

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

Broad money increased 10.48 percent to BDT 18,87,174.10 crore at the end of June 2023 from the end of June 2022. The net domestic assets (NDA) contributed to increase broad money growth during the period.

Domestic credit growth decelerated to 15.25 percent in June 2023 over the end of June 2022. Domestic credit growth was lower compared to the previous period because of lower credit growth in the private sector. Credit to the public sector grew by 34.99 percent at the end of June 2023 over the end of June 2022. The higher credit growth in the public sector was due to higher net credit growth to govt. sector. As per the latest available data, government borrowing from the banking system increased by BDT 104648.02 crore from 01 July 2022 to 15 June 2023 against the increase of BDT 39434.18 crore from 01 July 2021 to 15 June 2022. However, credit to private sector growth decelerated to 10.57 percent in June 2023 over the end of June 2022.

During 01 July to 15 June FY23, **reserve money** increased 2.19 percent to BDT 3,54,781.00 crore as on 15 June 2023 from the end of June 2022. Reserve money increased due mainly to the increase in Net Domestic Assets (NDA) of Bangladesh Bank under review.

NBR tax revenue collection rose 9.22 percent to BDT 2,82,416.92 crore during July-May FY23 and BDT 2,58,570.26 crore during July-May FY22. The target for NBR tax revenue collection has been set at BDT 3,70,000.00 crore in the budget for FY23. NBR tax revenue during July-May of FY23 was 76.33 percent of the target set for FY23.

Exports surged 6.67 percent to USD 55.56* billion during FY23 compared to 34.38 percent growth to USD 52.08* billion during FY22. Export growth lowered compared to the corresponding period due to seemingly a fall off global demand arising from the slow pace of economic activities in the advanced and emerging market.

Custom-based imports decreased by 15.81 percent during FY23 compared to 35.93 percent rise during FY22. A notable depreciation of BDT against USD and import monitoring by BB might have partly contributed to the negative growth of imports.

Inward Remittances surged 2.24 percent to USD 20.54 billion during 01 July 2022 to 15 June 2023, compared to 16.07 percent decrease during the same period of the previous year. Remittances seem to increase because of the increased number of remitters in FY23, 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 improved and recorded at USD (-) 3.33 billion in FY23 against USD (-) 18.64 billion in FY22. The deficit in the current account balance occurred because of deficit in the trade balance, primary income and service account. The deficit in the current account balance improved compared to the same period of the previous fiscal year due mainly to negative growth in import against moderate export growth during FY23, with higher remittance inflows.

Foreign exchange reserves came down to USD 29.90 billion as on 15 June 2023 from USD 41.38 billion as on 15 June 2022.

Headline Inflation (Point to point) edged down to 9.74 percent in June 2023 from 9.94 percent in May 2023. On the other hand, **headline inflation (twelve-month average)** went up to 9.02 percent in June 2023 from 8.84 percent in May 2023. Supply bottleneck due to the Russia-Ukraine war, higher commodity prices in the international market; fuel, electricity and gas prices upward adjustment in the domestic market along with BDT depreciation, and possibly a rise in domestic demand were contributing factors for the increasing headline inflation (twelve-month average).

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

Detailed Information of Major Economic Indicators upto 15 June 2023

I. Money and Credit

(Taka in crore)

Particulars	June 2021	June 2022 ^R	June 2023 ^P	Change during FY23 ^P	Change during FY22 ^R
1	2	3	4	5=(4-3)	6=(3-2)
1. Broad money (M2)	1560895.30	1708122.30	1887174.10	179051.80	147227.00
	(+13.62)	(+9.43)	(+10.48)		
2. Bank deposits[#]	1351377.60	1471673.30	1595260.60	123587.30	120295.70
	(+14.37)	(+8.90)	(+8.40)		
3. Domestic credit (A+B)	1439899.10	1671749.00	1926750.50	255001.50	231849.90
	(+10.11)	(+16.10)	(+15.25)		
A. Public sector (including govt.) (i+ii)	251043.70	320513.30	432651.10	112137.80	69469.60
	(+19.34)	(+27.67)	(+34.99)		
i. Net credit to govt. sector	221025.90	283314.50	387159.50	103845.00	62288.60
	(+22.01)	(+28.18)	(+36.65)		
ii. Credit to other public sector	30017.80	37198.90	45491.60	8292.70	7181.10
	(+2.75)	(+23.92)	(+22.29)		
B. Credit to private sector	1188855.30	1351235.60	1494099.40	142863.80	162380.30
	(+8.35)	(+13.66)	(+10.57)		
Particulars	15 June 2022	31 May 2023	15 June 2023	01 July 2022-15 June 2023	01 July 2021-15 June 2022
4. Reserve money @	332348.40	347618.00	354781.00	7618.90	-15723.40
	(-4.52)	(+0.13)	(+2.19)		

Source: Statistics Department, BB.

Note: Figures in the parenthesis of column no 2 to 4 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			
	15 June 2022	15 June 2023 ^P	01-15 June 2022	01-15 June 2023 ^P	01 July 2021 to 15 June 2022	01 July 2022 to 15 June 2023 ^P
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	40098.89	139102.85	9283.34	7499.27	11429.95	79109.65
B. Net outstanding position of govt. borrowing from banking sector(including BB)	245676.07	378960.38	6918.96	12359.16	39434.18	104648.02
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	May 2022	May 2023 ^P	May 2022	May 2023 ^P	July-May of FY22	July-May of FY23
	407641.06	419262.90	(+)989.00	(+)1689.60	(+)44280.64	(+)26934.23
3. Govt. tax revenue collection (NBR portion)	May 2022	May 2023 ^P	July-May of FY22		July-May of FY23	
	24968.33 (+11.02)	32122.16 (+28.65)	258570.26 (+17.49)		282416.92 (+9.22)	

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	June 2022	June 2023	FY22	FY23
1. Custom based import (c&f)	7665.80 (+10.00)	5096.60 (-33.52)	89162.30 (+35.93)	75061.60 (-15.81)
2. Opening of Import L/C ^{R#}	7020.02 (-4.80)	NA (NA)	92234.69 (+37.59)	72198.02** NA
3. Settlement of Import L/C ^{R#}	8366.59 (+31.64)	NA (NA)	83681.73 (+46.15)	67632.90** NA
	15 June 2022	15 June 2023	01 July 2021-15 June 2022	01 July 2022-15 June 2023
4. Inward Remittances	894.00 (-18.58)	1126.00 (+25.95)	20088.41 (-16.07)	20537.65 (+2.24)
	June 2022	June 2023	FY22	FY23
5. Exports	4908.03 (+37.19)	5031.53 (+2.52)	52082.66 (+34.38)	55558.77 (+6.67)
		FY22	FY23	
6. Current Account Balance		-18639.00		-3334.00
	15 June 2022	31 May 2023		15 June 2023
7. Foreign Exchange Reserve [@]	41383.10 (-6.64)	29873.91 (-29.21)		29898.63 (-27.75)
IV. Price Index				
1. CPI inflation at national level	June 2022 (Base: FY 2005-06=100)	May 2023 (Base: FY 2021-22=100)		June 2023 (Base: FY 2021-22=100)
a. Point to point basis	7.56	9.94		9.74
b. Twelve month average basis	6.15	8.84		9.02

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.

**Data retrieved from online Import Monitoring System on 11.07.2023