

Fortnightly Trends of Major Economic Indicators: Updates on 15 March 2021

As per the latest available data, **broad money** increased by Tk. 98735.80 crore or 7.19 percent in January 2021 over end June 2020 against the increase of Tk. 77938.40 crore or 6.39 percent during the same period of the preceding year. Broad money increased during the reported period due mainly to sharp increase of net foreign assets (NFA).

Reserve money stood at Tk 310895.70 crore as on 15 March 2021 which was Tk. 299932.70 crore as on 28 February 2021. Reserve money increased by 9.52 percent as on 15 March 2021 over end June 2020 which increased by 4.99 percent during the same period of the preceding fiscal year.

Domestic credit increased by 4.19 percent and stood at TK. 1362424.40 crore by end January 2021 over end June 2020 against the increase of 8.60 percent to Tk. 1245472.00 crore during the same period of the previous fiscal year. Domestic credit growth subdued over the reported period mainly due to the lower growth in credit to public sector compared to the previous year. Credit to public sector increased by 5.72 percent in January 2021 over end June 2020 against the increase of 41.26 percent during the same period of previous fiscal year. Public sector credit growth decreased mainly due to the government's borrowing from national saving certificates. Likewise, credit to private sector increased by 3.90 percent in January 2021 over end June 2020 against the increase of 4.18 percent during the same period of previous fiscal year. Private sector credit growth declined compare to the previous year due to the slow economic activities resulted from corona virus impact.

Government borrowing from the banking system including BB increased by Tk. 5240.87 crore during the period of 1-15 March 2021 which decreased by Tk. 1631.21 crore during the same period of the last year. On the other hand, as per the latest available data, government overall borrowing from the banking system decreased by Tk. 6699.36 crore from 01 July 2020 to 15 March 2021 which increased by Tk. 50944.54 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 during July-January 2020-21 stood at Tk. 132165.91 crore which was higher by Tk. 5587.91 crore or 4.41 percent against the collection of Tk. 126578.00 crore during July-January 2019-20. 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 33.51 percent and stood at US\$ 16687.25 million during July-February 2020-21 against the increase of 20.06 percent to US\$ 12498.56 million during the same period of the last fiscal year. The inward remittances have significantly increased due mainly to allowing 2 percent cash incentives for sending it through the banking channels.

Exports marginally decreased by 1.45 percent and stood at US\$ 25862.32 million during July-February 2020-21 against the decrease of 4.79 percent to US\$ 26241.83 million during the same period of the preceding fiscal year. However, available information suggest that recent setback of

exports growth transpired from the lack of external demand due to global pandemic situation of COVID-19 is gradually recovering and is expected to restore a positive growth in the coming months.

Current account balance recorded a significantly surplus of US\$ 2235.00 million during July-January 2020-21 against the deficit of US\$ 1809.00 million during July-January 2019-20. Surplus in current account balance emerged from larger inflows of remittances and significantly lower deficit in service accounts and surplus in secondary income.

With the support of surplus both in financial and current account balance **foreign exchange reserves** of BB increased by US\$ 10.81 billion and stood at US\$ 43.09 billion as on 15 March 2021 from US\$ 32.28 billion as on 15 March 2020.

Inflation on twelve-month average basis (Base: FY2005-06=100) slightly decreased to 5.63 percent in February 2021 from 5.64 percent in January 2021 due mainly to decrease in non-food inflation. Point to point general inflation increased to 5.32 percent in February 2021 from 5.02 percent in January 2021 due to a sharp increase of both food and non-food inflation.

Detailed fortnightly information up to 15 March 2021 are annexed herewith.

Detailed Information on Trends of Major Economic Indicators upto 15 March 2021**I. Money and Credit**

(Taka in crore)

Particulars	January 2020	December 2020 ^R	January 2021 ^P
1. Broad money (M2)	1297549.90	1478684.50	1472470.80
	(+6.39)	(+7.64)	(+7.19)
2. Reserve money @	257644.50 ***	299932.70 **	310895.70 *
	(+4.99)	(+5.66)	(+9.52)
3. Bank deposits[#]	1138632.40	1291221.50	1286728.90
	(+6.88)	(+9.28)	(+8.90)
4. Domestic credit (A+B)	1245472.00	1363575.60	1362424.40
	(+8.60)	(+4.28)	(+4.19)
A. Public sector (including govt.) (i+ii)	192998.30	222272.50	222401.10
	(+41.26)	(+5.66)	(+5.72)
 i. Net credit to govt. sector	163255.10	191282.60	191360.90
	(+44.12)	(+5.59)	(+5.64)
 ii. Credit to other public sector	29743.20	30989.90	31040.20
	(+27.35)	(+6.07)	(+6.25)
B. Credit to private sector	1052473.70	1141303.00	1140023.30
	(+4.18)	(+4.01)	(+3.90)

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 15 March 2021, **Figure is as of 28 February 2021, ***Figure is as of 15 March 2020 .

Demand and time deposits (excluding inter-bank)

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

Particulars	As on		Flow for the period of			
	15 March 2020	15 March 2021 ^P	1-15 March 2020	1-15 March 2021	01 July 2019 to 15 March 2020	01 July 2020 to 15 March 2021
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	35701.15	11412.49	-728.20	10092.75	1756.42	-32941.01
B. Net outstanding position of govt. borrowing from banking sector(including BB)	159040.24	171123.65	-1631.21	5240.87	50944.54	-6699.36
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	January 2020	January 2021 ^P	January 2020	January 2021 ^P	July-January 2019-20	July-January 2020-21
	329843.34	368842.80	(+)3260.22	(+)4909.30	(+)11840.27	(+)27853.46
3. Govt.revenue collection (NBR portion)	January 2020	January 2021 ^P	July-January 2019-20		July-January 2020-21 ^P	
	20337.59 (+8.30)	21631.90 (+6.36)	126578.00 (+8.40)		132165.91 (+4.41)	

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	January 2020	January 2021	July-January 2019-20 ^R	July-January 2020-21 ^P
1. Custom based import (c&f)	5334.10 (-12.85)	7235.30 (+35.64)	34584.00 (-4.44)	34504.50 (-0.23)
2. Opening of Import L/C ^{R#}	5707.88 (NA)	6176.05 (+8.20)	34635.45 (NA)	35092.02 (+1.32)
3. Settlement of Import L/C ^{R#}	5002.78 (NA)	4721.77 (-5.62)	32609.80 (NA)	29825.38 (-8.54)
	February 2020	February 2021	July-February 2019-20 ^R	July-February 2020-21 ^P
4. Inward Remittances	1452.20 (+10.20)	1780.59 (+22.61)	12498.56 (+20.06)	16687.25 (+33.51)
	February 2020	February 2021	July-February 2019-20 ^R	July-February 2020-21 ^P
5. Exports	3322.36 (-1.80)	3192.08 (-3.92)	26241.83 (-4.79)	25862.32 (-1.45)
	July-January 2019-20		July-January 2020-21 ^P	
6. Current Account Balance	-1809.00		2235.00	
	15 March 2020	28 February 2021	15 March 2021	
7. Foreign Exchange Reserve [@]	32283.91 (-1.32)	44020.25 (+22.15)	43087.19 (+19.56)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	February 2020	January 2021	February 2021
a. Twelve month average basis	5.60	5.64	5.63
b. Twelve month point to point basis	5.46	5.02	5.32

Source: Statistics Department and Accounts & 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.

NA= Not Available; R#=Revised by FEOD due to system generated data from "Online Import Monitoring System" for FY 20 and FY 19.