

### **Fortnightly Trends of Major Economic Indicators: Updates on 15<sup>th</sup> December 2020**

As per the latest available data, **broad money** increased by Tk. 65993.00 crore or 4.80 percent in October 2020 over end June 2020 against the increase of Tk. 42199.70 crore or 3.46 percent during the same period of the preceding year. Broad money increased during the reported period due mainly to increase in net foreign assets (NFA).

**Reserve money** stood at Tk 306623.50 crore as on 15 December 2020 which was Tk. 296578.20 crore as on 30 November 2020. Reserve money increased by 8.02 percent as on 15 December 2020 over end June 2020 which increased by 1.81 percent during the same period of the preceding fiscal year.

**Domestic credit** increased by 2.17 percent and stood at TK. 1335985.20 crore in October 2020 over end June 2020 against the increase of 4.58 percent to Tk.1199463.10 crore during the same period of the previous fiscal year. Domestic credit growth slightly subdued over the reported period due to slow growth in credit to public sector. Credit to public sector increased by 5.37 percent in October 2020 over end June 2020 against the increase of 26.99 percent during the same period of previous fiscal year. However, private sector credit growth remained at 1.55 percent during July-October, 2020 likewise the same period of the last fiscal year.

**Government borrowing from the banking system** including BB increased by Tk. 3830.30 crore during the period of 01-15 December 2020 as compared to the increase of Tk. 3946.10 crore during the same period of the last year. Similarly, as per the latest available data, government overall borrowing from the banking system increased by Tk. 7526.87 crore from 01 July to 15 December, 2020 which increased by Tk. 45317.41 crore during the same period of the preceding fiscal year. Available information suggest that government borrowing from the banking system remained deliberately slow in the current fiscal year due mainly to rapid growth of borrowing from the non-bank sources, especially through issuance of national savings certificates.

**NBR tax revenue** collection increased by 4.11 percent (y-o-y) and stood at Tk. 49989.72 crore during July-September 2020 as compared to Tk. 48015.70 crore or 3.97 percent increase during the same period of the preceding fiscal year. The gradual increase of NBR tax revenue collection indicates that overall economic activities are gaining desired momentum by mitigating the pandemic situation of COVID-19.

**Inward Remittances** increased by 41.18 percent and stood at US\$ 10894.10 million during July-November 2020 against the increase of 22.71 percent to US\$ 7716.25 million during the same period of the last fiscal year. The inward remittances have substantially increased due mainly to allowing 2 percent incentives for sending it through the banking channels.

**Exports** increased by 0.93 percent and stood at US\$ 15923.59 million during July-November 2020 against the decrease of 7.59 percent to US\$ 15777.07 million during the same period of the preceding fiscal year. The revival of exports growth reflects a sluggish recovery of external demand for Bangladeshi commodities in the global market.

**Current account balance** recorded a significantly surplus of US\$ 4054 million during July-October 2020 against the deficit of US\$ 1521 million during July-October 2019. Surplus in current account balance emerged from larger inflows of remittances and significantly lower deficit both in trade and service accounts.

Despite having lower surplus in financial account balance, with the support of a handsome surplus in current account balance **foreign exchange reserves** of BB increased by US\$ 9.81 billion and stood at US\$ 42.09 billion as on 15 December 2020 from US\$ 32.28 billion as on 15 December 2019.

**Inflation** on twelve-month average basis (Base: FY2005-06=100) decreased to 5.73 percent in November 2020 from 5.77 percent in October 2020 due to decrease of both food and non-food inflation. Point to point general inflation also decreased to 5.52 percent in November 2020 from 6.44 percent in October 2020 due mainly to decrease in food inflation.

Detailed fortnightly information upto 15<sup>th</sup> December 2020 are annexed herewith.

**Detailed Information on Trends of Major Economic Indicators upto 15 December 2020****I. Money and Credit**

(Taka in crore)

Particulars	October 2019	September 2020 <sup>R</sup>	October 2020 <sup>P</sup>
<b>1. Broad money (M2)</b>	<b>1261811.20</b>	<b>1426204.50</b>	<b>1439728.00</b>
	(+3.46)	(+3.82)	(+4.80)
<b>2. Reserve money @</b>	<b>249849.80 ***</b>	<b>296578.20 **</b>	<b>306623.50 *</b>
	(+1.81)	(+4.48)	(+8.02)
<b>3. Bank deposits<sup>##</sup></b>	<b>1106983.60</b>	<b>1237006.50</b>	<b>1251671.80</b>
	(+3.91)	(+4.69)	(+5.93)
<b>4. Domestic credit (A+B)</b>	<b>1199463.10</b>	<b>1332958.90</b>	<b>1335985.20</b>
	(+4.58)	(+1.94)	(+2.17)
<b>A. Public sector (including govt.) (a+b)</b>	<b>173504.70</b>	<b>219876.60</b>	<b>221662.70</b>
	(+26.99)	(+4.52)	(+5.37)
<b>    i. Net credit to govt. sector</b>	<b>147656.90</b>	<b>190498.60</b>	<b>191607.10</b>
	(+30.35)	(+5.16)	(+5.77)
<b>    ii. Credit to other public sector</b>	<b>25847.80</b>	<b>29378.00</b>	<b>30055.60</b>
	(+10.67)	(+0.56)	(+2.88)
<b>B. Credit to private sector</b>	<b>1025958.40</b>	<b>1113082.30</b>	<b>1114322.40</b>
	(+1.55)	(+1.44)	(+1.55)

Source: Statistics Department, BB.

Note: Figures in the parenthesis indicate percentage changes over corresponding end June.

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

\*Figure is as of 15th December 2020, \*\*Figure is as of 30th November 2020, \*\*\*Figure is as of 15th December 2019 .

# Advances, import and inland bills. ## Demand and time deposits (excluding inter-bank)

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

Particulars	As on		Flow for the period of			
	15 December 2019	15 December 2020	01-15 Decemehr 2019	01-15 Decemehr 2020	01 July-15 December2019	01 July-15 December2020
<b>1. A. Net outstanding position of govt. borrowing from Bangladesh Bank</b>	43986.95	24614.88	4172.16	3132.61	10042.22	-19738.62
<b>B. Net outstanding position of govt. borrowing from banking sector(including BB)</b>	153413.11	185349.88	3946.10	3830.30	45317.41	7526.87
<b>2. Net outstanding position of non-bank borrowing of the govt.*</b>	As of end		Flow for the month of		Flow for the period of	
	September 2019	September 2020 <sup>P</sup>	September 2019	September 2020 <sup>P</sup>	July-September 2019	July-September 2020 <sup>P</sup>
	323638.44	354864.12	(+)1532.91	(+)3723.26	(+)5635.37	(+)13874.78
<b>3. Govt.revenue collection (NBR portion)</b>	September 2019	September 2020 <sup>P</sup>	July-September 2019		July-September 2020 <sup>P</sup>	
	17903.87 (+2.20)	19830.23 (+10.76)	48015.70 (+3.97)		49989.72 (+4.11)	

Source: Research Department &amp; Statistics Department, BB and National Board of Revenue.

Note: Figures in the parenthesis indicate percentage changes over the same period of the previous year

P= Provisional

\* Excludes saving certificates held by the banks and includes T.bills &amp; T.bonds held by non-bank financial institutions.

**III. External Sector**

(In million US\$)

Particulars	October 2019	October 2020	July-October 2019	July-October 2020 <sup>P</sup>
1. Custom based import (c&f)	5279.30 (-4.82)	4375.80 (-17.11)	19603.30 (-3.17)	17062.30 (-12.96)
Particulars	September 2019	September 2020	July-September 2019	July-September 2020 <sup>P</sup>
2. Opening of Import L/C	5100.00 (+5.90)	5344.65 (+4.80)	14599.31 (-1.05)	13300.44 (-8.90)
3. Settlement of Import L/C	4361.28 (-3.75)	4140.44 (-5.06)	13335.28 (+3.93)	11501.27 (-13.75)
	November 2019	November 2020	July-November 2019	July-November 2020 <sup>P</sup>
4. Inward Remittances	1555.23 (+31.75)	2068.46 (+33.00)	7716.25 (+22.71)	10894.10 (+41.18)
	November 2019	November 2020	July-November 2019	July-November 2020 <sup>P</sup>
5. Exports	3055.82 (-10.70)	3078.95 (+0.76)	15777.07 (-7.59)	15923.59 (+0.93)
	July-October 2019		July-October 2020 <sup>P</sup>	
6. Current Account Balance	-1521.00		4054.00	
	15 December 2019	30 November 2020	15 December 2020	
7. Foreign Exchange Reserve <sup>#</sup>	32275.74 (-1.35)	41269.22 (+14.52)	42094.90 (+30.42)	

**IV. Price Index**

1. CPI inflation at national level (Base : FY 2005-06=100)	November 2019	October 2020	November 2020
a. Twelve month average basis	5.56	5.77	5.73
b. Twelve month point to point basis	6.05	6.44	5.52

Source: Statistics Department and Accounts &amp; Budgeting Department, BB and Bangladesh Bureau of Statistics.

Note: Figures in the parenthesis indicate percentage changes over the same period of the preceding year.

P=Provisional, # Figures in the parenthesis indicate percentage changes over corresponding end June.