

Fortnightly Trends of Major Economic Indicators: Updates on 15th November 2020

As per the latest available data, **broad money** increased by Tk. 52469.50 crore or 3.82 percent in September 2020 over end June 2020 against the increase of Tk. 32269.40 crore or 2.65 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 295675.40 crore as on 15 November 2020 which was Tk. 247109.30 crore as on 15 November 2019. Reserve money increased by 4.16 percent as on 15 November 2020 over end June 2020 which also increased by 0.70 percent during the same period of the preceding fiscal year.

Domestic credit increased by 1.94 percent and stood at TK. 1332958.90 crore in September 2020 over end June 2020 against the increase of 3.17 percent to Tk.1183225.50 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 4.52 percent in September 2020 over end June 2020 against the increase of 21.88 percent during the same period of previous fiscal year. However, credit to private sector marginally increased by 1.44 percent in September 2020 over end June 2020 which increased by 0.64 percent in the same period of the preceding year.

Government borrowing from the banking system including BB increased by Tk. 5030.54 crore during the period of 01-15 November 2020 as compared to the increase of Tk. 5623.63 crore during the same period of the last year. As per the latest available data, government overall borrowing from the banking system increased by Tk. 5975.54 crore from 01 July to 15 November, 2020 which increased by Tk. 40555.42 crore during the same period of the preceding fiscal year.

NBR tax revenue collection increased by Tk. 49989.72 crore or 4.11 percent (y-o-y) during July-September 2020 as compared to the increase of Tk. 48015.70 crore or 3.97 percent during the same period of the preceding fiscal year.

Inward Remittances increased by 43.25 percent and stood at US\$ 8825.64 million during July-October 2020 against the increase of 20.62 percent to US\$ 6161.02 million during the same period of the last fiscal year.

Exports increased by 0.97 percent and stood at US\$ 12844.64 million during July-October 2020 against the decrease of 6.82 percent to US\$ 12721.25 million during the same period of the preceding fiscal year.

Current account balance recorded a significantly surplus of US\$ 3534 million during July-September 2020 against the deficit of US\$ 715 million during July-September 2019. Surplus in current account balance emerged from larger inflows of remittances and significantly lower deficit both in trade and service accounts.

Despite having deficit in financial account balance, with the support of a handsome surplus in current account balance **foreign exchange reserves** of BB increased by US\$ 8.86 billion and stood at US\$ 40.51 billion as on 15 November 2020 from US\$ 31.65 billion as on 15 November 2019. As per the latest available data, foreign exchange reserves further increased to US\$ 41.10 billion as on 24 November 2020.

Inflation on twelve-month average basis (Base: FY2005-06=100) increased to 5.77 percent in October 2020 from 5.69 percent in September 2020. Similarly, point to point general inflation also increased to 6.46 percent in October 2020 from 5.97 percent in September 2020. Both twelve-month average inflation as well as point to point general inflation increased in October 2020 from the last month due to rise in food inflation.

Detailed fortnightly information upto 15th November 2020 are given at annex-1.

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

(Taka in crore)

| Particulars | September 2019 | August 2020 ^R | September 2020 ^P |
|---|----------------------|--------------------------|-----------------------------|
| 1. Broad money (M2) | 1251880.90 | 1415412.30 | 1426204.50 |
| | (+2.65) | (+16.05) | (+3.82) |
| 2. Reserve money @ | 247109.30 *** | 288620.00 ** | 295675.40 * |
| | (+0.70) | (+1.68) | (+4.16) |
| 3. Bank deposits^{##} | 1093973.20 | 1221422.80 | 1237006.50 |
| | (+2.69) | (+14.65) | (+4.69) |
| 4. Domestic credit (A+B) | 1183225.50 | 1326399.70 | 1332958.90 |
| | (+3.17) | (+15.65) | (+1.94) |
| A. Public sector (including govt.) (a+b) | 166528.70 | 224724.00 | 219876.60 |
| | (+21.88) | (+64.48) | (+4.52) |
| i. Net credit to govt. sector | 140781.70 | 195188.00 | 190498.60 |
| | (+24.28) | (+72.32) | (+5.16) |
| ii. Credit to other public sector | 25747.00 | 29536.00 | 29378.00 |
| | (+10.24) | (+26.46) | (+0.56) |
| B. Credit to private sector | 1016696.80 | 1101675.70 | 1113082.30 |
| | (+0.64) | (+9.05) | (+1.44) |

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 November 2020, **Figure is as of 30th October 2020, ***Figure is as of 15th November 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 November 2019 | 15 November 2020 | 01-15 November 2019 | 01-15 November 2020 | 01 July-15 November 2019 | 01 July-15 November 2020 |
| 1. A. Net outstanding position of govt. borrowing from Bangladesh Bank | 40103.13 | 23688.45 | -77.56 | 3641.00 | 6158.40 | -20665.05 |
| B. Net outstanding position of govt. borrowing from banking sector(including BB) | 148651.12 | 183798.55 | 5623.63 | 5030.54 | 40555.42 | 5975.54 |
| 2. Net outstanding position of non-bank borrowing of the govt.* | As of end | | Flow for the month of | | Flow for the period of | |
| | August 2019 | August 2020 ^P | August 2019 | August 2020 ^P | July-August 2018-19 | July-August 2019-20 ^P |
| | 322105.53 | 351140.86 | (+)1961.82 | (+)4981.21 | (-)1961.83 | (-)4981.22 |
| 3. Govt.revenue collection (NBR portion) | September 2019 | September 2020 ^P | July-September 2019 | | July-September 2020 ^P | |
| | 17903.87 (+2.20) | 19830.23 (+10.76) | 48015.70 (+3.97) | | 49989.72 (+4.11) | |

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.

(In million US\$)

III. External Sector

| Particulars | September 2019 | September 2020 | July-September 2019 | July-September 2020 ^P |
|--|---------------------|----------------------|----------------------------------|----------------------------------|
| 1. Custom based import (c&f) | 5004.20 (-3.02) | 4625.50 (-7.57) | 14324.00 (-2.55) | 12686.50 (-11.43) |
| 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) |
| | October 2019 | October 2020 | July-October 2019 | July-October 2020 ^P |
| 4. Inward Remittances | 1641.67 (+16.34) | 2112.44 (+28.68) | 6161.02 (+20.62) | 8825.64 (+43.25) |
| | October 2019 | October 2020 | July-October 2019 | July-October 2020 ^P |
| 5. Exports | 3073.23 (-4.37) | 2947.80 (-4.08) | 12721.25 (-6.82) | 12844.64 (+0.97) |
| | July-September 2019 | | July-September 2020 ^P | |
| 6. Current Account Balance | -715.00 | | 3534.00 | |
| | 15 November 2019 | 29 October 2020 | 15 November 2020 | |
| 7. Foreign Exchange Reserve [#] | 31648.03 (-3.27) | 41005.79 (+13.79) | 40505.79 (+27.99) | |

IV. Price Index

| 1. CPI inflation at national level (Base : FY 2005-06=100) | October 2019 | September 2020 | October 2020 |
|---|--------------|----------------|--------------|
| a. Twelve month average basis | 5.50 | 5.69 | 5.77 |
| b. Twelve month point to point basis | 5.47 | 5.97 | 6.46 |

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.