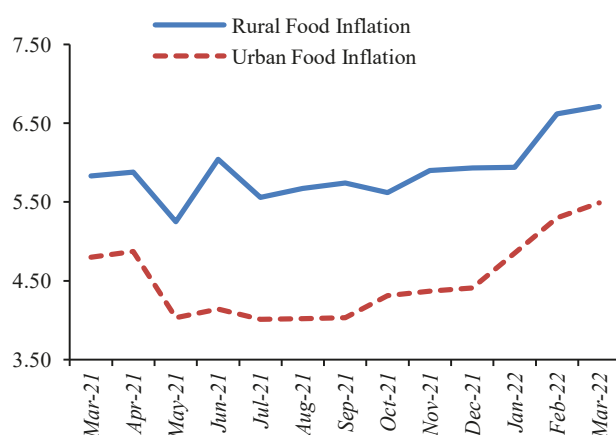
roll-out. Transport and communication expenses remained elevated in Q3FY22, reflecting the upward revision of domestic price in response to global price hike, although the expenses eased down to 16.0 percent in March 2022 from 18.4 percent in December 2021. Rent, fuel and lighting inflation crept up from 1.7 percent in December 2021 to 2.0 percent in March 2022 (Chart II.3). On the contribution side, the largest share came from transport and communication inflation (1.98 percent) followed by clothing and footwear (1.30 percent) and miscellaneous goods and services (1.22 percent) in the last month of Q3FY22 (Chart II.5).

Chart II.5: Decomposition of CPI Non-food Inflation (In percent)



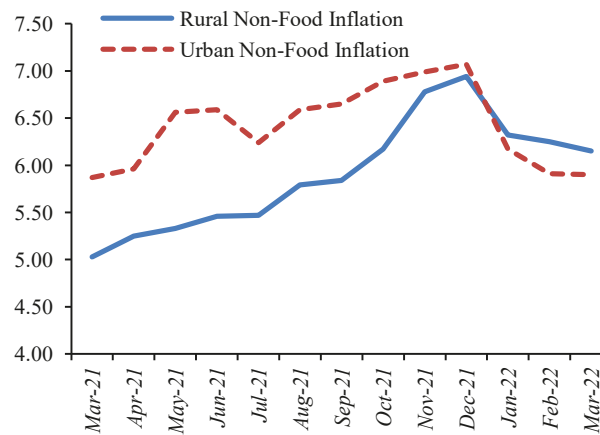
Source: BB staff's calculation based on BBS data

Chart II.6: Point-to-point CPI Food Inflation (In percent)



Source: Bangladesh Bureau of statistics.

Chart II.7: Point-to-point CPI Non-food Inflation (In percent)



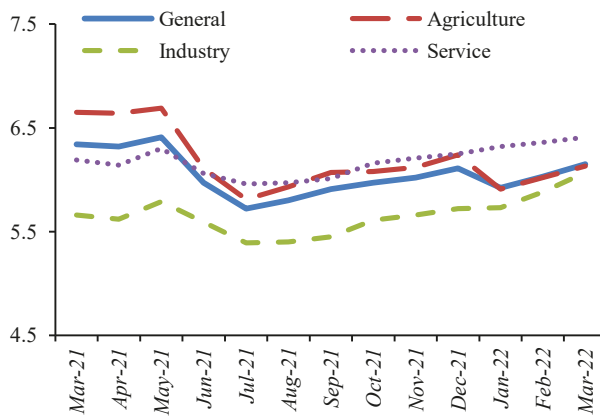
Source: Bangladesh Bureau of statistics.

2.4 Food inflation in both urban and rural areas continued to pick up during Q3FY22. Rural food inflation increased to 6.71 percent in March 2022 from 5.93 percent in December 2021 while that of urban areas climbed up to 5.49 percent in March 2022 from 4.41 percent in December 2021 (Chart II.6). Relatively higher food inflation in rural areas than that of urban areas persisted in the current quarter although food inflation gap between these two witnessed a decline. This episode of higher food inflation in rural areas might be an impulse from a series of demand side phenomena

due to remittance inflows mainly to rural people, and urban to rural migration because of COVID-19 induced job loss. On the other hand, non-food inflation in both rural and urban areas declined significantly to 6.15 percent and 5.90 percent in March 2022 from 6.94 percent and 7.07 percent in December 2021, respectively (Chart II.7).

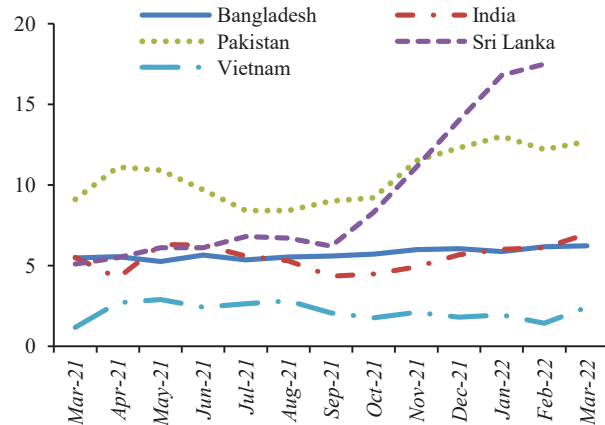
2.5 The nominal wage rate moved upward gradually from 6.11 percent in December 2021 to 6.15 percent in March 2022. However, sector-wise wage rate development shows that wage rate in the agricultural sector recorded a decline while the industry and the service sector observed an increase in nominal wage rate. The wage rate in the agriculture sector fell by 0.11 percentage point in March 2022 from December 2021, reflecting adequate supply of labors from urban to rural areas because of COVID-19 induced job loss in urban areas. However, wage rate in industry and service sectors grew by 0.35 and 0.16 percentage points respectively in March 2022 from December 2021 (Chart II.8).

Chart II.8: Wage Rate (Percentage Change, Point-to-point)



Source: Bangladesh Bureau of statistics.

Chart II.9: Inflation in Peer Countries (In percent)



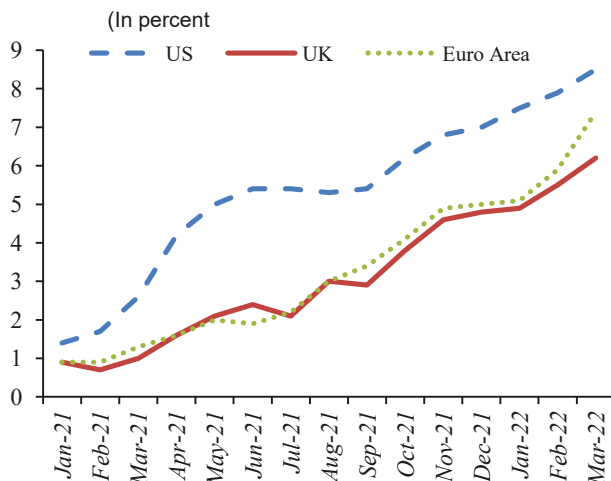
Sources: Central Banks and Statistics Department of respective Countries.

2.6 Inflation in all of the selected peer countries followed an upward trend during January-March quarter in 2022. CPI inflation of India increased markedly and reached 6.95 percent in March 2022 which was much above the country's upper tolerance band. Nonetheless, Pakistan witnessed more volatile inflation and frequently visited double digit inflation territory, registering 12.70 percent CPI inflation in March 2022. Sri Lanka faced almost fourteen years high inflation of 21.50 percent in March 2022. Inflation in Vietnam edged up to 2.41 percent in March 2022 from 1.81 percent in December 2021 (Chart II.9).

2.7 Global inflation momentum had come up with an unfavorable outcome. Inflation in advanced economies such as US, UK and Euro area experienced a sharp pick-up in CPI inflation. The CPI headline inflation in the Euro area surged to 7.4 percent in March 2022 which was only 1.3 percent a year ago. The CPI inflation in US and UK recorded 8.5 and 6.2 percent in March 2022 which were 2.6 and 1.6 percent respectively in March 2021 (Chart II.10). Emerging market and developing economies also suffered from the ongoing high inflation episodes. In advanced economies, inflation is forecasted at 5.7 percent while it is 8.7 percent in emerging market and developing economies for 2022⁵.

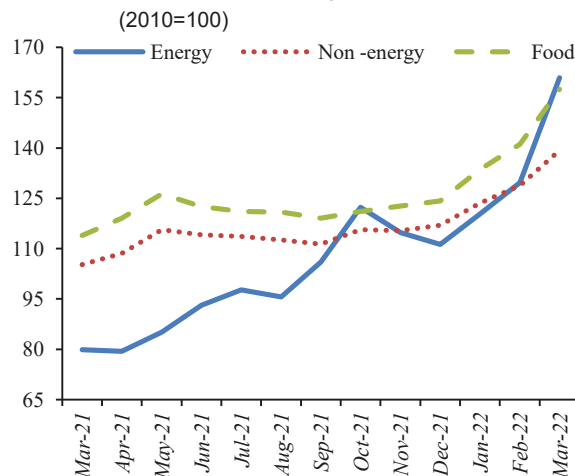
⁵ World Economic Outlook, April 2022.

Chart II.10: Inflation in Advanced Economies



Sources: Respective Central Banks.

Chart II.11: Global Commodity Price Indices

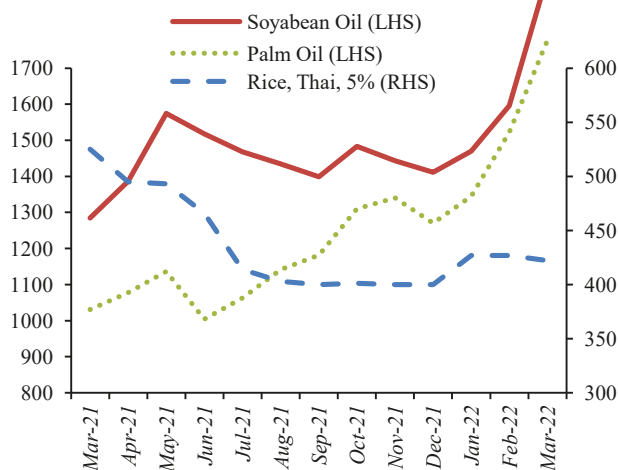


Source: Commodity Market Outlook, World Bank.

2.8 Global energy price index encountered a precipitous rise with 101.56 percent year-on-year growth in March 2022 backed by the rise in crude oil price. Crude oil price increased to USD 113.11 a barrel in March 2022 from USD 72.76 a barrel in December 2021 mainly because of Russia's invasion of Ukraine. Since Russia is a major supplier of oil and gas, the decline in the supply as an outcome of the sanctions drove the prices up sharply. On the other hand, food price index rose by 38.28 percent (year-on-year) in March 2022 as a consequence of the war, as Russia and Ukraine together are the main supplier of wheat and corn.

Wheat prices spiked up to USD 533.12 a metric ton in March 2022 from USD 327.82 a metric ton in December 2021. Soybean oil and palm oil price also jumped to USD 1956.88 and USD 1776.96 a metric ton in March 2022 which were USD 1411.21 and USD 1270.29 a metric ton respectively in the last month of the previous year. Non-energy price index surged by 32.26 percent in March 2022 compared to the same month of the previous year (Chart 11 & 12).

Chart II.12: World Commodity Price (USD/M.T.)



Source: Commodity Market Outlook, World Bank.

2.9 The inflation outlook might confront uncertainty to contain within the FY22 target because of increasingly broad-based price pressures from supply-demand imbalances in the pace of rising demand, unfavorable prognosis of the Russia-Ukraine war, and elevated global commodity prices. In addition, sharp increase in inflation in India, being one of the largest trading partners, might pose upward risks to the inflation outlook of Bangladesh. Again, recurring lockdowns in China's manufacturing hubs could cause supply bottlenecks which may further worsen the inflation forecast as China is the largest trading partner of the country. Notwithstanding, BB remains vigilant to the

impact of price pressures on inflation outlook by taking stern actions such as limiting LC margin to zero percent to keep the inflation of necessary goods checked. Moreover, the government is cautious to control the inflation at a tolerable level by taking steps such as reducing import tax on necessary items. The government is also continuing its open market sales (OMS) to provide daily necessary goods at low costs, especially for the low-income group all over the country.

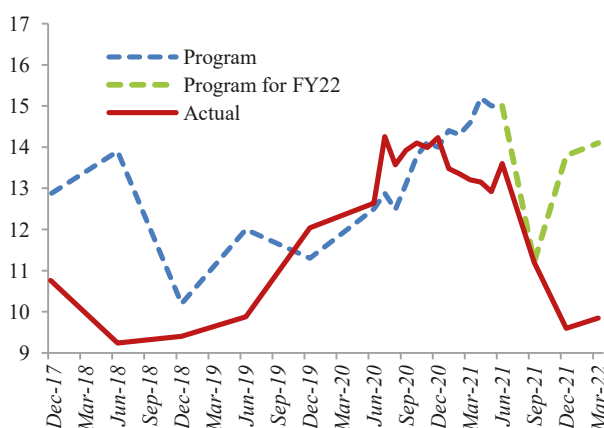
III. Money and Credit Market

3.1 Broad Money (M2) growth edged up in Q3FY22 after observing a continuous decline since the beginning of current fiscal year. The growth of M2 emanated from the growth of Net Domestic Assets (NDA), although widening balance of payment deficit led to a contraction of Net Foreign Assets (NFA). A healthy growth of domestic credit in tandem with further slowdown of deposit growth led to a moderation in liquidity in the banking system during this period. Nonetheless, interest rates in the inter-bank money market declined at the end of March 2022 mainly because of government's redemption of short-term bank-borrowings.

3.2 The growth of M2 gained momentum marginally and grew by 9.85 percent (y-o-y) at the end of Q3FY22 which was 9.60 percent in Q2FY22 against the target of 15.00 percent set for June 2022 (Chart III.1).

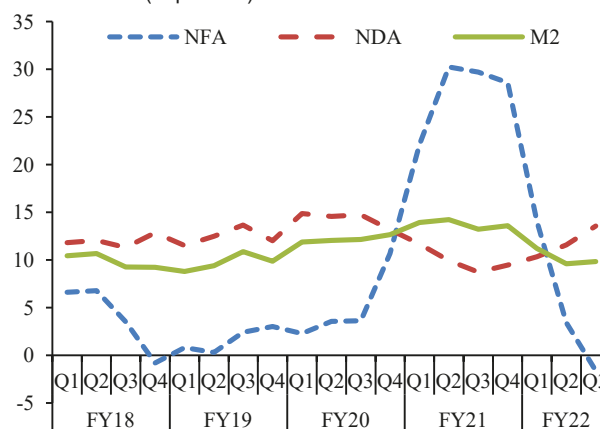
The growth of NFA observed further contraction and registered a negative growth of 1.60 percent against the target of 13.01 percent for H1FY22 (Chart III.2). This slowdown of NFA growth was due to a deficit in the overall balance of payment in the face of declining trend of remittance inflows (10.52 percent) coupled with a widening trade deficit.

Chart III.1: Broad Money (M2) Growth (In percent):
Program vs. Actual



Source: Bangladesh Bank.

Chart III.2: Growth of M2, NDA, and NFA
(In percent)



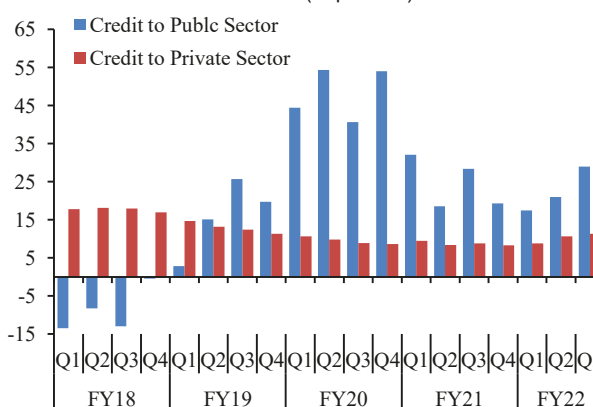
Source: Bangladesh Bank.

3.3 On the other hand, NDA growth not only maintained the upward trend but also observed highest growth in the last two years. The growth of NDA increased to 13.54 percent in March 2022 from 11.56 percent in December 2021, contributed by a rise in the growth of both credit to the public

and private sectors. Credit to the public sector grew by 28.96 percent in March 2022 compared to 21.00 percent growth in December 2021. At the same time, with the support of a strong economic recovery and prevailing low interest rates, the growth of credit to private sector continued gaining momentum and increased to 11.29 percent in March 2022 from 10.68 percent in December 2021 against the target of 14.8 percent for June 2022. The sector-wise distribution of credit shows that the growth of bank credit (y-o-y) to industry, trade and commerce, construction, consumer finance, and agriculture sectors increased by 7.91

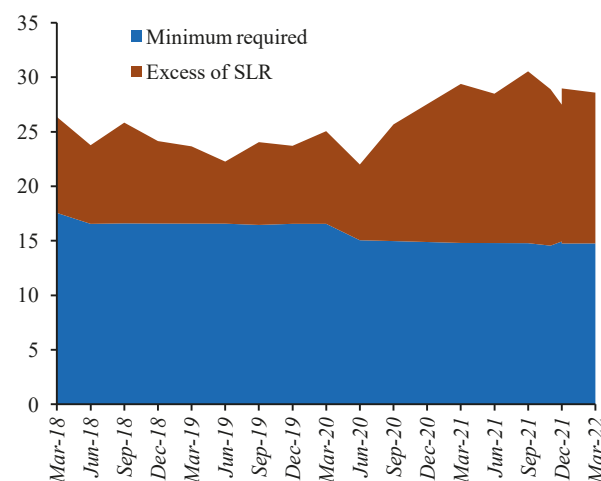
percent, 10.80 percent, 10.60 percent, 20.02 percent, and 14.08 percent respectively, at the end of March 2022 (Table I.9). The upward trend of economic recovery suggests that the growth of credit to private sector is expected to strengthen further in the remaining quarter of FY22

Chart III.3: Growth of Credit to Public and Private Sector (In percent)



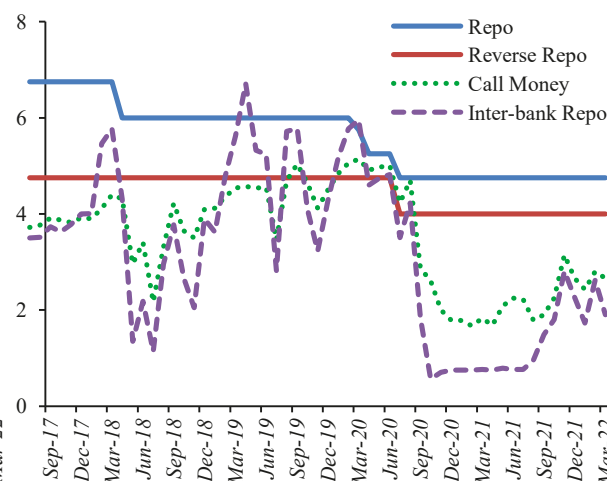
Source: Bangladesh Bank.

Chart III.4: Liquidity as percent of TDTL



Source: Bangladesh Bank.

Chart III.5: Movements in Policy and Money Market Rates (In percent)

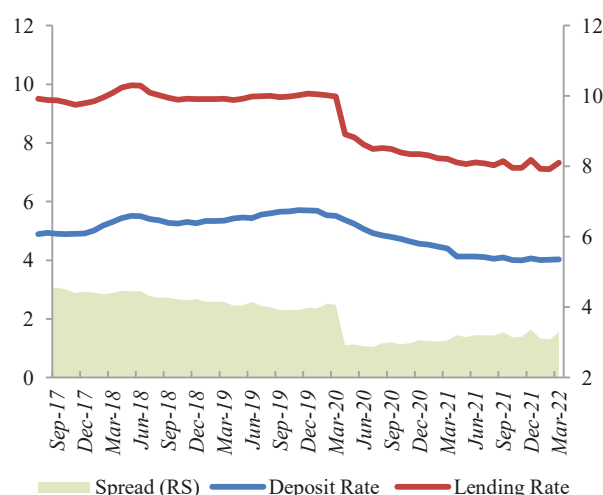


Source: Bangladesh Bank.

3.4 Although the key rates related to the money market remained unchanged, the rising domestic credit growth to 14.01 percent together with the slowdown of total deposit growth to 9.05 percent at the end of Q3FY22 led to a decline in liquidity in the banking system. Consequently, the ratio of total liquid assets and liquid asset excess of SLR to total demand and time liabilities (TDTL) reduced to 27.23 percent and 12.47 percent at the end of March 2022 from 28.58 percent and 13.83 percent at the end of December 2021, respectively (Chart III.4). Nonetheless, weighted average interest rate in the inter-bank repo market declined to 1.90 percent in this quarter under review from 2.26 percent in December 2021, while interest rate in the call money market remained stable at 2.66 percent at the same time (Chart III.5), mainly because of repayment of short-term

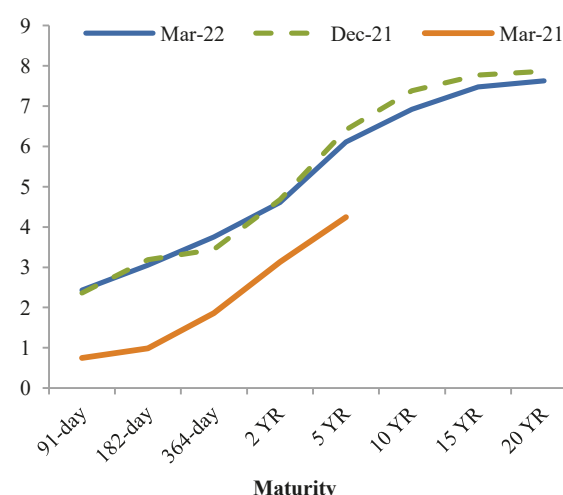
bank-borrowings by the government. On the same line, the weighted average lending and deposit rates decreased to 7.32 percent and 4.03 percent in March 2022 from 7.42 percent and 4.06 percent in December 2021, respectively (Chart III.6).

Chart III.6: Interest Rate Spread
(In percent)



Source: Bangladesh Bank.

Chart III.7: Interest Rate of Government Securities
(In percent)



Source: Bangladesh Bank.

3.5 The weighted average yields on most of the short-term government securities continued maintaining an upward trend while medium and long-term government securities observed downward trend during Q3FY22. The yields on 91-day, 182-day, and 364-day treasury bills nudged up to 2.43, 3.05, and 3.75 percent in March 2022 from 2.36, 3.19, and 3.44 percent in December 2021, respectively. However, yields on 2-year, 5-year, 10-year, 15-year and 20-year treasury bonds dropped slightly to 4.61, 6.11, 6.92, 7.48 and 7.63 percent from 4.68, 6.41, 7.38, 7.77 and 7.87 percent, respectively, at the same time (Chart III.7).

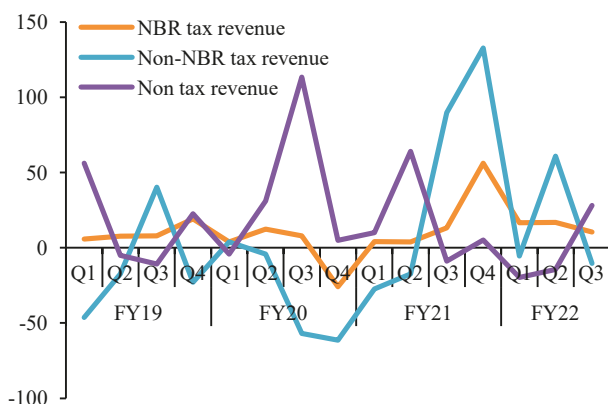
3.5 Looking forward, despite the declining trend of NFA, broad money growth drifted up hinging upon healthy growth of domestic credit which is expected to gain further traction relying upon seasonal positive externalities and favorable economic activities. On the other hand, BB has been prioritizing continuously on ensuring available and efficient utilization of funds in the productive sectors, including agriculture, CMSMEs, export-oriented industries and the informal sector towards surpassing the pre-pandemic growth. Therefore, against the strengthened activities of country's economy in the recovery stages, it is expected that increasing trend of private sector credit growth will contribute to achieve the economic growth target for FY22.

IV. Fiscal Sector

4.1 The overall fiscal activities picked up during Q3FY22, reflected in both higher revenue mobilization and government expenditure. The budget deficit widened in Q3FY22 compared to previous quarter due to outstripping government expenditure over total revenue collections. In Q3FY22, foreign sources contributed largely to the financing of the deficit compared to the domestic sources. A large share of the domestic funds came from the non-banking sector, particularly, from selling the national saving certificates compared to the traditional banking system. Up to Q3FY22, the total revenue, expenditure and deficit financing, as a percentage of GDP, stood at 5.9 percent, 8.0 percent, and 2.1 percent respectively.

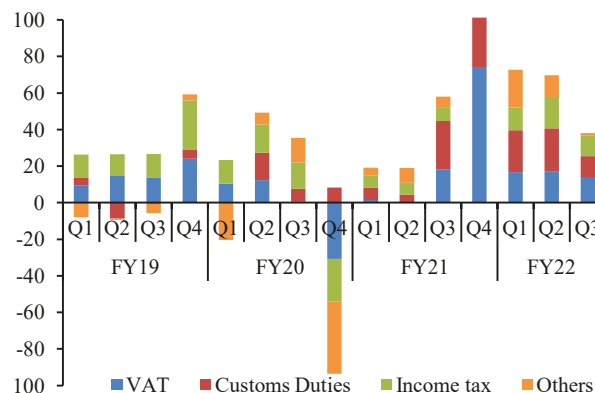
4.2 With the pickup in domestic economic activity and higher international trade volumes, the total revenue increased by 4.7 percent to BDT 875.4 billion (2.20 percent of GDP) in Q3FY22 from BDT 836.1 billion in Q3FY21 (2.37 percent of GDP). The NBR tax revenue increased by 10.4 percent to BDT 748.1 billion in Q3FY22 from BDT 677.6 billion in Q3FY21 due to a 13.6 percent increase in value added tax, a 11.9 percent increase in customs duties and a 11.2 percent increase in income tax collection (Chart IV.2). In the first nine months of the current fiscal year total revenue collection reached BDT 2349.3 billion through which achieved 60.4 percent of the yearly revenue target of BDT 3890 billion that is 7.8 percent higher than that of the first nine months of FY21. On the other hand, non-NBR tax revenue and non-tax revenue achieved 26.2 percent and 62.4 percent of the yearly target in FY22, respectively.

Chart IV.1: Trends in Total Revenue
(year on year growth, in percent)



Sources: Ministry of Finance, National Board of Revenue.

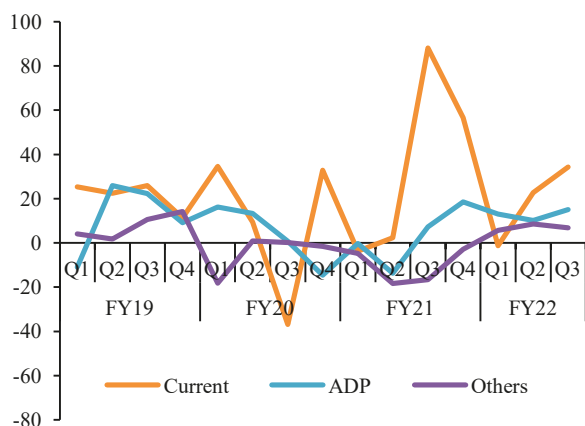
Chart IV.2: Trends in NBR Tax Revenue
(year on year growth, in percent)



Source: National Board of Revenue.

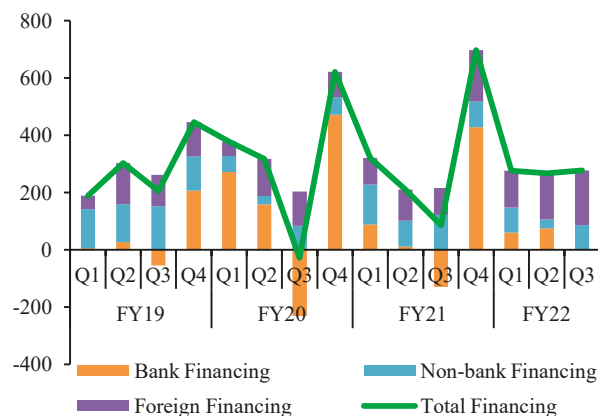
4.3 Overall expenditure increased in Q3FY22 based on higher current expenditure and ADP expenditure. The overall expenditure grew by 25.0 percent to BDT 1152.1 billion in Q3FY22 from BDT 921.7 billion in Q3FY21. Current expenditure increased by 34.3 percent to BDT 670.3 billion and Annual Development Program (ADP) expenditure increased by 15.1 percent to BDT 419.7 billion in Q3FY22 (Chart IV.3). During the first three quarters, total expenditure was about 52.5 percent of the annual budget target of BDT 6036.8 billion for FY22. On the other hand, the government implemented 43.9 percent of ADP expenditure target and 60.7 percent of current expenditure target in the first nine months of FY22.

Chart IV.3: Trends in Government Expenditure
(year on year growth, in percent)



Sources: Ministry of Finance; Ministry of Planning.

Chart IV.4: Sources of Financing of Budget Deficit
(In billion Taka)



Sources: Bangladesh Bank; Ministry of Finance.

4.4 The fiscal deficit widened during the quarter under review compared to that of Q3FY21 due to faster growth of expenditure over revenue collection. The deficit increased by 223 percent from BDT 85.6 billion in Q3FY21 to BDT 276.7 billion in Q3FY22 (Chart IV.4). Around 70 percent of budget deficit was financed from foreign sources while domestic sources contributed around 30 percent in Q3FY22. In Q3FY22, domestic financing stood at BDT 85.2 billion comprised of BDT 2.4 billion borrowing from the banking sector and BDT 82.9 billion from non-banking sources. Both bank and non-bank borrowing observed a decline of 101.8 percent and 31.9 percent in Q3FY22 compared to that of Q3FY21 respectively. Around 97 percent of domestic financing was collected from non-banking sources while 3 percent from the banking channels in this quarter. However, budget financing by the foreign sources stood at BDT 191.4 billion, increased by 104.9 percent over the same quarter of the preceding year.

4.5 The economic growth performance of Bangladesh was quite well over the decade. The economic activities slumped due to COVID-19 pandemic, recovered faster owing to monetary and fiscal stimulus support. However, rising global inflation in food and energy prices are further squeezing fiscal space which has already been narrowed by fiscal expansion to repair the damage caused by the pandemic. In the first nine months of FY22, the revenue-GDP ratio was 5.9 percent which is expected to increase 9.8 percent by the end of FY22 forecasted in the national budget. Bangladesh is lagging behind in revenue collection in terms of revenue-GDP ratio as compared to the other peer countries. However, the government, specifically NBR is working on revenue mobilization as revenue-GDP ratio is still below the desired level. Among the peer countries Bangladesh is in a remarkable position in total public debt with USD 148 billion, 41 percent of GDP, which is lower than the risk threshold of 70 percent estimated by the IMF (International Monetary Fund). On the other hand, external debt accounted for USD 62 billion (18 percent of GDP).

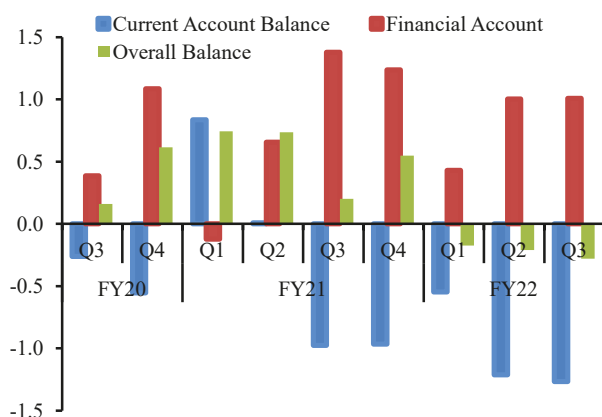
V. External Sector

5.1 External sector faced some headwind in Q3FY22 with the widen negative external trade balance as the economy started to recover from the COVID-19 pandemic, hiking global commodity and energy prices, and supply side disruptions triggered by the Ukraine-Russia war. Although external trade started to recover strongly, import payments outstripped export earnings resulting in a large trade deficit and with the slower pace of inward remittances, the current account deficit widened further during the quarter under review. Conversely, financial inflows picked up during the quarter driven by large FDI inflows and MLT loans. On balance, the balance of payment (BoP) recorded a higher deficit in Q3FY22 contrast to a surplus in Q3FY21 and the exchange rate of Bangladeshi Taka against the US Dollar faced depreciation pressures.

5.2 The deficit in current account (CA) widened by about 44.8 percent to USD 5.9 billion in Q3FY22 from USD 4.1 billion deficit in Q3FY21 fuelled by higher trade deficit (by 11 percent, y-o-y) and decline in remittance inflows (by 10.5 percent, y-o-y). Import payments were notably higher than export earnings resulting in the widening of trade deficit to USD 9.3 billion in Q3FY22 from USD 8.3 billion deficit in Q3FY21. The overall BoP posted a deficit of USD 1.3 billion in Q3FY22 compared to a surplus of USD 0.8 billion in Q3FY21.

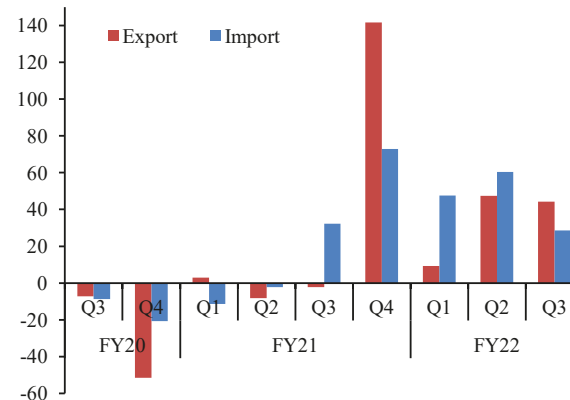
During the first three quarters of FY22, the CA recorded a deficit of USD 14.1 billion (3.0 percent of GDP) which was significantly higher than that of USD 0.6 billion in the first three quarters of FY21 because of a wider trade deficit (64 percent), and a decline in remittance inflows (17.7 percent). The trade deficit increased by nearly 64 percent to USD 24.9 billion during the July-March, FY22 from USD 15.2 billion in the same period of FY21. Despite an upward trend in financial inflows, the BoP recorded a USD 3.1 billion deficit in contrast to a USD 7.0 billion surplus during this period.

Chart V.1: Trends in Current Account and Overall Balance (Percent of GDP)



Source: Bangladesh Bank.

Chart V.2: Trends in Export and Import Growth (Year on year growth, in percent)



Source: Bangladesh Bank.

5.3 Export earnings grew by 44.2 percent to USD 13.3 billion in Q3FY22 from USD 9.2 billion in Q3FY21 supported by strong growth (45 percent) of RMG export. The woven garments and knitwear products (having a share of 40.1 and 42.8 percent, respectively) played a significant role in accelerating the export growth. These two items grew by 46 percent (y-o-y) to USD 5.6 billion and 44 percent (y-o-y) to USD 6.0 billion respectively during the quarter. The substantial increase of the

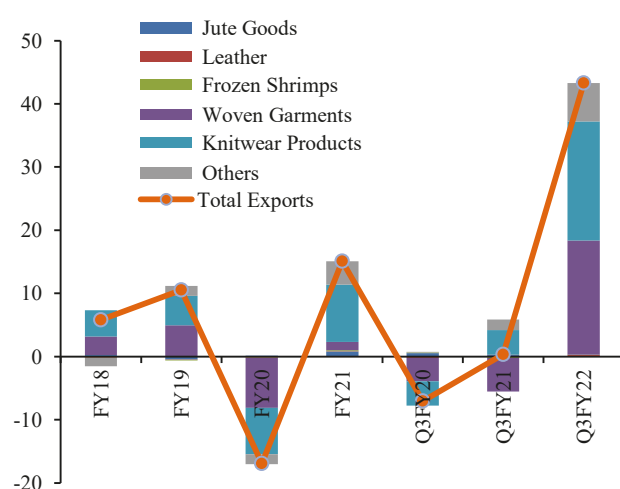
exports of woven garments and knitwear products originated from strong demand in the European countries (by 40 percent and 45 percent growth respectively).

During July-March, FY22 export earnings increased by 32.9 percent (y-o-y) and reached USD 36.6 billion which was 18.4 percent higher than the target for the same period set by Export Promotion Bureau (EPB). Among the export categories, all major items except jute and jute goods fulfilled EPB's target. Export of manmade filaments and staple fibers exceeded the target by 74 percent, cotton and cotton products by 32 percent, engineering products by 25 percent, chemical products by 24 percent, plastic products by 21.3 percent, and petroleum bi-products by 21 percent, leather products by 16 percent during July-March, FY22.

5.4 Import payments surged by 28.6 percent to USD 22.6 billion in Q3FY22 from USD 17.5 billion in Q3FY21 reflecting rebounding economic activities after the COVID-19 pandemic as well as the hike in global commodity and energy prices. However, the 28.6 percent growth in import payments registered in Q3FY22 was lower than the 32.3 percent growth recorded in Q3FY21. Total import payments mainly originated from the consumer and intermediate goods (62 percent) followed by the capital goods (18 percent) and food grains (2.3 percent).

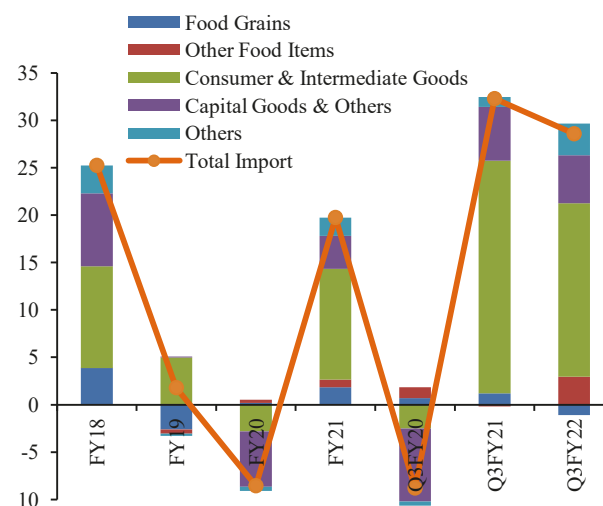
During the July-March period of FY22, total import payment increased by 43.9 percent to USD 61.5 billion from USD 42.8 billion recorded in the same period of previous year.

Chart V.3: Decomposition of Export Growth
(In percent)



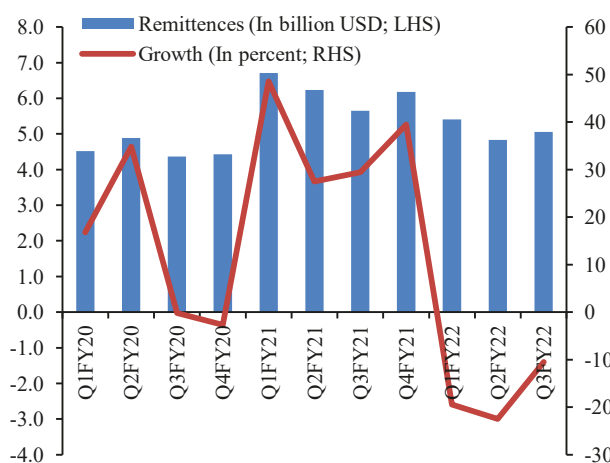
Source: BB staff's calculation based on EPB data.

Chart V.4: Decomposition of Import Growth
(In percent)

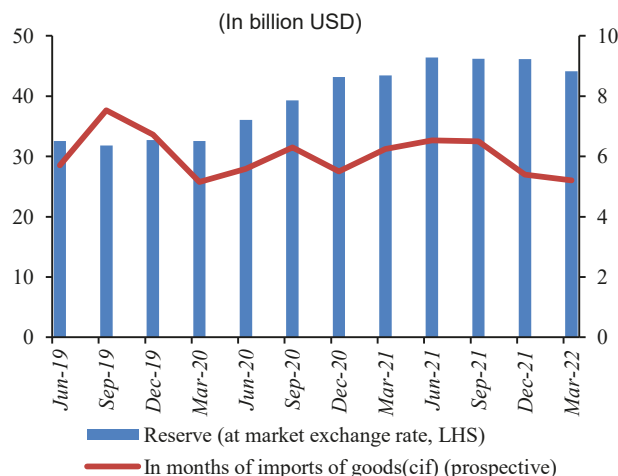


Source: BB staff's calculation based on NBR data.

5.4 Remittance inflows declined by 10.5 percent to USD 5.1 billion in Q3FY22 from USD 5.7 billion in Q3FY21 because of falling remittance inflows from the Gulf and Asia pacific regions by 15.1 and 39.5 percent respectively. However, total remittance inflows increased by 4.7 percent in Q3FY22 compared to the preceding quarter (Chart V.5). Around 51 percent of total remittance came from Gulf region of which 41 percent came from Saudi Arabia. Around 12 percent of all inward remittances originated from the Euro area. During July-March, FY22 total remittance inflows declined by 17.7 percent and stood at USD 15.3 billion from USD 18.6 billion in the same period of previous fiscal year.

Chart V.5: Remittance Inflows

Source: Bangladesh Bank.

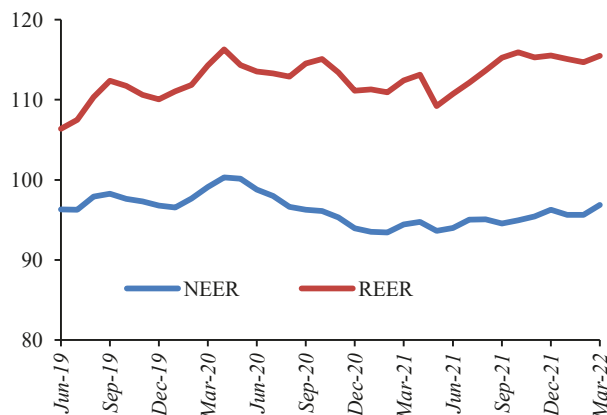
Chart V.6: International Reserve

Source: Bangladesh Bank.

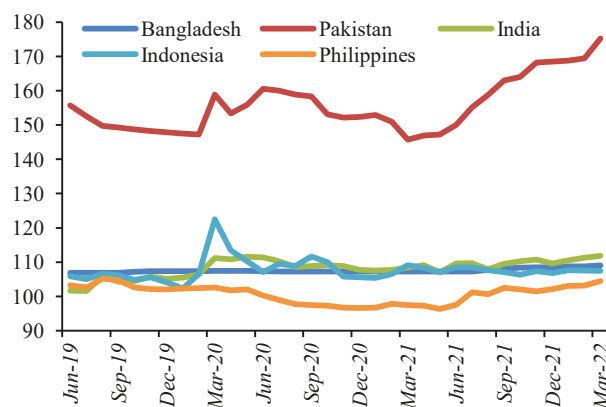
5.5 After declining to the lowest level in Q1FY22, financial inflows started to rise and amounted to USD 4.7 billion in Q3FY22 caused mainly by net foreign direct investment (FDI) growth of 52 percent compared over the FDI recorded in Q2FY22, along with the growth in medium and long term (MLT) loans (by 19.8 percent compared to Q2FY22). Financial inflows covered 79.5 percent of current account deficit in Q3FY22. Financial inflows increased by 42.7 percent to USD 11.3 billion in July-March, FY22 from USD 8.0 billion in July-March, FY21, dominated by 56.30 percent growth of medium and long term (MLT) loans.

Chart V.7: Effective Exchange Rate Indices

(Base : 2015-2016=100)



Source: Bangladesh Bank.

Chart V.8: Cross-Country Nominal Exchange Rate Indices (Base: Jan 2017=100)

Source: International Financial Statistics, IMF.

5.6 The exchange rate of Bangladeshi Taka against US Dollar depreciated by 1.65 percent (y-o-y) at the end of Q3FY22. The major factors that exerted depreciation pressures on Taka are a surge in current account deficit resulting from a large trade deficit mainly fuelled by global commodity and energy price hike, and a decline in remittance inflows. However, Bangladesh Bank (BB) continued to intervene in the foreign exchange market with a net sale of USD 1.56 billion during the quarter to reduce depreciation pressures on the Bangladeshi Taka against the US Dollar. As a result, the foreign exchange reserve declined to USD 44.1 billion at the end of March 2022 compared to USD 46.2 billion at the end of December 2021. This level of foreign exchange reserve

was enough to maintain the prospective import payments of 4.7 months which was the lowest import coverage in the last three years. (Chart V.6). The nominal effective exchange rate (NEER) and real effective exchange rate (REER) appreciated by 2.6 and 2.7 percent (y-o-y) respectively at the end of Q3FY22 compared to that of Q3FY21 (Chart V.7). The nominal exchange rate of peer countries except Indonesia depreciated at the end of March 2022. The Pakistani Rupee against the US Dollar dropped significantly, by 20 percent, to 183.5 Rupee per US Dollar whereas Indonesian Rupiah appreciated by 1.5 percent (Chart V.8).

5.7 Looking ahead, it is expected that the fallout of COVID-19 pandemic will diminish with the wide spread of vaccination programs and acquisition of herd immunity. Driven by the global commodity and energy price hike, and global supply disruptions due to the Ukraine-Russia war mounted pressures on foreign exchange reserves and exchange rate. Because of Russia-Ukraine war, agriculture commodity prices are likely to increase further. Particularly, the price of wheat (Russia and Ukraine account for about 30 percent of the global exports of wheat) and to a less extent, the corn price are likely to rise further.

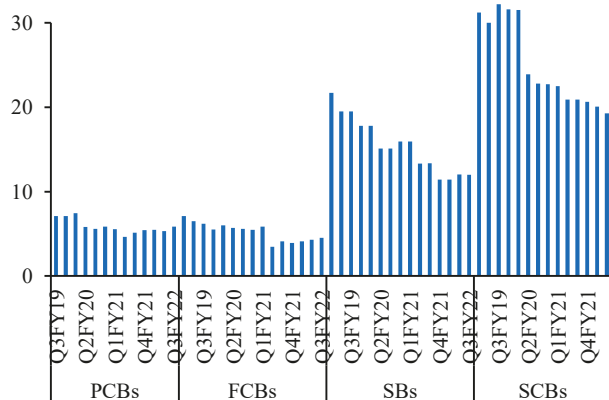
With the higher import payments scenario, Bangladesh Bank has increased mandatory LC (letter of credit) margin to 75 percent on a number of luxurious import items and 50 percent LC margin for non-essential item to discourage unnecessary imports. Besides, Bangladesh Bank measures to allow BDT depreciation against USD are likely to reduce imports. Depreciation of BDT along with increased cash incentive of 2.5 percent to the remitters is likely to increase exports and remittance. As a result, the current account deficits are likely to diminish in the upcoming quarters.

VI. Banking Sector

6.1 The banking sector displayed a mixed performance at the end of Q3FY22 compared to the Q2FY22, as reflected by a rise in the ratio of non-performing loans (NPLs), an improvement in capital to risk-weighted asset ratio (CRAR), an accelerating trend in the growth of both bank's deposits and advances, a deterioration in provision shortfall, and sustained ample liquidity in the banking system.

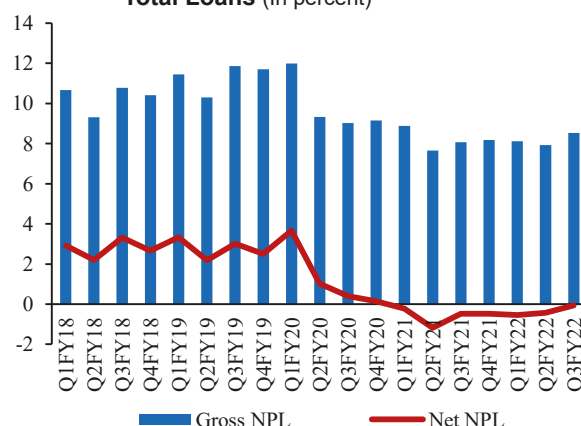
6.2 The ratio of gross NPLs to total loans further went up to 8.53 percent at the end of Q3FY22 from 7.93 percent at the end of Q2FY22 and 8.07 percent at the end of Q3FY21, mostly driven by withdrawing relaxed loan classification policy. The gross NPLs ratio to total loan for state-owned commercial banks (SCBs) grew to 20.01 percent followed by private commercial banks (PCBs) to 5.84 percent and foreign commercial banks to 4.53 percent at the end of Q3FY22 from that of 19.28 percent, 5.31 percent and 4.29 percent respectively at the end of Q2FY22 (Table VI.2 and Chart VI.1- Chart VI.2). Consequently, provisioning maintained against classified loans further worsened as reflected by widening provision shortfall at the end Q3FY22 (Table VI.1). Moreover, net NPL ratio improved to -0.70 percent at the end of Q3FY22 from that of -0.43 percent at the end of Q2FY22 (Table VI.1).

Chart VI.1: Ratio of Gross NPLs to Total Loans
(In percent)



Source: Bangladesh Bank.

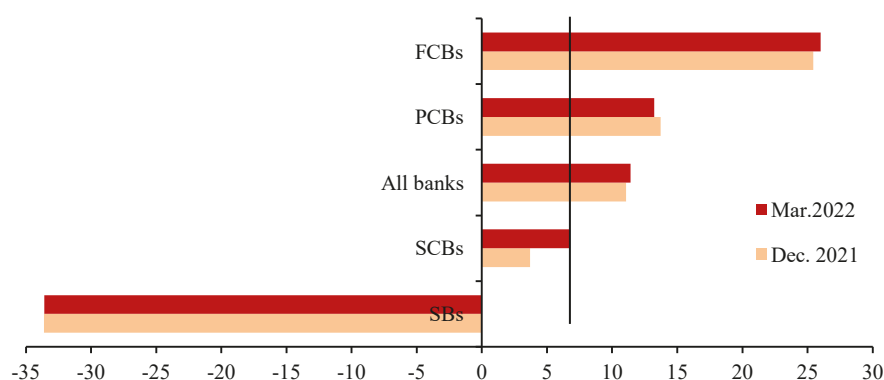
Chart VI.2: Ratio of Gross NPLs and Net NPLs to Total Loans
(In percent)



Source: Bangladesh Bank.

6.3 The overall capitalization of the banking system remained broadly stable in Q3FY22. The capital to risk-weighted assets ratio (CRAR) edged up to 11.41 percent at the end of Q3FY22 from that of 11.08 percent at the end of Q2FY22, mostly attributed to SCBs and FCBs. The CRAR of SCBs improved to 6.76 percent at the end of Q3FY22 from 3.71 percent at the end of Q2FY22. Moreover, CRAR of FCBs increased modestly to 26.0 percent at end of Q3FY22 from that of 25.45 percent at the end of Q2FY22. On the other hand, CRAR of PCBs moderated to 13.22 percent at end of Q3FY22 from 13.72 percent in Q2FY22, while maintaining adequate capitalization (Table VI.3 and Chart VI.3).

Chart VI.3: Capital to Risk Weighted Assets Ratio (CRAR) (In percent)



Source: Bangladesh Bank.

6.4 Profitability of the banking sector witnessed an improvement at the end of Q3FY22 compared to that of Q3FY21, as reflected by a rise in both Return on Assets (RoA) and Return on Equity (RoE). The overall RoA and RoE in the sector stood at 0.45 percent and 7.89 percent at the end of Q3FY22 which were 0.42 percent and 6.70 percent at the end of Q3FY21, respectively. The RoA and RoE for SCBs showed a significant increase from -0.03 percent and -0.62 percent at the end of Q3FY21 to 0.16 percent and 4.00 percent at the end of Q3FY22, respectively. Moreover, RoA and RoE of FCBs witnessed a rise to 2.41 percent and 15.15 percent at the end of Q3FY22 from that of 1.46 percent and 9.08 percent at the end of Q3FY21, respectively. However, RoA and RoE of PCBs slightly declined from 0.61 percent and 8.87 percent at the end of Q3FY21 to 0.54 percent and 8.23 percent at the end of Q3FY22, respectively (Table VI.4).

Table 6.1: Comparative Position of Classified Loan and Provision Maintained (In billion BDT)

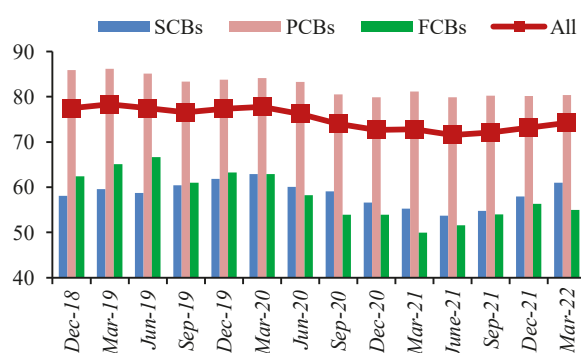
Quarters	Items	SCBs	SBs	PCBs	FCBs	All Banks
Q3FY21	Total classified loan	434.5	40.9	450.9	24.6	950.9
	Required provision	298.9	25.4	338.3	18.1	680.6
	Provision maintained	193.3	23.7	388.1	23.0	628.1
	Excess(+)/ shortfall(-)	-105.6	-1.6	49.8	4.9	-52.6
Q4FY21	Total classified loan	438.4	36.9	491.9	24.9	992.1
	Required provision	302.9	23.3	364.7	18.6	709.5
	Provision maintained	195.6	23.1	411.1	23.9	653.7
	Excess(+)/ shortfall(-)	-107.3	-0.2	46.4	5.3	-55.8
Q1FY22	Total classified loan	440.2	37.0	507.4	26.9	1011.5
	Required provision	303.1	23.3	377.3	19.7	723.5
	Provision maintained	199.4	23.1	413.2	25.8	661.4
	Excess(+)/ shortfall(-)	-103.8	-0.2	35.9	6.1	-62.0
Q2FY22	Total classified loan	449.8	39.9	515.2	27.9	1032.74
	Required provision	370.3	23.3	390.8	22.2	806.54
	Provision maintained	199.7	23.6	414.4	28.8	666.47
	Excess(+)/ shortfall(-)	-170.6	0.3	23.5	6.6	-140.07
Q3FY22	Total classified loan	487.4	40.2	578.0	28.8	1134.41
	Required provision	365.0	23.3	439.8	22.5	850.68
	Provision maintained	204.0	23.7	447.8	27.8	703.22
	Excess(+)/ shortfall(-)	-161.0	0.3	8.0	5.2	-147.46

6.5 The growth momentum of bank's advances kept escalating for the past four consecutive quarters and reached 13.2 percent (y-o-y) at the end of Q3FY22 from 11.1 percent (y-o-y) at the end of Q2FY22, reflecting the growing demand for credit owing to returning economic activities to the pre-pandemic level. On the other hand, the growth of bank's deposit started improving after dropping for last 3 consecutive quarters and stood at 10.2 percent at the end of Q3FY22 from 9.7 percent at the end of Q2FY22. Consequently, the overall advance-deposit ratio (ADR) edged up to 74.2 percent at the end of Q3FY22, which is 1.0 percentage point up from previous quarter and remained broadly stable (Table 6.2, Chart VI.5).

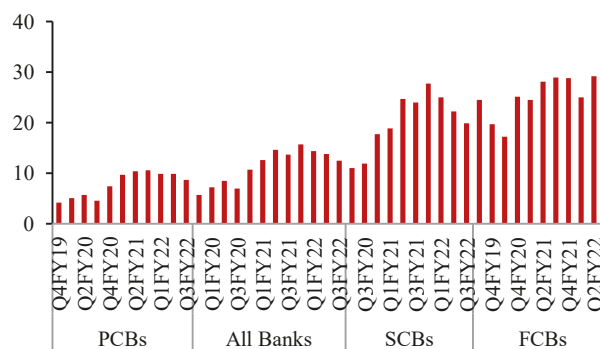
Table 6.2: Deposit and Advance Position of Scheduled Banks (In percent)

Bank groups	Year-on- year growth of deposit, % (excluding interbank)*		Year-on- year growth of advances, % (excluding interbank)		Advance Deposit Ratio (ADR)	
	Mar. 22	Dec. 21	Mar. 22	Dec. 21	Mar. 22	Dec. 21
SCBs	7.1	11.2	18.2	14.5	61.0	57.9
PCBs	11.5	9.0	12.1	10.5	80.4	80.2
FCBs	5.6	6.4	13.3	10.2	55.0	56.4
SBs	19.2	18.1	9.7	7.7	72.4	70.2
All	10.2	9.7	13.2	11.1	74.2	73.2

Source: Bangladesh Bank. *Adjusted deposits growth for ADR

Chart VI.4: Advance Deposit Ratio (In percent)

Source: Bangladesh Bank.

Chart VI.5: Excess of SLR as % of TDTL

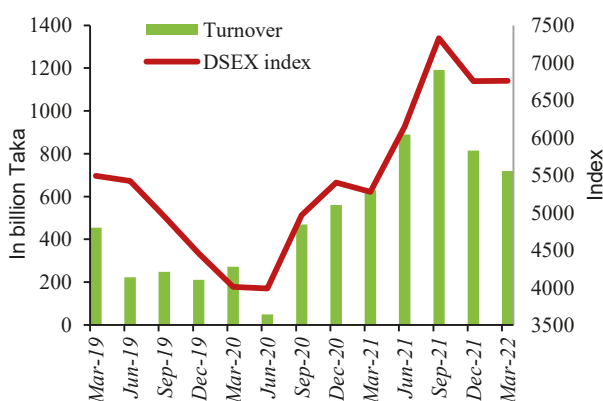
(NPLs) in the sector also went up to 17.2 percent at end-March, 2022 compared to that of 15.87 percent at end-December, 2021 and 13.26 percent at end-March, 2021. Similarly, deposit of the NBFIs, amounted to BDT 423.6 billion, witnessed moderation during the quarter under review and deposit growth (y-on-y) stood at -1.27 percent at end-March, 2022 which was -2.13 percent in the preceding quarter (Table 1.9 (1)).

6.8 Ahead of full-fledged reopening of economic activities in post-pandemic era, banking sector is expected to play a greater role in rebounding the economic vibrancy. On this trajectory, the sector may encounter some challenges in allocating credits to productive sectors and targeted borrowers. In addition, the volatility in the foreign exchange market and managing the stressed loan may put further pressure on the banking sector in coming quarters. On the other hand, a number of refinance scheme introduced by BB would help the CMSMEs to access funds from the banking system. Improvement in corporate governance, speeding up surveillance and monitoring would remain as priorities for better financial discipline and stability in the banking sector in coming quarters.

VII. Capital Market

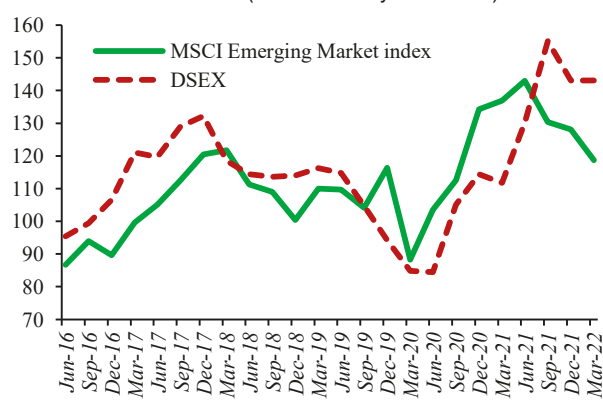
7.1 The capital market exhibited a poor performance during Q3FY22 compared to Q2FY22 as reflected in price indices, market capitalization and turnover. The slower performance partly because of investor's disquieted regarding account of banks exposure limit cost price vs. market price, commodity prices instability in both global and domestic due to Russia's invasion of Ukraine, and financial tightening concern to both developing and emerging market. The downward corrections of equity prices reflected in both domestic and external market in Q3FY22 (Chart VII.2).

Chart VII.1: Trends in DSEX and Turnover



Source: DSE Monthly Review, Various Issues.

Chart VII.2: Synchronization of DSEX with Global Markets (Base: January 2015=100)

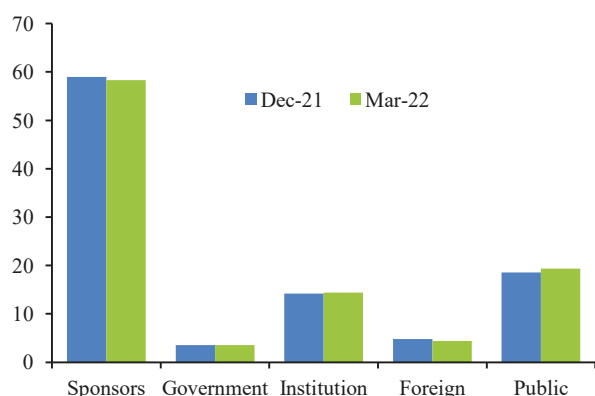


Sources: Dhaka Stock Exchange and www.msci.com.

7.2 The DSE broad index (DSEX) was almost unchanged while the DSE-30 index was moderated in Q3FY22 compared to Q2FY22. In Q3FY22, the DSEX index remained almost at the same level of Q2FY22 but 28.03 percent jumped from Q3FY21 (Chart VII.1 and Table. VII.1). In Q3FY22, the DSE-30 index was 2.31 percent lower from Q2FY22 but gained by 24.05 percent from Q3FY21 (Table VII.1).

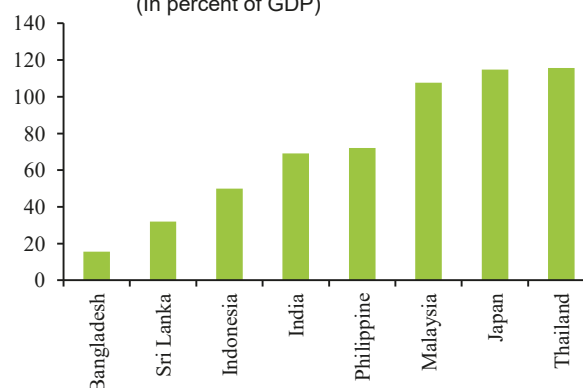
7.3 The market capitalization of DSE reduced to BDT 4793.0 billion at the end of Q3FY22 from BDT 4832.5 billion in Q2FY22, of which 58.31 percent hold by sponsor's director, 14.41 percent owned by institutions, 4.38 percent owned by foreign investors, 3.53 percent hold by government and 19.37 percent hold by individual investors (Chart VII.3). The market capitalization of DSE declined by 0.8 percent in Q3FY22 from Q2FY22 (Table VII.5). Thus market capitalization as a percent of GDP decreased from 15.79 percent in Q2FY22 to 15.61 percent in Q3FY22 (Chart VII.4).

Chart VII.3: Composition of Market Capitalization of the DSE (In percent)



Source: DSE Monthly Review, March 2022

Chart VII.4: Selected Countries; Stock Market Capitalization, March 2022 (In percent of GDP)



Source: DSE Monthly Review, March 2022

7.4 The overall price-earnings (P/E) ratio of the DSE edged down in Q3FY22 from the level of Q2FY22. The average price earnings ratios fell to 15.63 in Q3FY22 from 16.29 in Q2FY22. Sector-wise P/E data show that banking sector's P/E score was the lowest position while that of the tannery sector the highest position in Q3FY22 (Chart VII.5).

Chart VII.5: Heat Map for Sectoral Price Earnings Ratio of DSE

Sector	Share of Total M.cap March-21	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank	14.8	9.3	8.3	8.2	7.8	6.6	6.7	7.9	8.1	7.9	9.2	9.7	9.8	9.5
Financial Institutions	4.2	15.4	14.7	13.2	17.3	14.8	15.9	22.6	24.7	20.1	23.4	31.1	23.8	21.9
Engineering	11.6	14.4	14.6	12.8	11.3	10.2	10.1	14.5	35.3	36.2	42.5	26.9	17.6	17.1
Food & Allied	8.8	32.9	25.1	21.2	17.5	16.4	17.4	21.2	23.5	25.5	27.1	32.3	31.4	22.6
Fuel & Power	10.1	15.4	14.7	13.0	10.6	9.5	9.5	11.6	11.9	12.8	13.6	16.1	11.7	12.2
Textile	3.7	16.8	16.8	12.8	12.8	12.2	11.7	14.3	17.9	16.8	23.9	30.2	22.5	24.1
Pharmaceuticals	15.2	19.4	19.1	18.5	15.3	14.6	15.2	17.8	19.6	19.7	21.1	24.9	19.8	20.1
Service & Realstate	0.6	15.6	15.4	13.2	13.0	12.6	12.6	15.6	21.4	19.4	23.8	35.2	25.9	22.7
Cement	2.7	35.5	28.6	24.9	21.0	22.5	20.8	23.0	29.8	27.4	27.0	39.9	21.4	17.2
IT	0.9	23.1	24.4	22.5	22.6	19.2	19.2	23.6	25.1	21.6	28.4	37.5	34.6	35.0
Tannery	0.9	19.0	20.3	17.2	14.0	12.7	12.7	20.2	24.9	23.2	28.5	87.4	89.9	84.0
Insurance	4.1	13.9	14.4	15.4	15.2	12.1	12.2	21.5	26.0	19.2	31.6	28.0	28.1	24.0
Telecommunication	13.7	21.0	14.6	14.1	11.2	9.4	9.6	13.3	18.3	19.7	18.4	19.3	16.9	16.1
Miscellaneous	5.4	30.7	27.1	25.1	19.9	18.9	18.9	20.6	34.4	41.5	46.0	57.6	23.2	23.0

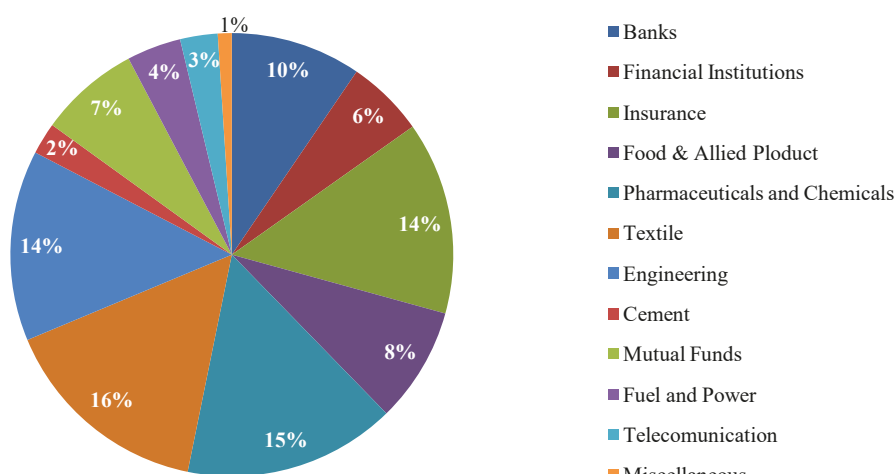
Sources: DSE Monthly Review, Various Issue



7.5 The issued capital in the DSE continued to expand but liquidity condition moderated in Q3FY22. The value of issued equity and debt increased by 5.0 percent in Q3FY22 from Q2FY22

and six new companies were listed in the capital market during the quarter under review. Thus the number of listed securities rose to 401 at the end of Q3FY22. Total turnover value declined by 11.7 percent in Q3FY22 from Q2FY22 (Chart VII.1). Sector wise turnover data showed that the Textile sector scored the highest (16 percent) turnover in Q3FY22 (Chart VII.6). Market liquidity as measured by the Turnover Velocity Ratio (TVR) shrank to 60.0 percent in Q3FY22 from 67.4 percent in Q2FY22.

Chart VII.6: Turnover of Major Sectors in Q2FY22



Source: DSE Monthly Review, March 2022

Table 7.1: Selected Countries: Price Earnings Ratio, Dividend Yield and Market Capitalization as of December 2021

	Price Earnings Ratio	Dividend Yield, %	M. Cap to GDP Ratio
Bangladesh	15.63	4.53	15.61
India	25.77	-	69.19
Sri Lanka	8.77	-	32.01
Thailand	19.63	2.62	115.65
Hong Kong	11.61	-	1419.51
China	16.13	-	47.34

Source: DSE Monthly Review, March 2022

7.6 Cross-country data on price earnings (PE) ratios as of March 2022 show that Bangladesh has a moderate PE ratio among the South and East Asian selected countries but the highest dividend yield among these countries (Table 7.1).

Tables

Table I.1: Macroeconomic Framework: Key Economic Indicators
(Growth in percent, unless otherwise indicated)

Indicators	FY16	FY17	FY18	FY19	FY20 ^R	FY21 ^P
Real GDP (Base 2015-16)	-	6.59	7.32	7.88	3.45	6.94
GDP deflator	-	5.05	5.81	3.65	3.85	4.12
CPI Inflation (average)	5.50	5.94	5.78	5.47	5.65	5.56
CPI Inflation (point to point)	5.90	5.44	5.54	5.71	6.02	5.64
Money and credit						
Private sector credit	16.78	15.66	16.94	11.32	8.61	8.35
Broad money (M2)	16.35	10.88	9.24	9.88	12.64	13.60
External Sector						
Exports, f.o.b.	8.90	1.70	6.66	9.10	-18.89	14.89
Imports, f.o.b.	5.90	9.00	25.23	1.80	-8.57	19.71
In percent of GDP						
Gross Domestic Savings	27.27	27.07	26.45	26.88	27.08	25.34
Gross domestic investment	30.24	30.95	31.82	32.21	31.31	31.02
Total revenue	8.55	9.40	9.83	10.73	10.98	9.96
Tax	7.49	8.27	8.80	9.81	9.87	8.95
Nontax	1.06	1.13	1.03	0.92	1.10	1.01
Total expenditure	12.75	13.65	14.08	14.99	15.82	15.27
Current expenditure	7.24	8.30	7.98	9.04	9.31	9.17
Annual Development Program	4.38	4.99	5.82	5.66	6.08	5.60
Other expenditure (residual)	1.12	0.36	0.27	0.30	0.42	0.50
Overall balance (including grants)	-3.96	-4.04	-4.08	-4.14	-4.73	-5.20
Financing (net) (a+b)	4.20	4.25	4.25	4.27	4.73	5.20
a. Domestic financing	2.99	3.01	2.50	2.67	3.07	3.26
Banking System	1.53	1.03	0.75	1.05	2.60	2.26
Non-bank	1.47	1.98	1.75	1.62	0.47	1.00
b. Foreign Financing	1.20	1.04	1.57	1.60	1.66	1.94
Current account balance	1.61	-0.45	-2.98	-1.45	-1.26	-0.91
Overall balance	1.90	1.08	-0.27	0.05	0.85	2.23
Broad Money (M2)	44.15	43.72	42.06	41.32	43.33	44.20
Broad Money (M3)	51.87	53.07	52.05	51.98	53.74	53.66
Deposit (DD+TD)	38.24	37.77	36.69	36.07	37.25	38.25
Private Sector Credit	32.33	33.39	34.39	34.23	34.61	33.68
In billion USD						
Exports, f.o.b.	33.44	34.02	36.29	39.60	32.83	37.88
Imports, f.o.b.	39.90	43.49	54.46	55.44	50.69	60.68
Gross official reserves	30.18	33.41	32.94	32.72	36.04	46.39
In terms of month of imports	7.20	6.60	6.00	6.00	6.10	6.90
Memorandum items:						
Nominal GDP (In billion Taka)	20,758	23,243	26,392	29,514	31,705	35,302
Nominal GDP (In billion USD)	265	294	321	351	374	416

Sources: Bangladesh Bank; Ministry of Finance and Bangladesh Bureau of Statistics; P = Provisional, R=Revised.

Table I.2: Real GDP Growth by Sectors : Base 2015-16
(In percent)

Sectors	FY17	FY18	FY19	FY20	FY21 ^R
Agriculture	3.20	3.54	3.26	3.42	3.17
	(13.62)	(13.14)	(12.56)	(12.52)	(12.07)
Agriculture, forestry and fishing	3.20	3.54	3.26	3.42	3.17
i) Crops and horticulture	2.22	2.75	2.07	2.50	2.29
ii) Animal farmings	2.77	2.90	3.01	3.19	2.94
iii) Forest and related services	5.00	5.08	5.13	5.34	4.98
iv) Fishing	4.73	4.93	4.99	4.40	4.11
Industry	8.27	10.2	11.63	3.61	10.29
	(32.98)	(33.85)	(34.99)	(34.94)	(36.01)
a) Mining and quarrying	17.29	9.55	11.31	3.16	6.49
b) Manufacturing	7.09	10.45	12.33	1.68	11.59
i) Large Industry	4.63	11.08	12.79	0.41	10.61
ii) Small, Medium, and Micro Industry	10.06	11.10	10.61	2.69	13.89
iii) Cottage Industry	9.29	7.45	14.17	3.67	10.27
c) Electricity, gas, steam and air conditioning supply	7.07	8.27	8.24	0.67	9.54
d) Water supply, sewerage, and waste management	3.63	2.96	6.31	2.18	6.65
e) Construction	9.76	10.06	10.47	9.13	8.08
Service	6.37	6.55	6.88	3.93	5.73
	(53.40)	(53.01)	(52.45)	(52.54)	(51.92)
a) Wholesale and retail trade	8.22	8.74	8.85	3.21	7.64
b) Transportation and storage	6.13	6.74	7.01	1.73	4.04
c) Accommodation and food service activities	5.39	5.52	5.64	1.69	4.53
d) Information and communication	8.35	6.77	7.36	6.57	7.11
e) Financial and insurance activities	5.30	6.94	8.25	4.72	5.82
f) Real estates activities	3.33	3.48	3.61	3.68	3.42
g) Professional, scientific and technical activities	3.97	4.08	4.17	3.38	5.09
h) Administrative and support service activities	6.40	7.74	8.17	6.33	6.02
i) Public administrative and defence	11.23	8.67	6.49	5.49	6.05
j) Education	5.95	5.89	7.06	5.33	5.81
k) Human health and social work activities	10.33	9.20	12.20	10.70	10.6
l) Arts, entertainment and recreation	4.98	5.24	5.48	5.43	5.76
m) Others service activities	3.14	3.22	3.27	3.06	3.08
GDP (at constant market price)	6.59	7.32	7.88	3.45	6.94

Source: Bangladesh Bureau of Statistics; R=Revised.

The parentheses indicate the percentage share of total producer price GDP at constant price.

Table I.3: Nominal GDP by Sectors: Base 2015-16

(In billion Taka)

Sectors	FY16	FY17	FY18	FY19	FY20	FY21 ^R
Agriculture	2,795	3,012	3,294	3,534	3,804	4,107
Agriculture, forestry, and fishing	2,795	3,012	3,294	3,534	3,804	4,107
i) Crops and horticulture	1,383	1,487	1,623	1,734	1,861	1,996
ii) Animal farmings	467	495	532	563	597	633
iii) Forest and related services	372	399	436	466	504	559
iv) Fishing	574	631	703	771	842	918
Industry	6,449	7,263	8,441	9,696	10,435	11,761
a) Mining and quarrying	331	400	443	526	552	591
b) Manufacturing	4,224	4,666	5,490	6,259	6,531	7,497
i) Large Industry	2,212	2,378	2,757	3,119	3,180	3,574
ii) Small, Medium, and Micro Industry	1,291	1,467	1,739	1,981	2,087	2,490
iii) Cottage Industry	721	821	995	1,160	1,263	1,433
c) Electricity, gas, steam and air conditioning supply	246	292	326	381	445	449
d) Water supply; sewerage, waste management	21	23	25	27	28	30
e) Construction	1,628	1,882	2,157	2,503	2,879	3,195
Service	10,630	11,943	13,431	15,008	16,332	18,110
a) Wholesale and retail trade	2,885	3,246	3,737	4,184	4,458	4,977
b) Transportation and storage	1,580	1,787	1,978	2,197	2,323	2,562
c) Accommodation and food service activities	239	267	301	335	360	399
d) Information and communication	248	273	295	322	351	384
e) Financial and insurance activities	651	722	817	933	1,032	1,153
f) Real estates activities	1,925	2,142	2,360	2,607	2,880	3,130
g) Professional, scientific and technical activities	39	43	47	52	57	63
h) Administrative and support service activities	142	157	173	200	230	271
i) Public administrative and defence	667	785	902	990	1,070	1,170
j) Education	545	609	682	770	856	956
k) Human health and social work activities	546	635	734	868	1,015	1,185
l) Arts, entertainment and recreation	30	34	38	42	48	53
m) Others service activities	1,132	1,244	1,368	1,507	1,652	1,807
Total GVA at current basic price	19,874	22,218	25,166	28,238	30,570	33,978
Tax less subsidy	884	1,025	1,226	1,276	1,134	1,324
GDP at current market price	20,758	23,243	26,392	29,514	31,705	35,302

Source: Bangladesh Bureau of Statistics; R=Revised.

Table I.4: Crop-wise Agricultural Production

Crops	Actual for FY21		Target for FY22		Actual for July-March, FY22	
	Area	Production	Area	Production	Area	Production
	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)
Aus	13.05	32.85	13.30	34.84	11.63	32.45
Aman	56.26	144.38	58.30	150.47	59.04	162.70
Boro	47.87	198.85	48.73	209.51	49.63	-
Total Rice	117.18	376.08	120.33	394.81	120.30	195.15
Wheat	3.29	10.85	3.37	12.26	3.20	11.67
Maize	5.64	56.63	5.76	58.75	5.52	-
Total Cereal	126.11	443.56	129.45	465.83	129.02	206.82
Jute	6.82	77.25	7.50	86.11	7.45	82.77
Potato	4.69	98.87	4.87	106.52	4.77	110.58
Vegetables	9.36	197.19	9.48	200.19	10.34	216.70
Moong	2.63	2.52	2.66	3.37	2.32	-
Mosur	1.83	2.58	1.83	2.60	1.53	2.08
Gram	0.04	0.06	0.04	0.06	0.04	0.05
Mustard	5.90	7.87	5.95	8.22	6.11	8.24
Onion	2.53	33.62	2.60	35.04	2.59	36.41

Source: Bangladesh Bureau of Statistics and Department of Agriculture Extension, Ministry of Agriculture.

Table I.5: Quantum Index of Medium and Large-scale Manufacturing Industries, Mining and Electricity
(Base: 2005-06)

	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃ [*]
Manufacturing	393.8	467.8	435.9	450.2	488.4	496.7	498.8	509.2	566.2
Mining	186.5	167.0	206.3	181.0	136.6	143.9	170.2	163.2	161.6
Electricity	305.9	345.9	381.0	308.1	303.3	391.0	405.0	325.2	297.7
Growth in percent (y-o-y)									
Manufacturing	1.89	18.78	8.33	7.00	15.82	50.28	14.43	13.11	22.13
Mining	2.17	-10.49	9.18	-1.14	-26.90	-23.11	-17.49	-9.84	-8.82
Electricity	5.57	13.06	2.89	9.63	12.71	28.99	6.32	5.55	7.20

Source: Bangladesh Bureau of Statistics; * = January 2022.

Tables I.6: Quantum Index of Medium and Large-scale Manufacturing Industries by Major Industries
(Base: 2005-06)

	Weight	FY21				FY22		
		Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃ [*]
General Index	100.0	435.9	450.2	488.4	496.7	498.8	509.8	566.2
Food products	10.8	555.6	663.9	688.2	725.7	617.0	572.3	550.6
Beverages	0.3	371.1	258.0	433.3	528.0	562.4	487.4	512.2
Tobacco products	2.9	126.3	132.6	135.6	128.7	114.9	113.3	127.1
Textile	14.1	247.7	261.0	288.5	324.9	311.0	326.3	335.6
Wearing apparel	34.8	434.1	399.7	435.4	441.3	506.7	565.9	683.1
Leather and related products	4.4	545.5	518.4	683.1	850.8	799.2	386.0	405.5
Wood and products of wood and cork	0.3	391.9	538.5	532.0	427.8	452.8	455.4	449.9
Paper and paper products	0.3	215.6	187.2	180.2	203.5	245.4	315.2	399.2
Printing and reproduction of recorded media	1.8	211.4	234.9	238.0	229.3	206.1	208.6	210.9
Coke and refined petroleum products	1.3	108.2	119.2	109.4	116.5	122.9	72.7	120.9
Chemicals and chemical products	3.7	159.4	141.2	143.4	134.0	120.6	127.6	126.6
Pharmaceuticals and medicinal chemical	8.2	957.2	1002.0	1031.8	1037.8	1075.9	1180.8	1276.4
Rubber and plastic products	1.6	424.1	428.3	422.2	415.9	395.7	399.2	530.5
Other non-metallic mineral products	7.1	481.9	544.5	632.9	554.0	551.0	561.8	625.8
Basic metal	3.2	161.2	197.9	185.5	189.6	200.3	225.2	219.7
Fabricated metal products	2.3	439.8	473.2	491.9	401.6	340.9	340.0	344.2
Computer, electronic and optical product	0.2	334.0	264.9	291.2	278.0	285.8	269.3	274.4
Electrical equipment	0.7	534.9	988.2	1246.1	950.7	327.9	438.9	417.7
Machinery and equipment	0.2	767.2	769.8	797.4	775.9	761.8	774.4	832.5
Motor vehicles and trailers	0.1	169.8	104.1	234.6	320.2	347.4	604.1	607.3
Other transport equipment	0.7	702.1	745.0	747.7	721.4	696.0	697.0	698.4
Furniture	0.9	163.3	182.9	241.8	210.1	142.5	176.0	178.1

Source: Bangladesh Bureau of Statistics; * = January 2022.

Table I.7: Cargo Handled by Chattogram Port
(In thousands Metric Tons)

	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Export	6,645	7,368	1,719	1,835	1,946	1,869	1,933	2,084	2,036
Import	87,275	96,588	20,160	25,399	26,590	24,439	20,223	27,648	27,411
Total	93,921	103,956	21,879	27,234	28,536	26,308	22,156	29,732	29,447
Growth in percent (y-o-y)									
Export	-2.97	10.88	-5.54	1.77	6.56	56.16	12.47	13.58	4.65
Import	5.12	10.67	0.54	3.76	-0.71	53.09	0.31	8.85	3.09
Total	5.57	10.68	0.03	3.62	-0.25	53.31	1.27	9.17	3.19

Source: Chattogram Port Authority.

Table I.8: Trends in Private Sector Credit

(In billion Taka)

Institutions	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Outstanding									
Banks ¹	10,973	11,889	11,131	11,413	11,604	11,889	12,107	12,633	12,914
Non-banks ²	673	572	667	675	571	572	567	576	592
Microfinance institutions ³	614	606	600	642	659	606	628	667	719
Total	12,260	13,067	12,398	12,731	12,834	13,067	13,302	13,876	14,225
Growth in percent (y-o-y)									
Banks	8.64	8.34	9.48	8.37	8.79	8.34	8.77	10.68	11.29
Non-banks	0.43	-15.01	-0.14	-0.30	-15.48	-15.01	-15.04	-14.70	3.58
Microfinance institutions	-3.45	-1.22	-6.21	-5.44	57.00	-1.216	4.77	3.88	9.20
Total	7.49	6.58	8.05	7.08	9.12	6.58	7.30	9.00	10.84

Sources: ¹Monetary Policy Department; ²Department of Financial Institutions and Markets, Bangladesh Bank;³Grameen Bank, BRAC, ASA, Proshika.

Table I.9: Bank Advances (Private Sector) by Economic Purposes
(In billion Taka)

Sectors	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂ ^R	Q ₃ ^P
Outstanding									
a. Agriculture	460	511	459	477	488	511	509	541	557
Crops	423	462	418	432	441	462	462	492	510
Others	37	49	41	45	47	49	47	49	47
b. Industry	4,347	4,715	4,383	4,527	4,594	4,715	4,793	4,961	4,958
Term Loan	2,154	2,365	2,145	2,232	2,295	2,365	2,423	2,527	2,530
Working capital financing	2,193	2,351	2,238	2,295	2,299	2,351	2,370	2,435	2,428
c. Construction	920	943	920	928	932	943	988	1,003	1,031
d. Transport	87	76	85	82	78	76	75	70	70
e. Trade and Commerce	3,484	3,774	3,560	3,603	3,682	3,774	3,813	3,951	4,080
f. Other Institutional loan	293	254	268	278	272	254	244	282	294
g. Consumer finance	665	862	723	820	832	862	888	954	999
h. Miscellaneous	36	39	37	42	38	39	40	49	60
Grand Total	10,291	11,174	10,434	10,756	10,917	11,174	11,350	11,811	12,047
Growth in percent (y-o-y)									
a. Agriculture	7.19	11.19	10.49	13.14	13.31	11.19	11.06	13.25	14.08
Crops	7.69	9.26	9.98	12.23	12.38	9.26	10.65	13.81	15.62
Others	1.88	33.37	16.01	22.60	22.70	33.37	15.25	7.87	-0.28
b. Industry	12.87	8.48	9.88	9.08	6.48	8.48	9.34	9.59	7.91
Term Loan	12.83	9.78	10.77	10.93	8.23	9.78	12.93	13.20	10.22
Working capital financing	12.90	7.20	9.04	7.35	4.78	7.20	5.89	6.07	5.60
c. Construction	2.04	2.52	0.99	4.26	0.90	2.52	7.37	8.15	10.60
d. Transport	21.80	-13.31	-1.54	-4.54	-1.85	-13.31	-12.19	-14.37	-10.58
e. Trade & Commerce	11.63	8.31	14.60	10.97	13.37	8.31	7.12	9.65	10.80
f. Other Institutional loan	12.68	-13.36	0.15	-4.23	-4.18	-13.36	-8.98	1.49	8.17
g. Consumer finance	-3.15	29.68	11.58	15.57	21.99	29.68	22.89	16.42	20.02
h. Miscellaneous	-31.88	9.07	10.91	26.31	-4.52	9.07	9.29	17.72	56.38
Grand Total	9.79	8.57	10.34	9.46	9.14	8.57	8.78	9.81	10.36
Share in percent									
a. Agriculture	4.47	4.57	4.40	4.44	4.47	4.57	4.49	4.58	4.63
Crops	4.11	4.13	4.00	4.02	4.04	4.13	4.07	4.16	4.23
Others	0.36	0.44	0.39	0.42	0.43	0.44	0.42	0.41	0.39
b. Industry	42.24	42.20	42.01	42.09	42.09	42.20	42.22	42.00	41.15
Term Loan	20.93	21.16	20.56	20.75	21.03	21.16	21.34	21.39	21.00
Working capital financing	21.31	21.04	21.45	21.34	21.06	21.04	20.88	20.61	20.15
c. Construction	8.94	8.44	8.82	8.63	8.54	8.44	8.70	8.50	8.55
d. Transport	0.85	0.68	0.81	0.76	0.71	0.68	0.66	0.59	0.58
e. Trade & Commerce	33.86	33.77	34.11	33.50	33.73	33.77	33.60	33.45	33.86
f. Other Institutional loan	2.85	2.27	2.57	2.58	2.49	2.27	2.15	2.39	2.44
g. Consumer finance	6.46	7.71	6.93	7.62	7.62	7.71	7.83	8.08	8.29
h. Miscellaneous	0.35	0.35	0.35	0.39	0.35	0.35	0.35	0.42	0.50
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Statistics Department, Bangladesh Bank. R= Revised. P = Provisional.

Table I.9 (1): Performance Indicators of NBFIs

(In billion Taka)

Sectors	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂ ^R	Q ₃ ^P
NBFIs Advances (Private Sector)									
a. Agriculture	5.4	5.0	4.6	5.1	5.3	5.0	5.0	4.7	4.9
Crops	3.9	3.8	3.3	3.9	4.1	3.8	3.8	3.5	3.8
Others	1.4	1.2	1.3	1.2	1.2	1.2	1.2	1.2	1.1
b. Industry	249.7	267.5	252.6	264.4	262.2	267.5	264.8	268.1	275.5
Term Loan	200.8	213.2	205.0	209.0	208.6	213.2	206.4	207.8	216.4
Working capital financing	45.0	50.1	43.7	50.9	49.5	50.1	55.0	56.1	54.4
Factoring	3.9	4.2	3.9	4.5	4.1	4.2	3.4	4.2	4.7
c. Construction	92.2	91.0	91.7	91.8	91.9	91.0	91.2	93.6	95.5
d. Transport	13.1	12.1	13.4	15.4	15.1	12.1	13.9	14.9	15.8
e. Trade and Commerce	160.6	156.4	153.5	151.0	156.6	156.4	151.4	143.6	148.2
f. Other Institutional loan	39.9	38.5	38.6	41.2	40.2	38.5	39.6	38.7	39.7
g. Consumer finance	95.8	96.2	93.9	92.1	94.7	96.2	94.3	104.6	106.6
h. Miscellaneous	1.5	0.4	2.8	0.6	0.5	0.4	0.4	0.4	0.4
Total Advances	658.0	667.0	651.0	661.6	666.5	667.0	660.5	668.5	686.6
NBFIs Deposits by its type									
Fixed Deposits	413.5	419.5	426.3	427.9	423.0	419.5	421.4	417.5	415.6
Recurring Deposits	3.5	3.7	3.4	3.6	3.1	3.7	3.7	3.5	3.7
Special Purpose Deposits	2.7	2.7	2.5	2.6	2.8	2.7	2.6	3.9	4.1
Restricted (Blocked) Deposits	0.1	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Total Deposits	419.8	426.0	432.4	434.2	429.0	426.0	427.9	425.0	423.6
Interest Rates of NBFIs									
Deposit Rate	9.72	7.82	9.22	8.69	8.28	7.82	7.51	7.62	7.36
Advances Rate	12.92	11.25	12.62	12.06	11.66	11.25	10.89	10.43	10.22
Spread	3.20	3.43	3.40	3.37	3.38	3.43	3.38	2.81	2.86
Non-performing Loans (SS, DF, BL) in billion BDT	67.22	87.81	79.10	77.45	88.85	87.81	94.13	106.60	118.50
Non-performing Loans (in percent)	10.18	13.10	12.07	11.63	13.26	13.10	14.18	15.87	17.20
Growth in percent (y-o-y)									
NBFIs Advances (Private Sector)									
a. Agriculture	-	-6.83	-10.92	-3.30	-3.26	-6.83	9.51	-8.94	-7.04
Crops	-	-3.69	-16.21	-2.97	-2.49	-3.69	15.44	-11.80	-7.24
Others	-	-15.45	6.27	-4.32	-5.73	-15.45	-5.70	0.29	-6.37
b. Industry	-	7.11	3.12	4.42	4.04	7.11	4.83	1.40	5.06
Term Loan	-	6.17	5.69	3.34	3.25	6.17	0.68	-0.53	3.73
Working capital financing	-	11.16	-4.85	7.70	7.98	11.16	25.79	10.14	10.02
Factoring	-	8.90	-23.24	21.46	-0.74	8.90	-12.47	-7.34	13.08
c. Construction	-	-1.28	6.55	4.31	-1.90	-1.28	-0.50	1.95	3.90
d. Transport	-	-7.45	-4.74	7.07	6.17	-7.45	3.10	-3.10	4.61
e. Trade & Commerce	-	-2.59	-7.70	-3.65	1.46	-2.59	-1.31	-4.94	-5.38
f. Other Institutional loan	-	-3.48	11.19	2.08	4.55	-3.48	2.49	-6.05	-1.08
g. Consumer finance	-	0.47	-6.43	-6.92	-5.99	0.47	0.40	13.52	12.53
h. Miscellaneous	-	-75.04	159.90	-55.88	-71.25	-75.04	-87.01	-34.50	-25.14
Total Advances	-	1.37	-0.25	0.51	0.89	1.37	1.45	1.04	3.01

Source: Statistics Department, Bangladesh Bank. R= Revised. P = Provisional.

Table I.10: Trends in Agricultural Credit
(In billion Taka)

	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Program/Target (July-June)	241.3	262.9	262.9	262.9	262.9	262.9	283.9	283.9	283.9
Total disbursement	227.5	255.1	46.8	73.9	64.4	70.0	52.1	92.9	70.1
Crop	114.0	128.9	24.8	41.8	31.6	30.7	23.0	44.5	32.0
Irrigation	1.3	2.5	0.5	0.8	0.6	0.7	0.4	0.5	0.7
Agricultural equipment	1.4	1.9	0.3	0.5	0.5	0.6	0.3	0.6	0.6
Live-stock	31.7	35.3	7.5	9.6	10.0	8.3	9.3	16.0	13.2
Fisheries	26.1	29.5	5.0	7.8	7.9	8.8	7.2	11.2	8.3
Grain storage & marketing	1.3	1.8	0.3	0.4	0.4	0.6	0.3	0.5	0.5
Poverty alleviation	20.9	20.4	3.7	4.5	4.5	7.7	3.5	8.1	5.2
Others	30.9	34.9	4.6	8.6	8.9	12.7	8.1	11.6	9.6
Total recovery	212.5	271.2	62.8	78.1	56.8	73.5	55.9	80.1	63.8
Total overdue	60.6	58.7	69.5	65.7	62.9	58.7	71.7	69.3	64.7
Outstanding	455.9	459.4	440.4	440.89	453.5	459.4	456.9	476.6	488.9
Overdue as percent of outstanding	13.29	12.77	15.79	14.91	13.86	12.77	15.69	14.55	13.24
Growth in percent ¹									
Total disbursement	-3.67	12.14	31.80	2.03	5.13	20.09	11.24	25.60	8.89
Total recovery	-10.49	27.67	43.53	9.64	4.43	70.82	-11.02	2.49	12.29

Source: Agricultural Credit Department, Bangladesh Bank.

¹ Quarterly growth rate refers to growth over the same quarter of the previous year.

Table I.11: Microcredit Operations of Grameen Bank and Large NGOs
(In billion Taka)

Institutions	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
1. Total disbursement	815.2	948.5	218.3	296.3	281.3	152.5	176.5	337.1	328.6
i) Grameen Bank	205.0	196.8	52.5	58.3	61.0	25.0	30.0	54.8	63.1
ii) BRAC	330.1	419.1	92.5	144.9	116.2	65.4	82.9	155.7	130.2
iii) ASA	275.2	324.8	71.9	91.6	101.6	59.8	61.4	123.2	131.6
iv) Proshika	4.9	7.8	1.5	1.5	2.5	2.4	2.2	3.4	3.7
2. Total recovery	824.8	1011.1	236.9	280.9	283.3	210.1	207.0	303.2	294.4
i) Grameen Bank	204.9	206.7	60.0	61.1	58.6	27.0	34.3	58.1	57.5
ii) BRAC	343.7	492.7	105.3	135.6	134.6	117.2	109.7	144.1	128.7
iii) ASA	270.8	304.0	69.9	82.6	87.7	63.7	60.8	97.8	104.7
iv) Proshika	5.4	7.7	1.7	1.6	2.3	2.2	2.3	3.1	3.5
3. Loans outstanding	613.7	606.2	599.9	642.3	658.5	606.2	628.5	667.2	719.1
4. Loans overdue	13.1	41.4	12.6	24.5	32.2	41.4	33.1	42.3	41.8
5. Overdue as percent of outstanding	2.10	6.80	2.10	3.81	4.90	6.80	5.27	6.34	5.81

Source : Grameen Bank, BRAC, ASA and Proshika.

Table I.12: Microcredit Operations of MFIs
(In billion Taka)

Indicators			FY20		FY21		FY22
	FY20	FY21	July- Dec/19	Jan- Jun/20	July- Dec/20	Jan- Jun/21	July- Dec/21
Total disbursement	1364.18	1512.09	774.94	589.24	718.84	793.25	891.21
Total recovery	1331.48	1397.12	794.92	536.56	766.38	729.75	724.53
Loans outstanding	892.23	949.85	856.48	892.23	925.19	949.85	1073.81
Loans overdue	29.51	78.95	-	-	33.66	78.95	75.83
Overdue as percent of outstanding	3.31	8.31	-	-	3.64	8.31	7.06

Source: Microcredit Regulatory Authority.

Table I.13: Industrial Term Lending by Banks and NBFIs
(In billion Taka)

Institutions	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Disbursement									
SOBs	75.2	57.2	10.9	12.9	9.9	23.5	7.7	12.0	21.7
PCBs	579.6	545.5	127.6	134.5	133.7	149.7	122.8	150.6	121.4
Foreign banks	41.9	32.0	6.6	3.2	14.8	7.3	4.5	9.8	6.5
Specialized banks	2.6	8.1	1.7	2.1	1.7	2.5	2.1	0.01	3.61
Non-bank financial institutions	43.3	44.9	7.7	12.2	13.7	11.3	11.2	15.4	20.1
All Banks and NBFIs	742.6	687.7	154.6	165.0	173.8	194.3	148.3	187.7	173.4
Recovery									
SOBs	57.0	27.4	5.6	5.3	11.1	5.3	2.8	6.9	9.1
PCBs	554.7	450.7	80.4	124.2	131.9	114.2	101.2	147.9	125.6
Foreign banks	21.3	33.7	10.5	8.5	6.5	8.1	7.9	9.5	10.0
Specialized banks	2.2	9.9	0.5	0.7	4.5	4.3	4.1	2.0	3.3
Non-bank financial institutions	62.0	63.2	16.2	16.6	14.9	15.4	13.7	18.6	17.7
All Banks and NBFIs	697.2	584.9	113.2	155.4	168.9	147.3	129.8	184.8	165.7
Outstanding									
SOBs	559.4	752.5	497.9	471.1	705.6	752.5	601.2	590.5	603.3
PCBs	1,812.3	2,050.0	1,874.8	1,942.1	1,931.5	2,050.0	2,065.5	2,099.0	2104.5
Foreign banks	84.2	78.8	76.9	72.3	79.3	78.8	75.2	73.7	70.2
Specialized banks	18.1	17.5	18.7	21.1	18.8	17.5	18.9	31.9	32.2
Non-bank financial institutions	299.5	254.1	274.5	246.4	255.3	254.1	272.4	294.0	295.5
All Banks and NBFIs	2,773.5	3,152.9	2,742.8	2,753.1	2,990.5	3,152.9	3,033.3	3,089.2	3105.7
Growth in percent ¹									
Disbursement									
SOBs	177.83	-23.92	-62.63	-43.81	-2.53	82.10	-29.55	-7.38	118.83
PCBs	-5.81	-5.89	-24.43	-31.21	13.45	53.68	-3.71	11.92	-9.16
Foreign banks	51.56	-23.68	-11.54	-67.23	-13.83	-2.09	-31.96	207.80	-56.18
Specialized banks	-72.93	208.66	349.64	961.36	532.69	42.34	21.46	-99.57	112.32
Non-bank financial institutions	-66.40	3.83	-44.23	-10.24	-2.31	538.68	44.77	26.06	47.49
All Banks and NBFIs	-8.15	-7.40	-29.65	-31.84	8.97	60.16	-4.02	13.78	-0.22
Recovery									
SOBs	0.72	-51.97	-67.60	-75.51	-3.59	-17.02	-49.78	28.27	-18.51
PCBs	-8.59	-18.74	-50.89	-29.58	-2.03	42.91	25.86	19.02	-4.72
Foreign banks	44.25	57.76	40.22	95.74	27.76	85.11	-24.87	12.55	53.44
Specialized banks	-69.59	357.60	50.80	-2.77	437.58	1,269.45	804.36	181.00	-26.88
Non-bank financial institutions	-22.76	1.88	-14.76	-8.71	6.97	42.37	-15.33	11.56	18.77
All Banks and NBFIs	-8.94	-16.11	-45.53	-29.84	1.75	44.63	14.64	18.91	-1.90
Outstanding									
SOBs	18.23	34.52	8.33	-5.03	33.64	34.52	20.76	25.34	-14.50
PCBs	14.42	13.12	15.60	13.02	10.97	13.12	10.17	8.08	8.96
Foreign banks	25.94	-6.38	9.19	0.84	-1.78	-6.38	-2.18	1.99	-11.41
Specialized banks	11.31	-2.90	15.87	24.93	12.04	-2.90	0.87	50.97	71.50
Non-bank financial institutions	0.47	-15.18	-10.09	-15.03	-15.19	-15.18	-0.76	19.31	15.75
All Banks and NBFIs	13.75	13.68	10.89	6.17	12.12	13.68	10.59	12.21	3.85

Source: SME & Special Programmes Department, Bangladesh Bank.

¹ Quarterly growth rate refers to growth over the same quarter of the previous year.

Table II.1: Trend in Inflation
(Base: 2005-06=100)

Period	General	Food	Non-food	General	Food	Non-food
Point-to-Point			12-Month Average			
2019						
July	5.62	5.42	5.94	5.48	5.45	5.54
August	5.49	5.27	5.82	5.48	5.39	5.63
September	5.54	5.30	5.92	5.49	5.38	5.67
October	5.47	5.49	5.45	5.50	5.42	5.64
November	6.05	6.41	5.47	5.56	5.51	5.63
December	5.75	5.88	5.55	5.59	5.56	5.64
2020						
January	5.57	5.12	6.30	5.60	5.54	5.70
February	5.46	4.97	6.23	5.60	5.50	5.77
March	5.48	4.87	6.45	5.60	5.43	5.86
April	5.96	5.91	6.04	5.63	5.46	5.90
May	5.35	5.09	5.75	5.61	5.43	5.89
June	6.02	6.54	5.22	5.65	5.52	5.85
July	5.53	5.70	5.28	5.64	5.54	5.79
August	5.68	6.08	5.05	5.65	5.61	5.72
September	5.97	6.50	5.12	5.69	5.71	5.66
October	6.44	7.34	5.00	5.77	5.87	5.62
November	5.52	5.73	5.19	5.73	5.82	5.59
December	5.29	5.34	5.21	5.69	5.77	5.56
2021						
January	5.02	5.23	4.69	5.64	5.78	5.43
February	5.32	5.42	5.17	5.63	5.82	5.34
March	5.47	5.51	5.39	5.63	5.87	5.26
April	5.56	5.57	5.55	5.60	5.84	5.22
May	5.26	4.87	5.86	5.59	5.82	5.23
June	5.64	5.45	5.94	5.56	5.73	5.29
July	5.36	5.08	5.80	5.54	5.68	5.33
August	5.54	5.16	6.13	5.53	5.60	5.43
September	5.59	5.21	6.19	5.50	5.49	5.52
October	5.70	5.22	6.48	5.44	5.32	5.64
November	5.98	5.43	6.87	5.48	5.29	5.78
December	6.05	5.46	7.00	5.54	5.30	5.93
2022						
January	5.86	5.60	6.26	5.62	5.33	6.06
February	6.17	6.22	6.10	5.69	5.40	6.13
March	6.22	6.34	6.04	5.75	5.47	6.19

Source: Bangladesh Bureau of Statistics (BBS).

Note: Food includes food, beverage & tobacco.

Table II.2: Commodity Prices in the International Markets

	FY21				FY22		
	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Rice (US\$/M.T)	497.33	493.33	542.33	484.67	405.67	400.33	425.33
Wheat (US\$/M.T)	213.79	248.11	275.22	271.95	264.82	331.16	432.59
Soybean oil (US\$/M.T)	864.64	971.55	1,168.99	1,493.06	1433.68	1445.90	1674.06
Sugar (US\$ /kg)	0.28	0.31	0.35	0.37	0.42	0.42	0.41
Crude Petroleum (Dubai) (US\$/Barrel)	42.48	43.86	59.49	66.44	71.36	77.93	96.45

Source: World Bank.

Table II.3: Inflation in South Asia

(Point-to-point)

Country	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Bangladesh	6.02	5.64	5.97	5.29	5.47	5.64	5.59	6.05	6.22
India(CPI NS)	6.10	6.26	6.69	4.59	5.52	6.26	4.35	5.66	6.95
Pakistan	8.60	9.70	9.00	8.00	9.10	9.70	9.00	12.30	12.70
Sri Lanka (NCPI)	6.30	6.10	6.40	4.60	5.10	6.10	6.20	14.00	21.50

Source: Central banks and Statistics Departments of respective countries. Note: Quarterly data indicate end quarter.

Table III.1: Movements in Reserve Money

(In billion Taka)

	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Outstanding									
1. Net foreign assets of BB	2,860	3,669.2	3,136.1	3,411.8	3,468.4	3,669.2	3,617.3	3,546.1	3,447.6
2. Net domestic assets of BB	-16	-188.5	-327.9	-371.3	-431.8	-188.5	-384.0	-309.4	-236.0
a) Claims on public sector	447	205.0	147.7	41.5	-65.4	205.0	105.8	86.1	162.9
i) Claims on govt. (net)	421	172.9	121.9	13.1	-98.0	172.9	72.7	54.6	128.0
ii) Claims on other public sector	26	32.2	25.8	28.3	32.6	32.2	33.0	31.5	34.9
b) Claim on private sector	53	58.4	50.4	53.3	54.6	58.4	58.3	57.0	57.8
c) Claims on banks	138	189.5	101.4	161.3	190.8	189.5	183.8	166.0	161.4
d) Other items (net)	-653	-641.4	-627.4	-627.4	-611.8	-641.4	-731.8	-618.5	-618.2
3. Currency issued	2,081	2,268.9	2,055.8	2,030.7	2,018.8	2,268.9	2,276.7	2,294.9	2,319.2
i) Currency outside banks	1,921	2,095.2	1,892.0	1,874.6	1,842.2	2,095.2	2,096.2	2,107.2	2,126.9
ii) Cash in tills	160	173.7	163.8	156.1	176.6	173.7	180.5	187.7	192.4
4. Deposits of banks with BB	764	1,211.8	752.5	1,009.8	1,017.8	1,211.8	956.6	941.8	892.3
5. Reserve money (RM)	2,845	3,480.7	2,808.2	3,040.5	3,036.6	3,480.7	3,233.3	3,236.7	3,211.6
6. Money multiplier (M2/RM)	4.83	4.48	5.08	4.86	4.89	4.48	4.90	5.01	5.08
Growth in percent (y-o-y)									
1. Net foreign assets of BB	11.2	28.3	23.2	31.7	31.8	28.3	15.3	3.9	-0.6
2. Net domestic assets of BB	85.9	-1110.0	-342.0	-352.7	-540.5	-1110.0	-17.1	16.7	45.3
a) Claims on public sector	33.1	-54.1	-52.9	-88.8	-126.4	-54.1	-28.4	107.7	349.1
i) Claims on govt. (net)	35.0	-59.0	-57.8	-96.2	-144.1	-58.9	-40.3	315.7	230.6
ii) Claims on other public sector	7.2	26.1	4.2	9.3	26.5	26.2	27.7	11.2	7.1
b) Claim on private sector	11.5	9.3	4.6	9.5	11.7	9.3	15.7	7.0	5.9
c) Claims on Banks	155.5	37.7	61.0	175.8	-48.7	37.7	81.3	2.9	-15.4
3. Currency issued	22.1	9.0	18.2	18.1	5.2	9.0	10.7	13.0	14.9
4. Deposits of banks with BB	0.8	58.6	2.7	27.9	25.6	58.6	27.1	-6.7	-12.3
5. Reserve money (RM)	15.6	22.4	13.6	21.2	11.3	22.4	15.1	6.5	5.8

Source: Statistics Department, Bangladesh Bank.

Table III.2: Movements in Broad Money
(In billion Taka)

	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Outstanding									
1. Net foreign assets	2,973	3,823.4	3,311.6	3,569.8	3,622.0	3,823.4	3,775.9	3,691.6	3,564.0
2. Net domestic assets	10,764	11,785.6	10,950.5	11,217.1	11,216.0	11,785.6	12,082.3	12,514.8	12,735.0
a) Domestic credit	13,076	14,399.0	13,329.6	13,635.8	13,707.3	14,399.0	14,689.0	15,321.9	15,627.1
Credit to public sector	2,104	2,510.4	2,198.8	2,222.7	2,103.5	2,510.4	2,581.8	2,689.4	2,712.7
Credit to govt. (net)	1,812	2,210.3	1,905.0	1,912.8	1,789.1	2,210.3	2,275.4	2,345.4	2,354.9
Credit to other public sector	292	300.2	293.8	309.9	314.4	300.2	306.4	344.0	357.8
Credit to private sector	10,973	11,888.6	11,130.8	11,413.0	11,603.8	11,888.6	12,107.2	12,632.5	12,914.4
b) Other items (net)	-2,312	-2,611.8	-2,379.1	-2,418.7	-2,491.4	-2,613.4	-2,606.8	-2,807.1	-2,892.1
3. Narrow Money	3,283	3,758.3	3,255.5	3,363.8	3,297.8	3,758.3	3,665.7	3,793.1	3,755.6
a) Currency outside banks	1,921	2,095.2	1,892.0	1,874.6	1,842.2	2,095.2	2,096.2	2,107.2	2,126.9
b) Demand deposits	1,361	1,663.1	1,363.5	1,489.2	1,455.6	1,663.1	1,569.5	1,685.9	1,628.7
4. Time deposits	10,455	11,850.7	11,006.6	11,423.0	11,540.2	11,850.7	12,192.5	12,413.2	12,543.5
5. Broad money	13,737	15,609.0	14,262.0	14,786.8	14,837.9	15,609.0	15,858.2	16,206.4	16,299.1
Growth in percent (y-o-y)									
1. Net foreign assets	9.15	28.59	22.07	30.22	29.71	28.59	14.02	3.41	-1.60
2. Netdomestic assets	13.64	9.49	11.67	9.94	8.74	9.49	10.34	11.57	13.54
a) Domestic credit	14.02	10.11	12.65	9.91	11.40	10.11	10.20	12.37	14.01
Credit to public sector	53.97	19.33	32.04	18.58	28.34	19.33	17.42	21.00	28.96
Credit to govt. (net)	59.92	22.01	35.31	21.94	33.75	22.01	19.44	22.61	31.62
Credit to other public sector	25.09	2.75	14.10	1.32	4.31	2.75	4.30	11.00	13.80
Credit to private sector	8.61	8.35	9.48	8.37	8.79	8.35	8.77	10.68	11.29
3. Narrow money	20.11	14.49	20.21	21.91	13.34	14.49	12.60	12.76	13.88
4. Time deposits	10.48	13.35	12.19	12.16	13.17	13.35	10.77	8.67	8.69
5. Broad money	12.64	13.62	13.92	14.23	13.21	13.62	11.19	9.60	9.85

Source: Statistics Department, Bangladesh Bank.

Table III.3: Interest Rates Developments

Instruments	Jun.20	Sep.20	Dec.20	Mar.21	Jun.21	Sep.21	Dec.21 ^R	Mar.22 ^P
T - Bills								
14 - day	...	...	...	...	...	...	...	...
91 - day	6.83	2.93	0.53	0.75	0.52	2.00	2.36	2.43
182 - day	6.91	3.71	1.12	0.99	0.68	2.50	3.19	3.05
364 - day	7.35	3.86	1.91	1.86	1.21	2.76	3.44	3.75
BGTB								
2 - year	7.75	4.61	3.28	3.13	2.44	...	4.68	4.61
5 - year	8.05	5.57	4.48	4.24	3.84	4.67	6.41	6.11
10 - year	8.62	6.48	5.68	...	5.38	6.19	7.38	6.92
15 - year	8.69	6.70	6.58	...	5.65	6.19	7.77	7.48
20 - year	8.90	6.98	7.01	...	6.06	6.31	7.87	7.63
Repo								
1-3 day	5.25	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Reverse Repo								
1-3 day	4.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Bangladesh Banks Bills								
07-Day	...	...	...	...	...	1.28	...	0.00
14-Day	...	...	...	...	...	1.51	...	0.00
30-Day	...	...	...	...	...	1.89	...	0.00
Call Money Rate	5.01	2.87	1.79	1.82	2.25	1.90	2.66	2.66
Lending Rate								
All Banks	8.03	8.04	7.69	7.57	7.43	7.38	7.42	7.32
State Owned Banks	6.45	6.49	6.18	6.21	6.20	6.28	6.47	6.48
Private Banks	8.41	8.43	8.06	7.91	7.74	7.65	7.67	7.55
(a) Domestic	8.43	8.45	8.10	7.96	7.81	7.72	7.73	7.59
(b) Foreign	8.03	7.87	7.26	6.70	6.17	5.87	6.1	6.28
Specialized Banks	7.79	7.68	7.59	7.59	7.24	7.19	7.13	7.08
Islamic Banks	8.97	9.18	8.49	8.14	8.02	8.01	8.10	7.80
Deposits Rate								
All Banks	5.02	4.89	4.56	4.39	4.14	4.09	4.06	4.03
State Owned Banks	4.27	4.48	4.43	5.43	4.32	4.24	4.12	3.87
Private Banks	5.26	5.00	4.57	4.32	4.02	3.98	3.98	4.04
(a) Domestic	5.49	5.22	4.78	4.53	4.22	4.18	4.18	4.25
(b) Foreign	1.87	1.72	1.37	1.16	0.92	0.87	0.87	0.85
Specialized Banks	5.64	5.71	5.43	4.48	5.62	5.46	5.67	5.37
Islamic Banks	5.86	5.62	5.14	4.87	4.56	4.49	4.38	4.46
National Savings Certificate								
5 - year Bangladesh Sanchayapatra ¹	11.28	11.28	11.28	11.28	11.28	9.30-11.28	9.30-11.28	9.30-11.28
3 - year Sanchayapatra (Tin Mas Antar Munafa Vittik) ²	11.04	11.04	11.04	11.04	11.04	9.00-11.04	9.00-11.04	9.00-11.04
5 - year Pensioner Sanchayapatra ³	11.76	11.76	11.76	11.76	11.76	9.75-11.76	9.75-11.76	9.75-11.76
5 - year Paribar Sanchayapatra ⁴	11.52	11.52	11.52	11.52	11.52	9.50-11.52	9.50-11.52	9.50-11.52

Sources: Monetary Policy Department and Statistics Department, Bangladesh Bank; Department of National Savings;

... = No auction; P = Provisional, P = Revised. Note: Revised interest rates for NSC were effective from 21 September 2021.

¹ The interest rates are 11.28%, 10.30% & 9.30% for upto Tk 15 lac, 15+ lac to 30 lac, & above 30 lac respectively.

² The interest rates are 11.04%, 10.0% & 9.0% for upto Tk 15 lac, 15+ lac to 30 lac, & above 30 lac respectively.

³ The interest rates are 11.76%, 10.75% & 9.75% for upto Tk 15 lac, 15+ lac to 30 lac & above 30 lac respectively.

⁴ The interest rates are 11.52%, 10.50% & 9.50% for upto Tk 15 lac, 15+ lac to 30 lac & above 30 lac respectively.

Table III.4: Outstanding Stocks of Bangladesh Bank Bills, Treasury Bills, Bonds and NSD Certificates
(In billion Taka)

Instruments	Mar.20	Jun.20	Sep.20	Dec.20	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22
Bangladesh Banks Bills									
07-Day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14-Day	0.0	0.0	0.0	0.0	0.0	0.0	7.0	0.0	0.0
30-Day	0.0	0.0	0.0	0.0	0.0	0.0	95.0	0.0	0.0
Sub Total	0.0	0.0	0.0	0.0	0.0	0.0	102.0	0.0	0.0
T - Bills									
14 - day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
91 - day	122.0	122.0	165.0	156.0	127.0	112.5	142.9	196.0	102.8
182 - day	177.0	185.0	185.0	156.0	105.0	121.0	162.3	138.7	106.4
364 - day	362.0	355.0	332.0	279.0	248.5	287.5	272.5	286.8	284.6
Sub Total	661.0	662.0	682.0	591.0	480.5	521.0	577.6	621.5	493.7
BGTB									
2 - year	254.0	302.0	357.0	382.0	397.0	440.0	430.0	431.2	453.0
5 - year	387.0	461.5	510.0	558.5	573.5	566.5	597.0	637.6	651.6
10 - year	651.8	723.2	772.7	805.7	825.7	865.7	911.7	941.7	955.2
15-year	327.2	350.2	359.7	384.2	388.2	416.2	429.7	451.2	466.7
20-year	294.4	326.4	335.9	359.9	363.9	385.9	397.3	416.8	433.4
Sub Total	1914.3	2163.2	2335.2	2490.2	2548.2	2674.2	2765.6	2878.4	2959.8
National Savings Certificate	2989.1	3021.3	3138.0	3226.2	3353.4	3440.9	3526.5	3536.8	3606.1
Total (excluding BB bills)	5564.4	5846.5	6155.2	6307.4	6382.1	6636.1	6869.7	7036.7	7059.6

Sources: Monetary Policy Department, Bangladesh Bank; National Savings Directorate.

Table IV.1: Government Fiscal Operations

(In billion Taka)

	Revised Budget	FY21 ^R					FY22 ^P			
		FY21 ^R	Q ₁ ^R	Q ₂ ^R	Q ₃ ^R	Q ₄ ^R	Budget	Q ₁ ^R	Q ₂ ^R	Q ₃ ^P
Revenue	3,515	2,997	621	677	791	908	3,890	723	791	875
a) NBR Tax revenue	3,010	2,599	500	605	678	816	3,300	584	707	748
i) VAT	1,152	1,021	206	239	259	316	1,277	241	281	294
ii) Customs duties	372	305	63	69	83	90	380	77	85	93
iii) Income tax	960	849	159	183	214	293	1,050	179	215	237
iv) Others	526	425	72	113	123	117	593	87	127	124
b) Non-NBR tax revenue	150	49	9	10	19	11	160	9	16	17
c) Non-tax revenue*	355	451	140	79	140	92	430	90	68	110
Expenditure	5,390	4,412	969	904	922	1,617	6,037	958	1,058	1,152
a) Current*	3,025	2,456	743	504	499	710	3,288	707	619	670
b) ADP	1,976	1,721	173	340	365	843	2,253	196	374	420
c) Others*	388	236	53	60	58	64	495	56	65	62
Budget Deficit	-1,874	-1,313	-320	-210	-86	-698	-2,147	-276	-267	-277
Financing	1,874	1,313	320	210	86	698	2,147	276	267	277
a) Domestic financing	1,150	839	227	102	-8	518	1,135	147	106	85
i) Bank financing	797	398	89	11	-130	428	765	60	75	2
ii) Non-bank financing	353	441	139	91	122	90	370	87	31	83
b) Foreign financing**	724	474	93	108	93	180	1,012	129	161	191
In Percentage of GDP										
Revenue	9.96	8.49	1.76	1.92	2.24	2.57	9.78	1.82	1.99	2.20
a) NBR Tax revenue	8.53	7.36	1.42	1.71	1.92	2.31	8.30	1.47	1.78	1.88
i) VAT	3.26	2.89	0.58	0.68	0.73	0.90	3.21	0.61	0.71	0.74
ii) Customs duties	1.05	0.86	0.18	0.20	0.23	0.25	0.95	0.19	0.21	0.23
iii) Income tax	2.72	2.40	0.45	0.52	0.60	0.83	2.64	0.45	0.54	0.60
iv) Others	1.49	1.20	0.20	0.32	0.35	0.33	1.49	0.22	0.32	0.31
b) Non-NBR tax revenue	0.42	0.14	0.03	0.03	0.05	0.03	0.40	0.02	0.04	0.04
c) Non tax revenue	1.01	1.28	0.40	0.22	0.40	0.26	1.08	0.23	0.17	0.28
Expenditure	15.27	12.50	2.74	2.56	2.61	4.58	15.18	2.41	2.66	2.90
a) Current	8.57	6.96	2.11	1.43	1.41	2.01	8.27	1.78	1.56	1.69
b) ADP	5.60	4.87	0.49	0.96	1.03	2.39	5.67	0.49	0.94	1.06
c) Others	1.10	0.67	0.15	0.17	0.16	0.18	1.25	0.14	0.16	0.16
Budget Deficit	-5.31	-3.72	-0.91	-0.59	-0.24	-1.98	-5.40	-0.69	-0.67	-0.70
Financing	5.31	3.72	0.91	0.59	0.24	1.98	5.40	0.69	0.67	0.70
a) Domestic financing	3.26	2.38	0.64	0.29	-0.02	1.47	2.85	0.37	0.27	0.21
i) Bank financing	2.26	1.13	0.25	0.03	-0.37	1.21	1.92	0.15	0.19	0.01
ii) Non-bank financing	1.00	1.25	0.39	0.26	0.34	0.25	0.93	0.22	0.08	0.21
b) Foreign financing	2.05	1.34	0.26	0.31	0.26	0.51	2.55	0.32	0.41	0.48
Memorandum item										
GDP at current market price	35,302	35,302	35,302	35,302	35,302	35,302	39,765	39,765	39,765	39,765

Source: Budget Summary, Ministry of Finance; NBR; Bangladesh Bank; BBS.

*=Estimated, **= Grants included; P = Provisional, R=Revised.

Table V.1: Balance of Payments
(In million USD)

	FY21 ^{RP}						FY22 ^P		
	FY20	FY21 ^P	Q ₁	Q ₂	Q ₃ ^R	Q ₄ ^P	Q ₁ ^P	Q ₂ ^{RP}	Q ₃ ^P
Current Account Balance	-5435	-4575	3481	34	-4070	-4020	-2539	-5641	-5892
Trade balance	-18569	-23778	-2040	-4833	-8345	-8560	-6730	-8887	-9290
Export f.o.b.	32121	36903	9696	8657	9196	9354	10591	12763	13263
of which : Readymade garments	27949	31457	8126	7420	7942	7969	9059	10842	11527
Import f.o.b.	50690	60681	11736	13490	17541	17914	17321	21650	22553
Services	-2578	-3002	-532	-550	-910	-1010	-650	-1090	-1066
Credit	6716	7439	1610	1977	1861	1991	2079	2518	2486
Debit	9294	10441	2142	2527	2771	3001	2729	3608	3552
Primary income	-3070	-3172	-777	-1001	-613	-781	-726	-681	-752
Credit	174	217	33	32	70	82	95	171	-9
Debit	3244	3389	810	1033	683	863	821	852	743
Secondary income	18782	25377	6830	6418	5798	6331	5567	5017	5216
Official transfers	19	33	10	1	11	11	7	5	3
Private transfers	18763	25344	6820	6417	5787	6320	5560	5012	5213
of which :Workers' remittances	18205	24778	6713	6232	5653	6180	5408	4832	5059
Capital & Financial Account	8910	13314	-460	2738	5797	5239	2064	4734	4711
Capital account	256	221	50	9	66	96	68	70	28
Capital transfers	256	221	50	9	66	96	68	70	28
Financial account	8654	13093	-510	2729	5731	5143	1996	4664	4683
Foreign direct investment (Gross Inflows)	3233	3387	777	1056	780	774	847	1053	1594
of which: FDI net liabilities	1271	1355	227	605	310	213	339	531	807
Portfolio investment	44	-269	-154	-3	-71	-41	-61	-29	-20
of which : Investment by NRBs	191	209	70	64	40	35	32	28	26
Other investment	7339	12007	-583	2127	5492	4971	1718	4162	3896
Net aid flows	5739	5309	1008	310	1848	2143	1439	1808	2199
Medium and long - term (MLT) loans	6996	6726	1384	614	2235	2493	1863	2162	2591
MLT amortization payments	1257	1417	376	304	387	350	424	354	392
Other long term loans	499	1684	123	400	471	690	215	757	-243
Other short term loans	1142	2064	-18	550	471	1061	194	1208	609
Trade credit	236	3498	-576	855	2606	613	-350	-100	630
DMBs and NBDCs	-277	-548	-1120	12	96	464	220	489	701
Assets	-234	391	417	-260	68	166	550	14	-445
Liabilities	-511	-157	-703	-248	164	630	770	503	256
Net Errors & Omissions	-306	535	77	285	-892	1065	-335	-74	-125
Overall Balance	3169	9274	3098	3057	835	2284	-810	-981	-1306
Reserve Assets	-3169	-9274	-3098	-3057	-835	-2284	810	981	1306
Bangladesh Bank	-3169	-9274	-3098	-3057	-835	-2284	810	981	1306
Assets	3250	9924	3014	3606	435	2869	-29	-18	-1947
Liabilities	81	650	-84	549	-400	585	781	963	-641
Memorandum Items									
Gross official reserves	36037	46391	39314	43167	43441	46391	46200	46154	44147
In months of imports of goods & services	6.1	6.9	5.9	5.1	4.5	6.1	5.4	4.8	4.4
In months of prospective imports	6.6	7.5	6.3	5.5	4.9	6.5	6.0	5.1	4.7
Export growth (in percent)	-18.89	14.89	2.96	-8.17	-2.25	141.77	9.23	47.43	44.23
Import growth (in percent)	-8.57	19.71	-11.47	-2.32	32.26	72.92	47.59	60.49	28.57
Remittances growth (in percent)	10.87	36.11	48.55	27.47	29.45	39.50	-19.40	-22.50	-10.52

Source: Statistics Department, Bangladesh Bank.

Notes : R=Revised, P=Provisional, RP=Revised but still provisional.

Table V.2: Trends in the Commodity Composition of Exports
(In million USD)

Items	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
1. Raw jute	129.9	138.2	41.2	43.8	30.1	23.1	39.5	80.3	37.6
2. Jute goods	752.5	1,023.3	266.4	316.8	255.3	184.8	172.8	297.5	259.4
3. Tea	3.1	3.6	1.2	1.1	0.9	0.4	0.4	0.7	0.8
4. Leather	98.3	119.1	23.8	30.9	28.6	35.9	32.0	37.9	46.0
5. Frozen shrimps and fish	407.9	444.4	123.7	137.2	80.0	103.5	145.0	177.0	86.7
6. Woven garments	14,041.2	14,496.7	3,662.7	3,356.7	3,814.4	3,663.0	3,895.3	4,843.8	5,569.4
7. Knitwear products	13,908.0	16,960.0	4,463.7	4,062.5	4,128.0	4,305.9	5,164.2	5,997.5	5,958.3
8. Fertilizer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Terry towels	36.7	34.8	8.9	10.1	9.7	6.1	12.0	12.4	10.8
10. Others	4,297.0	5,538.2	1,305.3	1,377.6	1,357.9	1,497.4	1,560.9	2,229.6	1,938.1
Total exports	33,674	38,758	9,897	9,337	9,705	9,820	11,022	13,677	13,907
Of which: exports from EPZ	4,944	5,306	1,283	1,271	1,278	1,474	1,531	1,676	1,835
Total exports (adjusted)	32,121	36,903	9,696	8,657	9,196	9,354	10,591	12,763	13,263

Source: Export Promotion Bureau, Bangladesh.

Table V.3: Major Destination-wise RMG Related Exports
(In million USD)

	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Exports of RMG	27,949	31457	8,126	7,419	7942	7969	9059	10841	11528
European Countries	17,890	20297	5,219	4,871	5149	5058	5604	6891	7368
USA	5,147	5946	1,580	1,320	1407	1639	1912	2319	2358
Other Countries	4,912	5214	1,328	1,228	1387	1272	1543	1631	1801
Woven Garments	14,041	14497	3,663	3,357	3814	3663	3895	4844	5569
European Countries	7,733	8116	1,967	1,883	2253	2014	2011	2575	3155
USA	3,773	3888	1,049	868	928	1044	1171	1511	1593
Other Countries	2,535	2493	647	607	634	605	713	758	821
Knitwear Products	13,908	16960	4,464	4,063	4128	4306	5164	5997	5958
European Countries	10,157	12181	3,252	2,989	2896	3044	3593	4316	4214
USA	1,374	2059	532	452	480	595	741	808	765
Other Countries	2,378	2720	680	622	752	666	830	873	980
Growth in percent (y-o-y)									
Exports of RMG	-18.12	12.55	0.85	-6.87	-1.70	107.22	11.48	46.12	45.14
European Countries	-18.71	13.45	2.39	-4.52	-1.88	106.96	7.39	41.46	43.10
USA	-16.10	15.54	5.99	-11.31	0.72	112.78	21.03	75.71	67.60
Other Countries	-18.01	6.13	-9.66	-10.79	-3.40	101.50	16.20	32.83	29.94
Woven Garments	-18.58	3.24	-5.78	-14.61	-11.93	93.60	6.35	44.30	46.01
European Countries	-19.15	4.94	-4.54	-9.96	-11.05	91.88	2.26	36.77	40.04
USA	-18.32	3.04	-3.38	-21.41	-12.45	99.15	11.69	74.16	71.78
Other Countries	-17.16	-1.64	-12.71	-17.62	-14.18	90.16	10.13	24.98	29.56
Knitwear Products	-17.65	21.94	7.04	0.67	10.12	120.42	15.69	47.63	44.34
European Countries	-18.37	19.93	7.09	-0.74	6.69	118.31	10.50	44.42	45.48
USA	-9.31	49.88	31.05	17.70	42.06	141.81	39.45	78.68	59.53
Other Countries	-18.89	14.41	-6.54	-2.93	8.00	112.99	21.98	40.49	30.26

Source: Compiled by Statistics Department of Bangladesh Bank using the data of EPB.

Table V.4: Export Performance for July-March, FY22
(In million USD)

	Proposed Export target for FY22	Strategic Target for July - March, FY22	Export Performance for July - March, FY22	Export Performance for July - March, FY21	% Change of export performance over Export Target	% Change of export performance July - March, FY22 Over July-March, FY21
All Products (A+B)	43500.0	32598.0	38605.7	28938.4	18.4	33.4
A. Primary Commodities:	1617.2	1211.9	1394.4	1114.5	15.1	25.1
Frozen & Live Fish	508.0	380.7	435.9	367.7	14.5	18.5
Agricultural Products	1109.2	831.2	958.5	746.7	15.3	28.4
B. Manufactured Commodities:	41882.8	31386.1	37211.3	27823.9	18.6	33.7
Cement salt stone etc.	8.0	6.0	6.5	5.9	8.5	11.3
Ores, Slag and Ash	35.9	26.9	28.0	16.9	4.1	65.3
Petroleum bi Products	25.7	19.3	23.3	17.4	21.2	33.9
Chemical products	302.9	227.0	282.1	192.1	24.3	46.9
Plastic, Melamine Products	127.0	95.2	115.4	84.7	21.3	36.3
Rubber	40.5	30.4	36.5	25.5	20.3	43.0
Leather & Leather products (including leather footwear)	1031.0	772.6	896.8	684.8	16.1	31.0
Wood and Wood Products	5.4	4.1	3.6	2.6	-10.6	37.1
Handicrafts	39.0	29.2	33.5	25.1	14.6	33.6
Pulp	0.0	0.0	0.0	0.0	-100.0	-100.0
Paper and Paper Products	73.0	54.7	72.7	50.8	32.9	43.0
Printed Materials	1.1	0.9	1.5	0.9	77.7	71.6
Silk	1.0	0.8	0.9	0.4	14.7	115.0
Wool and woolen Products	0.4	0.3	0.2	0.3	-19.2	-19.2
Cotton and Cotton Products	175.0	131.1	173.0	117.6	31.9	47.2
Jute and Jute Goods	1420.0	1064.1	887.1	953.6	-16.6	-7.0
Man Made Filaments and Staple Fibers	130.0	97.4	169.5	86.9	74.0	94.9
Carpet	45.0	33.7	28.7	25.6	-15.0	11.9
Specialized Textiles	150.0	112.4	257.4	102.7	129.0	150.6
Readymade Garments	35144.0	26336.2	31428.4	23487.9	19.3	33.8
Knitwear	19515.0	14624.1	17119.9	12654.2	17.1	35.3
Woven Garments	15629.0	11712.1	14308.5	10833.7	22.2	32.1
Home Textile	1370.0	1026.7	1157.9	846.5	12.8	36.8
Other Footwear (excluding leather footwear)	400.0	299.8	338.9	248.4	13.1	36.4
Headgear/Cap	250.0	187.3	262.5	160.8	40.1	63.2
Umbrella Waking Sticks	0.0	0.0	0.2	0.0	2100.0	0.0
Wigs and Human Hair	64.0	48.0	73.4	38.7	53.1	89.8
Building Materials	1.0	0.8	0.6	0.8	-16.0	-19.2
Ceramic Products	35.0	26.2	31.7	22.7	21.0	39.7
Glass and Glass ware	10.0	7.5	16.7	5.9	123.1	185.6
Engineering Products	644.8	483.2	603.3	381.6	24.9	58.1
Ships, boats & floating structures	0.2	0.2	0.2	0.1	6.7	14.3
Other Manufactured Products	353.0	264.5	280.8	236.7	6.2	18.7

Source: Export Promotion Bureau, Bangladesh.

Table V.5: Trends in the Commodity Composition of Imports
(In million USD)

	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
A. Food Grains	1,673	2,681	450	689	761	780	541	1,047	552
1. Rice	22	851	3	239	288	320	232	165	20
2. Wheat	1,651	1,830	447	451	472	460	309	882	533
B. Other Food Items	3,702	4,155	824	852	1,192	1,288	1,160	1,414	1,749
3. Milk & cream	341	344	73	63	112	97	112	62	118
4. Spices	351	404	138	85	89	92	87	73	92
5. Edible oil	1,617	1,926	325	414	505	682	576	806	732
6. Pulses (all sorts)	663	681	113	105	272	192	182	155	318
7. Sugar	734	800	175	186	213	226	203	319	489
C. Consumer & Intermediate Goods	31,913	38,307	7,423	7,909	11,557	11,418	11,481	14,003	15,026
8. Clinker	879	1,048	198	242	295	314	242	321	347
9. Crude petroleum	731	2,616	124	220	2,142	131	254	237	192
10. POL	4,627	6,369	1,386	1,023	1,724	2,237	1,361	1,877	1,685
11. Oil seeds	1,183	1,406	260	229	372	545	293	504	401
12. Chemicals	2,533	2,974	728	678	740	829	853	915	1,000
13. Pharmaceutical products	294	363	70	83	105	106	259	381	397
14. Fertilizer	1,035	1,360	207	444	433	276	762	1,263	1,363
15. Dyeing and tanning materials	697	855	188	201	226	240	236	269	280
16. Plastics and rubber articles thereof	2,610	3,168	621	658	895	994	950	1,052	1,142
17. Raw cotton	2,961	3,186	609	612	920	1,045	1,040	988	1,306
18. Yarn	1,901	2,436	521	443	559	914	1,254	1,224	1,496
19. Textile and articles thereof	6,380	6,553	1,361	1,655	1,486	2,051	2,000	2,676	2,727
20. Staple fibre	1,086	1,040	195	255	283	306	310	421	442
21. Iron, steel & other base metals	4,997	4,933	956	1,168	1,378	1,431	1,669	1,874	2,250
D. Capital Goods & Others	11,109	13,012	2,632	2,926	3,492	3,962	3,690	4,517	4,455
22. Capital machinery	3,581	3,825	811	715	1,105	1,194	1,167	1,597	1,470
23. Others Capital goods	7,528	9,187	1,821	2,211	2,388	2,767	2,524	2,920	2,985
E. Others	6,386	7,440	1,357	2,206	1,959	1,917	1,848	2,421	2,594
Grand Total c.i.f.(A+B+C+D+E)	54,785	65,595	12,687	14,583	18,961	19,365	18,720	23,402	24,376
Of which Import by EPZ	3,488	3,489	695	859	868	1,067	1,105	1,312	1,396
Grand Total f.o.b.(adjusted)	50,690	60,681	11,736	13,490	17,541	17,914	17,321	21,650	22,553

Source: Compiled by Statistics Department of Bangladesh Bank using the data of National Board of Revenue (NBR).

Table V.6: Sector wise comparative statement of the Opening and Settlement of Import LCs
(In million USD)

Items	FY21						FY22			
	Q ₃		Q ₄		Q ₁		Q ₂		Q ₃	
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement
Consumer goods	2,747	1,808	1,864	1,970	2,565	1,999	2,267	2,532	2,676	2,322
Intermediate goods	1,818	1,454	1,848	1,758	1,758	1,518	2,148	1,872	2,407	1,959
Industrial raw materials	6,493	5,425	7,510	5,831	7,384	6,473	8,827	7,019	8,685	8,628
Capital machinery	1,057	1,018	2,407	1,041	1,395	935	1,886	1,752	1,254	1,129
Machinery for misc. industries	969	868	976	943	1,414	932	1,277	1,089	1,143	1,086
Petroleum and petroleum products	1,250	1,173	1,406	1,372	1,736	1,405	1,778	2,264	1,862	1,790
Others	3,866	3,647	4,133	3,919	4,167	3,788	5,472	4,810	5,705	5,244
Total	18,201	15,392	20,145	16,834	20,419	17,050	23,656	21,340	23,731	22,159
of which back to back	2,400	1,859	2,728	2,107	3,168	2,567	3,448	2,844	3,158	3,220
Growth in percent (y-o-y)										
Consumer goods	56.79	8.20	34.80	45.01	57.3	35.8	44.37	62.66	-2.60	28.45
Intermediate goods	21.18	12.35	81.27	34.00	69.0	74.2	49.49	51.97	32.42	34.76
Industrial raw materials	18.64	12.20	65.65	41.83	59.2	49.8	52.73	50.94	33.75	59.05
Capital machinery	-25.04	5.06	191.16	60.70	16.8	13.7	80.80	104.00	18.64	10.84
Machinery for misc. industries	12.32	11.98	71.83	55.21	57.3	41.3	45.75	30.87	18.00	25.21
Petroleum and petroleum products	-26.51	-22.48	60.24	36.66	144.7	78.3	70.72	136.68	48.91	52.62
Others	35.57	20.45	73.66	54.84	30.7	47.6	50.20	39.74	47.56	43.80
Total	17.04	9.28	73.83	45.47	53.5	48.2	53.70	57.73	30.39	43.96
of which back to back	20.09	-5.18	83.69	38.75	66.2	45.8	75.48	59.87	31.58	73.19

Source: Foreign Exchange Operation Department, Bangladesh Bank.

Table V.7: Country-wise Workers' Remittances
(In million USD)

Countries	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Gulf Region	10,558	13,611	3,824	3,403	3,044	3,341	2,976	2,547	2,583
1. Saudi Arabia	4,015	5,721	1,614	1,453	1,290	1,364	1,304	1,131	1,051
2. UAE	2,473	2,440	752	622	506	561	446	369	451
3. Qatar	1,020	1,450	347	328	342	434	356	328	329
4. Oman	1,242	1,536	486	384	301	365	292	189	201
5. Kuwait	1,372	1,887	466	473	472	475	442	398	396
6. Bahrain	437	578	160	144	132	142	136	131	154
Euro Region	1,418	2,091	531	521	513	525	471	445	595
7. UK	1,365	2,024	516	504	496	508	452	428	573
8. Germany	53	67	15	17	17	18	19	17	22
Asia Pacific Region	1,738	2,707	818	718	569	602	421	336	344
9. Singapore	457	625	189	156	137	143	112	89	91
10. Japan	49	80	21	23	18	18	18	16	17
11. Malaysia	1,231	2,002	607	540	414	441	291	231	236
Rest of the World	4,492	6,369	1,540	1,591	1,527	1,712	1,541	1,503	1,537
12. USA	2,403	3,462	815	831	843	973	858	834	824
13. Others	2,089	2,907	725	759	684	739	683	669	713
Total	18,205	24,778	6,713	6,232	5,654	6,179	5,408	4,831	5,059

Source: Statistics Department, Bangladesh Bank.

Table V.8: Exchange Rate Movements
(Taka per Currencies)

Period	US Dollar		U.K. Pound Sterling		EURO		Japanese Yen	
	Period Average	End Period	Period Average	End Period	Period Average	End Period	Period Average	End Period
2019 -20								
July	84.50	84.50	105.49	102.68	94.82	94.26	0.78	0.78
August	84.50	84.50	102.76	103.18	94.03	93.60	0.79	0.80
September	84.50	84.50	104.30	103.84	93.03	92.43	0.79	0.78
October	84.67	84.75	106.96	109.35	93.54	94.50	0.78	0.78
November	84.78	84.90	109.20	109.63	93.73	93.47	0.78	0.78
December	84.90	84.90	111.05	111.34	94.25	95.08	0.78	0.78
January	84.90	84.90	111.08	111.18	94.30	93.66	0.78	0.78
February	84.95	84.95	110.33	109.46	92.71	93.44	0.77	0.78
March	84.95	84.95	104.48	99.89	93.60	91.65	0.79	0.76
April	84.95	84.95	104.93	103.90	91.99	91.89	0.79	0.79
May	84.95	84.95	104.48	108.88	92.34	94.29	0.79	0.79
June	84.92	84.90	104.38	104.41	95.54	95.44	0.79	0.79
2020 -21								
July	84.81	84.80	107.26	110.21	97.05	100.00	0.79	0.81
August	84.84	84.83	111.29	113.26	100.29	100.98	0.80	0.81
September	84.80	84.84	110.07	109.13	100.01	99.64	0.80	0.80
October	84.80	84.80	110.13	110.09	99.87	99.60	0.81	0.81
November	84.80	84.80	111.89	112.92	100.27	101.45	0.81	0.81
December	84.80	84.80	113.86	115.54	103.09	104.28	0.82	0.82
January	84.80	84.80	115.64	116.21	103.27	102.92	0.82	0.81
February	84.80	84.80	117.48	118.16	102.55	102.41	0.81	0.80
March	84.80	84.80	117.59	116.53	101.08	99.35	0.78	0.77
April	84.80	84.80	117.32	118.16	101.35	102.82	0.78	0.78
May	84.80	84.80	119.28	120.32	102.93	103.38	0.78	0.77
June	84.81	84.81	119.03	117.36	102.27	100.90	0.77	0.77
2021 -22								
July	84.80	84.81	117.20	117.88	100.25	100.44	0.77	0.77
August	84.95	85.20	117.32	117.24	100.03	100.51	0.77	0.78
September	85.26	85.50	117.16	114.80	100.40	99.15	0.77	0.76
October	85.61	85.68	117.06	117.31	99.29	99.07	0.76	0.75
November	85.78	85.80	115.55	114.24	97.94	96.89	0.75	0.76
December	85.80	85.80	114.09	115.73	96.99	97.38	0.75	0.75
January	85.95	86.00	116.57	115.29	97.39	95.85	0.75	0.75
February	86.00	86.00	116.45	115.30	97.57	96.91	0.75	0.74
March	86.06	86.20	113.37	113.20	94.77	96.18	0.73	0.71

Source: Statistics Department, Bangladesh Bank.

Table V.9 : Trends in Foreign Aid
(In million USD)

	FY21 ^P					FY22 ^P			
	FY20	FY21 ^P	Q ₁	Q ₂	Q ₃ ^R	Q ₄ ^P	Q ₁ ^P	Q ₂ ^P	Q ₃ ^P
a. Grants (i+ii)	276	254	60	9	78	106	75	76	30
i) Food Aid	0	16	6	0	7	3	2	0	1
ii) Project Aid	276	237	54	9	71	103	73	76	29
b. Loans (MLT)	6,996	6,726	1,384	614	2,235	2,499	1,863	2,162	2,591
A. Total (a+b)	7,272	6,980	1,445	623	2,313	2,605	1,938	2,238	2,621
B. Amortization(1+2)	1,727	1,900	508	238	700	453	594	446	555
1) Principal	1,270	1,413	352	189	501	372	420	361	403
2) Interest	457	487	157	49	200	82	174	85	152
C. Net Foreign Financing (A -1)	6,002	5,566	1,093	434	1,812	2,233	1,518	1,877	2,218

Source: ERD; MOF; Statistics Department, Bangladesh Bank.

R=Revised, P= Provisional.

Table VI.1: Gross NPL Ratios by Type of Banks
(In percent)

Type of Banks	2020				2021				2022
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
State Owned Commercial Banks	22.82	22.73	22.46	20.90	20.91	20.62	20.07	19.28	20.01
Specialized Banks	15.10	15.92	15.92	13.32	13.36	11.44	11.44	12.02	12.01
Private Commercial Banks	5.63	5.86	5.56	4.66	5.13	5.44	5.47	5.31	5.84
Foreign Commercial Banks	5.59	5.49	5.86	3.46	4.13	3.91	4.12	4.29	4.53
All Banks	9.03	9.16	8.88	7.66	8.07	8.18	8.12	7.93	8.53

Source: Banking Regulation and Policy Department, Bangladesh Bank.

Note: Data prior to December 2020 contains information without OBU.

Table VI.2: Net NPL Ratios by Type of Banks
(In percent)

Type of Banks	2020				2021				2022
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
State Owned Commercial Banks	4.57	3.21	2.93	0.00	2.67	2.48	2.45	2.53	3.39
Specialized Banks	2.98	2.70	2.70	1.32	1.22	-0.61	-0.65	0.40	0.46
Private Commercial Banks	-0.55	-0.52	-0.94	-1.54	-1.29	-1.17	-1.18	-1.07	-0.82
Foreign Commercial Banks	-0.02	-0.41	-0.38	-0.56	-0.29	-0.38	-0.38	-0.73	-0.46
All Banks	0.39	0.15	-0.22	-1.18	-0.48	-0.47	-0.55	-0.43	-0.07

Source : Banking Regulation and Policy Department, Bangladesh Bank.

Note: Data prior to December 2020 contains information without OBU.

Table VI.3: Capital to Risk Weighted Asset Ratios by Types of Banks
(In percent)

Type of Banks	2020				2021				2022
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
State Owned Commercial Banks	4.59	6.93	8.25	4.34	6.49	6.82	6.25	3.71	6.76
Specialized banks	-33.50	-36.54	-33.73	-32.92	-31.86	-32.16	-34.31	-33.62	-33.58
Private Commercial Banks	13.49	13.31	13.29	13.96	13.44	13.26	13.09	13.72	13.22
Foreign Commercial Banks	24.66	24.35	25.59	28.24	28.04	28.46	27.10	25.45	26.00
All Banks	11.35	11.63	11.94	11.64	11.67	11.57	11.22	11.08	11.41

Source: Department of Off- site supervision, Bangladesh Bank.

Table VI.4: Profitability Ratios by Type of Banks
(In percent)

Type of Banks	Return on Asset (ROA)*					Return on Equity (ROE)*				
	2021				2022	2021				2022
	Mar.	Jun.	Sep.	Dec.	Mar.	Mar.	Jun.	Sep.	Dec.	Mar.
State Owned Commercial Banks	-0.03	0.13	-0.01	-0.68	0.16	-0.62	2.94	-0.14	-21.61	4.00
Specialized Banks	-2.89	-3.20	-3.47	-3.03	-3.69	-13.17	-14.41	-15.41	-13.21	-15.99
Private Commercial Banks	0.61	0.68	0.66	0.62	0.54	8.87	10.12	10.01	9.34	8.23
Foreign Commercial Banks	1.46	1.48	1.31	1.17	2.41	9.08	9.26	8.40	7.59	15.15
All Banks	0.42	0.50	0.44	0.25	0.45	6.70	8.26	7.42	4.44	7.89

Source: Department of Off- site supervision, Bangladesh Bank;

*=All are annualized except the quarter of December.

Table VII.1: Indicators of Capital Market Developments

	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Number of listed securities ¹	368	388	371	376	382	388	390	395	401
Issued equity and debt (billion Taka)	751.2	848.8	763.4	826.7	836.0	848.8	862.5	870.1	913.2
Market capitalization (billion Taka)	2576.3	4588.4	3467.7	3933.7	4031.0	4588.4	5266.8	4832.5	4793.0
Turnover (billion Taka)	780.4	2547.0	468.8	560.4	628.8	889.0	1191.3	814.3	719.0
DSE broadindex	3989.1	6150.5	4963.3	5402.1	5278.2	6150.5	7329.0	6756.7	6757.8
DSE-30 index	1341.0	2208.4	1696.0	1964.0	1994.4	2208.4	2710.5	2532.6	2474.0
Growth in percent (y-o-y)									
Number of listed securities	1.38	5.43	1.64	2.70	3.80	5.43	5.12	5.05	4.97
Issued equity and debt	4.34	12.99	4.49	10.80	11.65	12.99	12.98	5.25	9.23
Market capitalization	-25.04	78.10	9.22	38.20	56.57	78.10	51.88	22.85	18.90
Turnover	-46.53	226.38	88.72	165.20	131.65	1,706.8	154.13	45.32	14.34
DSE broad index	-26.42	54.18	0.32	21.30	31.68	54.18	47.66	25.08	28.03
DSE-30 index	-30.49	64.68	-3.63	29.90	49.86	64.68	59.82	28.95	24.05

Source: Dhaka Stock Exchange.

¹Include debenture but exclude govt. bond.

Table VII.2: Group-wise Market Capitalization of Dhaka Stock Exchange

(In billion Taka)

Name of Groups	FY21						FY22		
	FY20	FY21	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Banks	449.1	679.6	552.4	572.9	562.8	679.6	725.3	727.0	711.3
Financial Institutions	125.4	212.0	181.1	190.3	168.0	212.0	285.4	228.4	200.9
Mutual Funds	29.5	46.2	40.2	41.9	36.3	46.2	45.3	40.5	40.0
Engineering	131.9	603.9	385.3	501.7	523.4	603.9	642.7	565.5	553.9
Food & Allied Product	208.4	385.7	254.9	305.5	375.0	385.7	460.9	445.6	419.8
Fuel and Power	365.3	465.9	446.9	430.9	442.6	465.9	561.0	469.4	482.2
Jute Industry	1.8	2.0	2.3	2.9	2.1	2.0	2.3	2.1	2.1
Textile Industry	95.9	147.4	117.8	111.8	103.7	147.4	185.4	165.9	176.0
Pharmaceuticals and Chemicals	467.5	638.3	564.5	608.6	591.2	638.3	764.4	716.2	730.0
Paper and Printing	9.6	15.1	15.3	15.6	14.7	15.1	23.4	34.4	36.2
Services and Real Estate	13.0	20.9	16.1	18.8	17.0	20.9	30.9	25.6	27.9
Cement Industry	71.9	119.4	79.6	88.9	90.8	119.4	166.8	127.0	131.0
Insurance	91.5	222.7	139.7	160.0	137.4	222.7	225.4	214.0	194.1
Telecommunication	336.7	730.6	467.1	652.2	702.6	730.6	765.2	687.8	655.1
Miscellaneous	178.2	298.3	200.1	241.0	261.8	298.3	380.6	377.1	399.6
Corporate Bond	3.9	4.1	3.9	4.1	4.0	4.1	4.1	6.2	33.0
Total Market Capitalization	2,580	4,592	3,467	3,947	4,033	4,592	5,269	4,832	4,793

Source: Dhaka Stock Exchange.

Annexure

Major Policy Announcements: January – March, 2022

<p>ACD Circular No. 01: January 03, 2022</p> <p>Policy on formation and operation of "Ghore Fera" related refinance scheme of BDT 5 billion to create employment and to alleviate poverty for the people returned home due to COVID-19 pandemic and other reasons.</p>	<p>Bangladesh Bank rolled out a refinance scheme of BDT 5 billion from its own source to assist the worker/laborer/small businesses forced to return to their villages in reverse migration driven by the COVID-19 pandemic and other reasons. The title of the scheme is "Refinance scheme-Ghore Fera-of BDT 5 billion to create employment and to alleviate poverty for the people returned home due to COVID-19 pandemic and other reasons". The tenure of the scheme is till December 31, 2024.</p> <p>All state-owned commercial banks and specialized banks are the participating banks under the scheme. Interested private and foreign banks shall have to apply to Agricultural Credit Department to participate in the program.</p> <p>Banks are permitted to disburse maximum BDT 0.5 million as loan to a single borrower; not allowed to use the fund to adjust previous loans.</p> <p>Participating banks shall avail refinance facility at 0.5% interest rate from BB and the maximum rate of interest at customer level is fixed at 6% (simple interest). No security collateral is required to avail the loan facility.</p> <p>Banks are allowed to sanction loans on the sectors that revitalize the rural economy such as- local businesses with small capital, purchase of small and medium vehicles in transport sector, light engineering industry, fisheries and livestock, information technology service center and other service-generating activities, building and repairing houses, cultivation of vegetables and fruits and purchase of agricultural equipments etc. Physically disabled and poor women are also allowed to avail the loan under this scheme. People trained from the government organization shall be given priority in this regard. Female borrower/entrepreneurs shall be entitled to avail minimum 10% of the loan to be disbursed under the sector.</p> <p>The tenure of the loan is maximum 2 years including 3 months grace period for loan of maximum 0.2 million and for that of above 0.2 million to 0.5 million is maximum 3 years including 6 months grace period.</p> <p>In case of proven misuse of funds or any of its portions, BB shall charge and realize additional 2% as one-time fine, In case of excess interest charge above 6% at customer level-1% additional fine, on the misused amount.</p> <p>Islami shariah-compliant banks are allowed to follow their own shariah policy to disburse and operate investments under the scheme.</p>
<p>BRPD Circular Letter No. 08: March 10, 2022</p> <p>Regarding L/C Margin and Commission on Import for Essential Consumer Goods</p>	<p>All the scheduled banks operating in Bangladesh are asked to maintain import L/C margin rate at minimum level and allowed to open L/C at zero margin on banker-customer relationship which is to contain the price-hike of daily essential commodities to keep the commodity price at affordable level and to ensure adequate supply of commodities such as edible oil, chickpeas, pulses, peas,</p>

	<p>onions, spices, dates, fruits, sugar and other daily necessities during the Ramadan. The banks are also directed to keep the commission of import L/C margin at lowest rate possible on banker-customer relationship.</p> <p>The directive comes with immediate effect and remains in force till May 10, 2022.</p>
<p>BRPD Circular Letter No. 06: February 15, 2022</p> <p>Application and Realization of Non-transactional Fee/Charges on Credit Card</p>	<p>No non-transactional fees/charges (Annual fee, CIB fee, SMS fee etc) are allowed to charge on customer of credit card before activation of the card.</p> <p>However, non-transactional fees/charges are permitted to apply after activation of the credit card on consent of the customer. If an active credit card does not have any transactional liability (transaction related to shopping, cash withdrawal, or merchandise transaction), no fine is allowed to impose on non-transactional fees/charges because of overdue/late payment of non-transactional fees/charges. Under no circumstance interest or profit is allowed to be charged on non-transactional fees/charges.</p> <p>A customer cannot be classified into lower categories because of overdue liabilities related to non-transactional fees/charges. But overdue transactional liabilities are to be duly classified and provisioned.</p> <p>Transactional liabilities are allowed to be adjusted after adjusting non-transactional fees/charges on full or partial realization of credit card bill.</p>
<p>BRPD Circular No. 01: January 16, /2022</p> <p>Single Borrower and Large Loan Exposure Limit</p>	<p>Exposure Limits – The following limits shall apply:</p> <p>A. Single Person/Counterparty or Group:</p> <p>i) Aggregate Principal Exposure:</p> <p>(a) The aggregate principal amount of funded and non-funded exposure to a single person/counterparty or a group shall not exceed 25% of the capital at any point of time.</p> <p>(b) The aggregate principal amount of funded exposure to a single person/counterparty or a group shall not exceed 15% of the capital at any point of time.</p> <p>ii) Applicable Conversion Factor:</p> <p>(a) In order to calculate aggregate principal amount, a conversion factor of 0.50 shall be used against non-funded exposure; i.e. 100% of funded exposure and 50% of non-funded exposure shall be considered.</p> <p>(b) While calculating aggregate principal amount for credit facilities sanctioned in order to produce, transmit and distribute electricity against any award provided by the Power Division of the Ministry of Power, Energy and Mineral Resources or the institutions controlled by the said division, a conversion factor of 0.25 shall be used against non-funded exposure; i.e. 100% of funded exposure and 25% of nonfunded exposure shall be taken into account.</p>

B. Large Loan:

i) Aggregate Exposure: The banks shall sanction large loans as per the following limits set against their respective classified loans:

Percentage of Classified Loan to Total Outstanding	Large Loan Portfolio Ceiling against Bank's Total Loans & Advance
Less than or equal to 3%	50%
Greater than 3% but less than or equal to 5%	46%
Greater than 5% but less than or equal to 10%	42%
Greater than 10% but less than or equal to 15%	38%
Greater than 15% but less than or equal to 20%	34%
Greater than 20%	30%

However, the aggregate amount of large loan exposure shall not exceed 400% of bank's capital at any point of time.

ii) Applicable Conversion Factor: In order to determine Large Loan Portfolio Ceiling of any bank, 100% of funded exposure, 50% of non-funded exposure except for power sector and 25% of non-funded exposure in power sector shall be included in total Loans & Advances as well as in large loan exposure. For example, if a bank's Classified Loan is 3%, according to this policy, the bank may have large loan exposure up to 50% of its total Loans & Advances provided that such exposure does not exceed 400% of the bank's capital. Thus the large loan portfolio ceiling formula for the bank will be as below:

$$\frac{(Total\ Funded\ Large\ Loan\ Exposure + Total\ Non-funded\ Large\ Loan\ Exposure\ except\ for\ power\ sector * 50\% + Total\ Non-funded\ Large\ Loan\ Exposure\ in\ power\ sector * 25\%)}{(Bank's\ Total\ Funded\ Exposure + Bank's\ Total\ Non-funded\ Exposure\ except\ for\ power\ sector * 50\% + Bank's\ Total\ Non-funded\ Exposure\ in\ power\ sector * 25\%)} \leq 50\%$$

3) Exceptions: In order to allow banks to accommodate prudently the genuine credit needs of creditworthy borrowers, notwithstanding anything contained in this circular, the following exceptions shall be applicable to the limits set forth:

A. In case of credit facilities provided to the government or against government guarantees and AAA rated Multilateral Development Banks (MDBs) guarantee, the aforementioned restrictions set forth in Paragraph 2 shall not be applicable.

[Note: Multilateral Development Banks (MDBs) include: the World Bank Group

	<p>comprising the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC), the Asian Development Bank (ADB), the African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), the Inter American Development Bank (IADB), the European Investment Bank (EIB), the European Investment Fund (EIF), the Nordic Investment Bank (NIB), the Caribbean Development Bank (CDB), the Islamic Development Bank (IDB) and the Council of Europe Development Bank (CEDB).]</p> <p>B. In case of interbank money market transactions with a contractual maturity of less than one year, the aforementioned restrictions shall not be applicable.</p>
<p>DMD Circular Letter No. 01: January 17, 2022 Regarding re-investment in National Sanchaya Bonds</p>	<p>Maximum BDT 10 (ten) million is allowed to be reinvested in National Sanchaya Bonds (Wage Earner Development Bond, US Dollar Investment Bond and US Dollar Premium Bond) if not reinvested before the circulation of notification on December, 2020 by Internal Resource Division or if the bearer of the bond request in writing for reinvestment after notification.</p>
<p>DFIM Circular No. 03: February 15, 2022 Regarding investment components of Capital Market</p>	<p>The following instruments shall be included while calculating total stock market exposure of financial institutions:</p> <ol style="list-style-type: none"> Market value of all listed shares, debentures, corporate bonds, mutual fund unit and other products of capital market. But equity given to own subsidiary companies, long-term equity investment/venture capital, Central Depository (BD) Ltd and share of stock exchanges shall not be considered as stock market exposure of financial institutions Outstanding balance of loans to own subsidiaries or associated companies directly or indirectly engaged in capital market. Outstanding balance of loans to other companies or stock dealers directly or indirectly involved in capital market. Any financing/subscription given to fund formed with a view to investing in capital market.
<p>FEPD Circular No. 04: March 14, 2022 Retention of export proceeds in foreign exchange</p>	<p>Export proceeds received in advance as declared on Advance Receipt Voucher (ARV) in accordance with Paragraph 20, Chapter 8 of GFET are allowed to be retained in foreign exchange as per paragraph 41 or 42 of chapter 7 ibid depending on the nature of import bills,</p>
<p>FEPD Circular Letter No. 09: March 02, 2022 Payment in foreign currency against local supply of goods under international tender.</p>	<p>Paragraph 35 of Chapter 7 of GFET-2018, Volume-1 will be read as follows: "ADs may establish letter of credit (LC) in foreign currency favoring local contractor to execute work order provided under international tender. Such LCs established in foreign currency shall be settled through FC clearing accounts of the bank concerned maintained with Bangladesh Bank. Foreign exchange thus received may be retained up to thirty days to settle import payment obligations of the client as mentioned in Para 42(ii) of this chapter."</p>

<p>FEPD Circular Letter No. 04: January 20, 2022</p> <p>Cash incentive against remittance through legal channel.</p>	<p>To encourage repatriation of the hard-earned remittances of the expatriates through legal channel, remittance incentive/cash assistance at existing rate shall be given against repatriation of the following incomes through formal channel:</p> <ul style="list-style-type: none"> a) Retirement benefits such as pension funds; b) Provident fund; c) Leave salary; d) Bonus and other gratuities paid by employer e) Retirement benefits <p>The source of income of the remitter shall have to be documented and ensured. And while collecting remittance, it shall be immediately converted to BDT. The instruction shall come with immediate effect.</p>
<p>FEPD Circular Letter No. 03: January 18, 2022</p> <p>Regarding LC opening without legally renewed (updated) IRC.</p>	<p>All the dealers' banks involved in foreign currency transaction are asked to ensure the acceptance of legitimate and renewed (updated) IRC at the time of receiving LCA form and before opening LC.</p>
<p>FEPD Circular No. 02: January 16, 2022</p> <p>Export incentive/cash assistance against export of Software, ITES (Information Technology Enabled Services) and Hardware from Bangladesh.</p>	<p>Software and ITES exporters shall enjoy export incentive/cash assistance at existing rate against exports of their products through international marketplaces without producing import information on TT message for repatriation (except that of through exchange house) of export proceeds up to USD 5,000. In this regard, following conditions shall have to be complied with:</p> <ul style="list-style-type: none"> a) International market places, through which software and ITES shall be exported and exports proceeds be repatriated, shall have to be recognized by the Information and Communication Technology Division. b) Exporters need to provide proper documents of agreement/arrangement, web-link in case of electronic agreement/arrangement, with International market places to the dealers' banks in case of exporting software and ITES through International market places. c) The dealers' banks shall have to take a declaration from the exporter regarding operation of software and ITES export activities through International market places and accomplish KYC/TP and other due diligence of customer. d) The dealer bank branch shall collect information regarding operation of software and ITES export activities through International market places, including web-link, of the exporter and be ensured through scrutiny. e) The exporter shall provide print out copy of auto generated invoices/payment confirmations in support of export proceeds with the application, including required audit trail and web-link for vetting these documents, to the dealer bank.

<p>SMESPD Circular No. 01: January 23, 2022 Regarding Credit Guarantee Facility for Marginal/Landless Farmers, Low Income Professionals, School Banking Account Holders and Small Traders who have accounts of TK.10/50/100.</p>	<p>Bangladesh Bank launched a new credit guarantee scheme titled “Financial inclusion Credit Guarantee Scheme”, following the existing credit guarantee scheme introduced by CGS Unit, to ensure easy access to loan under the refinance scheme of BDT 5 billion for marginal/landless farmers, low income professionals, School Banking account holders and small traders who have accounts of TK.10/50/100. Banks shall have to sign a participation agreement with CGS unit to avail credit guarantee facility from BB.</p> <p>CGS Unit shall provide maximum 30% portfolio guarantee cap (coverage) of the total guarantee for the loans under the scheme. Under the portfolio guarantee cap (coverage), maximum 80% guarantee coverage shall be provided to a single entrepreneur or borrower. The tenure of loan/investment shall be treated as the initial tenure of guarantee. The tenure of guarantee shall expire with the total recovery of the loan within prefixed tenure. However, if rescheduled/restructured, the tenure of rescheduling/restructuring shall be considered as tenure of guarantee.</p> <p>Participating bank shall have to pay 1% guarantee fee for the current year (1st year) of the total target limit of guaranteed loan/investment, not be realized from the customer, from its own source to BB under the bilateral participation agreement between CGS Unit and the corresponding bank. After the 1st year, the guarantee fee shall be applied on the outstanding guaranteed loan/investment balance of preceding day (31st December). In this case, 0.5% guarantee fee shall be applied if non-performing loan of the bank is below 5% and 0.75% guarantee fee for that of non-performing loan above 5%.</p> <p>Classified guaranteed loans/investments under the refinance scheme are allowed to be rescheduled/ restructured. If the loan/investment remains unrealized or becomes classified again even after rescheduling/ restructuring, the financing against the guarantee is permitted to be claimed after trying all possible means of recovering. The claim must not be higher than 80% of the classified guaranteed proportion of the principal amount for single borrower or maximum 30% of total guarantee cap, whichever is lower. Interest/profit on bad debts is not permitted to be claimed as guarantee. Bangladesh Bank shall take necessary actions against any deliberate misinformation or concealment of information on risk assessment under guarantee by the banks as per existing laws/regulations/policies, if proven. Maximum 30% of the classified guaranteed loans are exempted from maintaining specific provision for the guarantee period under the scheme.</p>
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Bangladesh Bank welcomes suggestions and comments for improvement of the contents and form of this publication. Comments and suggestions may be sent to:
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