

Fortnightly Trends of Major Economic Indicators: Updates on 30 September 2020

As per the latest available information, **broad money** increased by Tk. 41677.30 crore or 3.03 percent in July-August 2020 against the increase of Tk. 26693.80 crore or 2.19 percent during the same period of the preceding fiscal year. Broad money increased during the reported period due mainly to increase in net foreign assets (NFA).

Reserve money stood at Tk 280275.05 crore as on 30 September 2020 over end June 2020 which was Tk. 286643.90 crore as on 15 September 2020. Reserve money decreased by 1.26 percent as on 30 September 2020 over end June 2020 which also decreased by 0.32 percent during the same period of the preceding fiscal year.

Domestic credit increased by 1.44 percent and stood at TK. 1326399.70 crore in July-August 2020 against the increase of 2.03 percent to Tk. 1170178.20 crore during the same period of the previous fiscal year. Domestic credit slightly subdued over the reported period due to slow growth in credit to public sector. Credit to public sector increased by 6.83 percent in July-August 2020 against the increase of 19.14 percent during the same period of previous fiscal year. However, credit to private sector marginally increased by 0.40 in August 2020 over end June 2020 which declined by 0.28 percent in the same period of the preceding fiscal year.

Government borrowing from the banking system including BB decreased by Tk. 3314.60 crore during the period of 16-30 September 2020 as compared to the increase of Tk. 463.48 crore during the same period of the last year. However, as per the latest available data, government overall borrowing from the banking system increased by Tk. 2238.33 crore during the period of 01 July-30 September, 2020 as compared to the increase of Tk. 27400.38 crore during the same period of the preceding fiscal year.

NBR tax revenue collection increased by Tk. 30162.75 crore or 0.17 percent (y-o-y) in July-August 2020 as compared to the increase of Tk. 30111.83 crore or 5.06 percent during the same period of the preceding fiscal year.

Inward Remittances increased by 48.54 percent and stood at US\$ 6713.2 million during July-September 2020 against the increase of 16.81 percent to US\$ 4519.35 million during the same period of the last fiscal year.

Exports increased by 2.17 percent and stood at US\$ 6878.08 million during July-August 2020 against the decrease of 0.92 percent to US\$ 6732.17 million in the same period of the preceding fiscal year.

Current account balance recorded significant surplus of US\$ 3296 million in July-August 2020 as compared to the surplus of US\$ 204 million in July-August 2019. Surplus in current account balance

emerged from larger inflows of remittances and significantly lower deficit both in trade and service account.

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\$ 7.48 billion and stood at US\$ 39.31 billion as on 30 September 2020 from US\$ 31.83 billion as on 30 September 2019.

Inflation on twelve-month average basis (Base: FY2005-06=100) increased to 5.69 percent in September 2020 from 5.65 percent in August 2020. Similarly, point to point general inflation also increased to 5.97 percent in September 2020 from 5.68 percent in August 2020. Both twelve-month average inflation as well as point to point general inflation increased in September 2020 from the last month due to rise in food inflation.

Detailed fortnightly information upto 30 September 2020 are given at annex-1.

Detailed Information on Trends of Major Economic Indicators upto 30 September 2020**I. Money and Credit**

(Taka in crore)

Particulars	August 2019	July 2020 ^R	August 2020 ^P
1. Broad money (M2)	1246305.30	1404878.30	1415412.30
	(+2.19)	(+2.27)	(+3.03)
2. Reserve money @	244608.40 ***	286643.90 **	280275.05 *
	(-0.32)	(+0.98)	(-1.26)
3. Bank deposits^{##}	1081134.70	1193894.40	1221422.80
	(+1.48)	(+1.04)	(+3.37)
4. Domestic credit (A+B)	1170178.20	1320955.00	1326399.70
	(+2.03)	(+1.02)	(+1.44)
A. Public sector (including govt.) (a+b)	162780.30	225753.10	224724.00
i. Net credit to govt. sector	138377.70	196694.80	195188.00
	(+19.14)	(+7.31)	(+6.83)
	(+22.16)	(+8.58)	(+7.75)
ii. Credit to other public sector	24402.60	29058.30	29536.00
	(+4.48)	(-0.54)	(+1.10)
B. Credit to private sector	1007398.00	1095201.80	1101675.70
	(-0.28)	(-0.19)	(+0.40)

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 30th September 2020, **Figure is as of 15th September 2020, ***Figure is as of 30th September 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			
	30 September 2019	30 September 2020	16-30 September 2019	16-30 September 2020	01 July-30 September 2019	01 July-30 September 2020
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	34511.21	19225.39	-2761.48	-9423.98	566.48	-25128.10
B. Net outstanding position of govt. borrowing from banking sector(including BB)	135496.08	180061.34	463.48	-3314.60	27400.38	2238.33
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	July 2019	July 2020 ^P	June 2019	June 2020 ^P	July-June 2018-19	July-June 2019-20 ^P
	320143.71	346156.65	(+)2140.63	(+)5167.30	(+)53928.68	(+)22986.27
3. Govt.revenue collection (NBR portion)	August 2019	August 2020 ^P	July-August 2019		July-August 2020	
	14285.45 (-4.44)	15406.17 (+7.85)	30111.83 (+5.06)		30162.75 (+0.17)	

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	August 2019	August 2020 ^P	July-August 2019	July-August 2020 ^P
1. Custom based import (c&f)	4072.70	3806.00	9319.80	8034.00
	(-8.66)	(-6.55)	(-2.29)	(-13.80)
Particulars	July 2019	July 2020	July-June 2019	July-June 2020 ^P
2. Opening of Import L/C	5094.80	4357.23	58703.38	53119.86
	(+0.59)	(-14.48)	(-16.81)	(-9.51)
3. Settlement of Import L/C	4888.78	3685.25	57328.19	51091.47
	(+4.32)	(-24.62)	(-6.03)	(-10.88)
	September 2019	September 2020 ^P	July-September 2019	July-September 2020 ^P
4. Inward Remittances	1476.91	2151.05	4519.35	6713.2
	(+29.59)	(+45.65)	(+16.81)	(+48.54)
	August 2019	August 2020	July-August 2019	July-August 2020 ^P
5. Exports	2844.31	2967.16	6732.17	6878.08
	(-11.49)	(+4.32)	(-0.92)	(+2.17)
	July-August 2019		July-August 2020 ^P	
6. Current Account Balance	204.00		3296.00	
	30 September 2019	15 September 2020	30 September 2020	
7. Foreign Exchange Reserve[#]	31831.92	38693.81	39313.98	
	(-2.70)	(+7.37)	(9.09)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	September 2019	August 2020	September 2020
a. Twelve month average basis	5.49	5.65	5.69
b. Twelve month point to point basis	5.54	5.68	5.97

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.