

Fortnightly of Major Economic Indicators: Updated up to 15 January 2023

During July-December 2022, **broad money** increased 2.92 percent to Tk 1757968.60 crore at the end of December 2022 from the level of end June 2022. The increase in net domestic assets (NDA) contributed to broad money growth during the period.

Domestic credit recorded a lower growth of 5.38 percent in December 2022 over June 2022 compared to 6.41 percent growth in December 2021 over June 2021. Domestic credit growth stood lower compared to previous period because of lower growth of both credit to public sector and private sector. Credit to public sector decelerated to 4.72 percent at the end of December 2022 over June 2022 compared to 7.13 percent rise at the end of December 2021 over end June 2021. Credit to public sector growth decelerated due to deceleration of both net credit to govt. sector growth and net credit to other public sector growth. As per the latest available data, government borrowing from the banking system increased Tk 33016.61 crore during 01 July 2022 to 15 January 2023 against the increase of Tk 10724.61 crore during 01 July 2021 to 13 January 2022. However, credit to private sector growth decelerated to 5.54 percent at the end of December 2022 over June 2022 compared to 6.26 percent rise during the same period of the preceding fiscal year.

During 01 July to 15 January 2023, **reserve money** increased 2.06 percent to Tk 354301.00 crore as on 15 January 2023 from the level of end June 2022. Reserve money increased due mainly to the higher growth in Net Domestic Assets (NDA) of Bangladesh Bank stemmed from higher government borrowing during the reported period under review.

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

Exports surged 9.81 percent to USD 32.45* billion during July-January FY23 compared to 30.34 percent to USD 29.55* billion during July-January FY22. Exports growth stood lower in January, 2023 compared to that of the corresponding period due to higher base of the last year and seemingly a fall off global demand arising from Russia-Ukraine war.

Custom based imports experienced a lower growth of 2.20 percent during July-December 2022 compared to 54.47 percent growth during July-December 2021 because of partly higher base of the previous period and partly BDT depreciation along with import restriction of luxurious items. Opening of import LCs decreased 22.52 percent during July-December 2022 due to import restriction policy taken by the government. On the other hand, Settlement of import LCs increased 7.71 percent during July-December 2022.

*Source: EPB

Inward Remittances surged 4.23 percent to USD 11.54 billion during 01 July to 15 January 2023 compared to 21.03 percent fall during the same period of the previous year. Remittances seem to increase because of the increased number of remitters in FY22, higher BDT depreciation along with Government's phenomenal 2.50 percent cash incentives for sending it through the formal banking channels, easing the remittance repatriation by allowing the mobile financial services in remittance collection and distribution process as well as waiving the remittance transaction fees by banks.

Current account balance recorded a deficit of USD 5.27 billion in July-December 2022 against the deficit of USD 8.30 billion in July-December 2021. The deficit in current account balance occurred because of deficit in trade balance, primary income and service account. The deficit in current account balance improved slightly compared to the same period of previous FY due mainly to slower growth in import than that of export during July-December of FY23, with higher remittance inflows.

Foreign exchange reserves came down to USD 32.56 billion as on 15 January 2023 from USD 45.08 billion as on 13 January 2022. As per latest available data, foreign exchange reserves stood at USD 32.64 billion as on 08 February 2023.

Headline Inflation (Point to point) edged down to 8.57 percent in January 2023 from 8.71 percent in December 2022. On the other hand, headline inflation (twelve-month average) went up to 7.92 percent in January 2023 from 7.70 percent in December 2022. Supply bottleneck due to Russia-Ukraine war, higher commodity price in the international market, fuel price upward adjustment in domestic market along with BDT depreciation, and rise in domestic demand were contributing factors for the increasing headline inflation (twelve-month average).

Detailed fortnightly information available up to 15 January 2023 is annexed herewith.

Detailed Information of Major Economic Indicators upto 15 January 2023**I. Money and Credit***(Taka in crore)*

Particulars	June 2021	December 2021	June 2022 ^R	December 2022	July-December of FY23 ^P	July-December of FY22 ^R
1	2	3	4	5	6	7
1. Broad money (M2)	1560895.30	1620634.90	1708122.30	1757968.60	49846.30	59739.60
	(+13.62)	(+3.83)	(+9.43)	(+2.92)		
2. Bank deposits[#]	1351377.60	1409911.90	1471673.30	1489787.10	18113.80	58534.30
	(+14.37)	(+4.33)	(+8.90)	(+1.23)		
3. Domestic credit (A+B)	1439899.10	1532188.00	1671749.00	1761762.10	90013.10	92288.90
	(+10.11)	(+6.41)	(+16.10)	(+5.38)		
A. Public sector (including govt.) (i+ii)	251043.70	268940.50	320513.30	335628.60	15115.30	17896.80
	(+19.34)	(+7.13)	(+27.67)	(+4.72)		
i. Net credit to govt. sector	221025.90	234544.10	283314.50	293619.20	10304.70	13518.20
	(+22.01)	(+6.12)	(+28.18)	(+3.64)		
ii. Credit to other public sector	30017.80	34396.40	37198.90	42009.40	4810.50	4378.60
	(+2.75)	(+14.59)	(+23.92)	(+12.93)		
B. Credit to private sector	1188855.30	1263247.50	1351235.60	1426133.50	74897.90	74392.20
	(+8.35)	(+6.26)	(+13.66)	(+5.54)		
Particulars	30 December 2021	13 January 2022	29 December 2022	15 January 2023	01 July-15 January 2023	01 July-13 January 2022
4. Reserve money @	323088.90	323298.50	379383.00	354301.00	7138.90	-24773.30
	(-7.18)	(-7.12)	(+9.28)	(+2.06)		

Source: Statistics Department, BB.

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

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

Including both demand and time deposits

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

Particulars	As on		Flow for the period of			
	13 January 2022	15 January 2023 ^P	01-13 January 2022	01-15 January 2023 ^P	01 July 2021-13 January 2022	01 July 2022-15 January 2023 ^P
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	9945.79	106233.79	-5040.36	-15237.35	-14596.35	50367.40
B. Net outstanding position of govt. borrowing from banking sector(including BB)	212839.70	303202.17	-8404.06	767.26	10724.61	33016.61
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	November 2021	November 2022 ^P	November 2021	November 2022 ^P	July-November of FY22	July-November of FY23
	396556.11	414754.02	(+)1555.21	(-)199.60	(+)44280.64	(+)26934.23
3. Govt. tax revenue collection (NBR portion)	November 2021	November 2022 ^P	July-November of FY22		July-November of FY23	
	21925.32 (+15.01)	24722.77 (+12.76)	101548.02 (+16.46)		115640.45 (+13.88)	

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

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

P= Provisional

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

III. External Sector**(In million US\$)**

Particulars	December 2021	December 2022	July-December 2021	July-December 2022
1. Custom based import (c&f)	8436.70 (+56.57)	6042.90 (-28.37)	42122.50 (+54.47)	41194.50 (-2.20)
2. Opening of Import L/C ^{R#}	8646.22 (+57.13)	4989.48 (-42.29)	44015.96 (+53.41)	34101.66 (-22.52)
3. Settlement of Import L/C ^{R#}	7821.56 (+52.29)	5647.07 (-27.80)	38411.69 (+53.46)	41374.87 (+7.71)
	13 January 2022	15 January 2023	01 July to 13 January 2022	01 July to 15 January 2023
4. Inward Remittances	836.00 (-22.59)	1051.00 (+25.72)	11075.53 (-21.03)	11544.26 (+4.23)
	January 2022	January 2023	July-January 2022	July-January 2023
5. Exports	4850.37 (+41.13)	5136.24 (+5.89)	29548.92 (+30.34)	32447.50 (+9.81)
	July-December 2021		July-December 2022	
6. Current Account Balance	-8297.00		-5270.00	
	13 January 2022	29 December 2022	15 January 2023	
7. Foreign Exchange Reserve [@]	45079.05 (+6.28)	33767.46 (-26.84)	32564.49 (-27.76)	
IV. Price Index				
1. CPI inflation at national level (Base : FY 2005-06=100)	January 2022	December 2022	January 2023	
a. Point to point basis	5.86	8.71	8.57	
b. Twelve month average basis	5.62	7.70	7.92	

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

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

P=Provisional, @ Figures in the parenthesis indicate percentage changes over the previous June.