

Fortnightly Trends of Major Economic Indicators: Updates on 31 January 2021

As per the latest available data, **broad money** increased by Tk. 104949.50 crore or 7.64 percent in December 2020 over end June 2020 against the increase of Tk. 74823.60 crore or 6.14 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 300678.90 crore as on 31 January 2021 which was Tk. 306991.80 crore as on 15 January 2021. Reserve money increased by 5.92 percent as on 31 January 2021 over end June 2020 which increased by 1.25 percent during the same period of the preceding fiscal year.

Domestic credit increased by 4.28 percent and stood at TK. 1363575.60 crore in December 2020 over end June 2020 against the increase of 8.17 percent to Tk. 1240598.10 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 5.66 percent in December 2020 over end June 2020 against the increase of 37.19 percent during the same period of previous fiscal year. Likewise, credit to private sector increased by 4.01 percent in December 2020 over end June 2020 against the increase of 4.25 percent during the same period of previous fiscal year.

Government borrowing from the banking system including BB decreased by Tk. 4648.58 crore during the period of 16-28 January 2021 which decreased by Tk. 2778.20 crore during the same period of the last year. Similarly, as per the latest available data, government overall borrowing from the banking system decreased by Tk. 2866.26 crore from 01 July 2020 to 28 January, 2021 which increased by Tk. 45759.24 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-November 2020 stood at Tk. 87093.64 crore which was higher by Tk. 2691.09 crore or 3.19 percent against the collection of Tk. 84402.55 crore during July-November 2019. 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 34.95 percent and stood at US\$ 14907.35 million during July-January 2020-21 against the increase of 21.49 percent to US\$ 11046.36 million during the same period of the last fiscal year. The inward remittances have significantly increased due mainly to allowing 2 percent incentives for sending it through the banking channels.

Exports decreased by 1.09 percent and stood at US\$ 22670.24 million during July-January 2020-21 against the decrease of 5.21 percent to US\$ 22919.47 million during the same period of the preceding fiscal year.

Current account balance recorded a significantly surplus of US\$ 4322 million during July-December 2020 against the deficit of US\$ 1667.00 million during July-December 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\$ 10.48 billion and stood at US\$ 42.86 billion as on 31 January 2021 from US\$ 32.38 billion as on 30 January 2020.

Inflation on twelve-month average basis (Base: FY2005-06=100) decreased to 5.64 percent in January 2021 from 5.69 percent in December 2020 due mainly to decrease in non-food inflation. Point to point general inflation also decreased to 5.02 percent in January 2021 from 5.29 percent in December 2020 due to decrease of both food and non-food inflation.

Detailed fortnightly information up to 31 January 2021 are annexed herewith.

Detailed Information on Trends of Major Economic Indicators upto 31 January 2021**I. Money and Credit****(Taka in crore)**

Particulars	December 2019	November 2020 ^R	December 2020 ^P
1. Broad money (M2)	1294435.10	1453960.10	1478684.50
	(+6.14)	(+5.84)	(+7.64)
2. Reserve money @	248454.90 ***	306991.80 **	300678.90 *
	(+1.25)	(+8.15)	(+5.92)
3. Bank deposits[#]	1137852.20	1268523.20	1291221.50
	(+6.81)	(+7.35)	(+9.28)
4. Domestic credit (A+B)	1240598.10	1344689.00	1363575.60
	(+8.17)	(+2.83)	(+4.28)
A. Public sector (including govt.) (i+ii)	187446.50	223787.00	222272.50
	(+37.19)	(+6.38)	(+5.66)
 i. Net credit to govt. sector	156860.80	193146.10	191282.60
	(+38.48)	(+6.62)	(+5.59)
 ii. Credit to other public sector	30585.70	30640.80	30989.90
	(+30.96)	(+4.88)	(+6.07)
B. Credit to private sector	1053151.50	1120902.00	1141303.00
	(+4.25)	(+2.15)	(+4.01)

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 31 January 2021, **Figure is as of 14 January 2021, ***Figure is as of 30 January 2020 .

Demand and time deposits (excluding inter-bank)

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

Particulars	As on		Flow for the period of			
	28 January 2020	28 January 2021 ^P	16-28 January 2020	16-28 January 2021	01 July 2019 to 28 January 2020	01 July 2020 to 28 January 2021
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	38462.13	8653.01	-5722.47	-5922.95	4517.40	-35700.48
B. Net outstanding position of govt. borrowing from banking sector(including BB)	153854.94	174956.75	-2778.20	-4648.58	45759.24	-2866.26
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 2019	November 2020 ^P	November 2019	November 2020 ^P	July-November 2019	July-November 2020 ^P
	326522.86	361682.40	(+)1176.67	(+)3114.01	(+)8519.79	(+)20693.06
3. Govt.revenue collection (NBR portion)	November 2019	November 2020 ^P	July-November 2019		July-November 2020 ^P	
	18595.97 (+7.70)	18964.53 (+1.98)	84402.55 (+5.95)		87093.64 (+3.19)	

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 2019	December 2020	July-December 2019	July-December 2020 ^P
1. Custom based import (c&f)	5254.20 (+10.75)	5388.50 (+2.56)	29249.90 (-2.73)	27269.20 (-6.77)
Particulars	November 2019	November 2020	July-November 2019	July-November 2020 ^P
2. Opening of Import L/C	3274.91 (-36.67)	4906.91 (+49.83)	22525.67 (-8.73)	22926.59 (+1.78)
3. Settlement of Import L/C	3161.71 (-35.50)	4404.15 (+39.30)	21599.87 (-4.20)	19875.81 (-7.98)
	January 2020	January 2021	July-January 2019-20 ^R	July-January 2020-21 ^P
4. Inward Remittances	1638.43 (+2.58)	1962.60 (+19.79)	11046.36 (+21.49)	14907.35 (+34.95)
	January 2020	January 2021	July-January 2019-20 ^R	July-January 2020-21 ^P
5. Exports	3617.31 (-1.70)	3436.79 (-4.99)	22919.47 (-5.21)	22670.24 (-1.09)
	July-December 2019		July-December 2020 ^P	
6. Current Account Balance	-1667.00		4322.00	
	30 January 2020	14 January 2021	31 January 2021	
7. Foreign Exchange Reserve [#]	32381.47 (-1.02)	42419.97 (+17.71)	42862.96 (+18.94)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	January 2020	December 2020	January 2021
a. Twelve month average basis	5.60	5.69	5.64
b. Twelve month point to point basis	5.57	5.29	5.02

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.