

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

During July- March FY23, **broad money** increased 4.13 percent to Tk 1778659.80 crore at the end of March 2023 from the level of end June 2022. The increase in net domestic assets (NDA) contributed to broad money growth during the period.

Domestic credit recorded a growth of 8.63 percent in March 2023 over June 2022 compared to 8.53 percent growth in March 2022 over June 2021. Domestic credit growth stood slightly higher compared to previous period because of higher growth of credit to public sector. Credit to public sector stood 15.17 percent at the end of March 2023 over June 2022 compared to 8.06 percent at the end of March 2022 over end June 2021. Credit to public sector growth stood higher because of higher growth of both net credit to govt. sector and credit to other public sector. As per the latest available data, government borrowing from the banking system increased Tk 45477.65 crore during 01 July 2022 to 15 March 2023 against the increase of Tk 16118.79 crore during 01 July 2021 to 15 March 2022. However, credit to private sector growth decelerated to 7.07 percent at the end of March 2023 over June 2022 compared to 8.63 percent rise during the same period of the preceding fiscal year.

During 01 July- 15 March FY23, **reserve money** slightly decreased to 0.60 percent to Tk 345092.00 crore as on 15 March 2023 from the level of end June 2022. Reserve money decreased due mainly to the decrease in Net Foreign Assets (NFA) of Bangladesh Bank under review.

NBR tax revenue collection rose 8.30 percent to Tk 225513.21 crore during July-March FY23 which was Tk 208238.07 crore during July-March FY22. Target for NBR tax revenue collection has been set at Tk 370000.00 crore in the budget for FY23. NBR tax revenue during July-March of FY23 was 60.95 percent of the target set for FY23.

Exports surged 8.07 percent to USD 41.72* billion during July-March FY23 compared to 33.41 percent to USD 38.61* billion during July-March FY22. Export growth stood lower in March 2023 compared to that of the corresponding period due to higher base of the last year and seemingly a fall off global demand arising from Russia-Ukraine war.

Custom based imports decreased by 12.37 percent during July-March FY23 compared to 43.84 percent rise during July-March FY22. Custom based imports declined because of import discouragement of different types of unnecessary and luxurious items. Opening of import LCs decreased 23.85 percent during July-March FY23 due to government's import monitoring policy imposed on non-essential and luxurious items. Besides, Settlement of import LCs also decreased 4.73 percent during July-March FY23.

*Source: EPB

Inward Remittances surged 4.79 percent to USD 16.03 billion during July-March FY23 compared to 17.74 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, recording a much less deficit of USD 3.64 billion in July-March FY23 against the deficit of USD 14.35 billion in July-March FY22. The deficit in current account balance occurred because of deficit in trade balance, primary income and service account. The deficit in current account balance improved compared to the same period of previous fiscal year due mainly to negative growth in import against positive though little growth of export during July-March of FY23, with higher remittance inflows.

Foreign exchange reserves came down to USD 31.29 billion as on 15 March 2023 from USD 44.19 billion as on 15 March 2022.

Headline Inflation (Point to point) edged up to 9.33 percent in March 2023 from 8.78 percent in February 2023. Besides, **headline inflation (twelve-month average)** went up to 8.39 percent in March 2023 from 8.14 percent in February 2023. Supply bottleneck due to Russia-Ukraine war, higher commodity price in the international market, fuel, electricity and gas prices upward adjustment in domestic market along with BDT depreciation, and rise in domestic demand were contributing factors for the increasing headline inflation (both point to point & twelve-month average).

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

Detailed Information of Major Economic Indicators upto 15 March 2023

I. Money and Credit

(Taka in crore)

Particulars	June 2021	March 2022	June 2022 ^R	March 2023	July-March of FY23 ^P	July-March of FY22 ^R
1	2	3	4	5	6=(5-4)	7=(3-2)
1. Broad money (M2)	1560895.30	1629906.30	1708122.30	1778659.80	70537.50	69011.00
	(+13.62)	(+4.42)	(+9.43)	(+4.13)		
2. Bank deposits[#]	1351377.60	1417219.50	1471673.30	1523991.30	52318.00	65841.90
	(+14.37)	(+4.87)	(+8.90)	(+3.56)		
3. Domestic credit (A+B)	1439899.10	1562711.10	1671749.00	1815957.30	144208.30	122812.00
	(+10.11)	(+8.53)	(+16.10)	(+8.63)		
A. Public sector (including govt.) (i+ii)	251043.70	271272.50	320513.30	369149.00	48635.70	20228.80
	(+19.34)	(+8.06)	(+27.67)	(+15.17)		
i. Net credit to govt. sector	221025.90	235493.60	283314.50	324561.90	41247.40	14467.70
	(+22.01)	(+6.55)	(+28.18)	(+14.56)		
ii. Credit to other public sector	30017.80	35778.90	37198.90	44587.10	7388.20	5761.10
	(+2.75)	(+19.19)	(+23.92)	(+19.86)		
B. Credit to private sector	1188855.30	1291438.60	1351235.60	1446808.30	95572.70	102583.30
	(+8.35)	(+8.63)	(+13.66)	(+7.07)		
Particulars	28 February 2022	15 March 2022	28 February 2023	15 MArch 2023	01 July 2022-15 March 2023	01 July2021-15 March 2022
4. Reserve money @	321791.30	328422.80	349741.00	345092.00	-2070.10	-19649.00
	(-7.55)	(-5.65)	(+0.74)	(-0.60)		

Source: Statistics Department, BB.

Note: Figures in the parenthesis of column no 2 to 5 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 March 2022	15 March 2023 ^P	01-15 March 2022	01-15 March 2023 ^P	01 July 2021 to 15 March 2022	01 July 2022 to 15 March 2023 ^P
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	20800.85	103019.61	7215.37	-2410.76	-3741.29	47153.22
B. Net outstanding position of govt. borrowing from banking sector(including BB)	218233.88	315663.21	2923.61	-41.45	16118.79	45477.65
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	February 2022	February 2023 ^P	February 2022	February 2023 ^P	July-February of FY22	July-February of FY23
	402617.15	416860.21	(+)2811.31	(+)859.25	(+)44280.64	(+)26934.23
3. Govt. tax revenue collection (NBR portion)	March 2022	March 2023 ^P	July-March of FY22		July-March of FY23	
	28254.05 (+12.18)	29473.31 (+4.32)	208238.07 (+16.82)		225513.21 (+8.30)	

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	March 2022	March 2023	July-March of FY22	July-March of FY23
1. Custom based import (c&f)	7724.60 (+25.37)	6084.50 (-21.23)	66498.70 (+43.84)	58274.70 (-12.37)
2. Opening of Import L/C^{R#}	8287.59 (+21.99)	5791.57 (-30.12)	68361.78 (+45.79)	52058.92 (-23.85)
3. Settlement of Import L/C^{R#}	7927.36 (+35.36)	5513.43 (-30.45)	60575.30 (+49.85)	57707.58 (-4.73)
	March 2022	March 2023	July-March of FY22	July-March of FY23
4. Inward Remittances	1859.73 (-2.68)	2017.68 (+8.49)	15298.26 (-17.74)	16030.29 (+4.79)
	March 2022	March 2023	July-March of FY22	July-March of FY23
5. Exports	4762.22 (+54.82)	4643.94 (-2.48)	38605.67 (+33.41)	41721.62 (+8.07)
	July-March 2021-22		July-March 2022-23	
6. Current Account Balance	-14348.00		-3641.00	
	15 March 2022	28 February 2023	15 March 2023	
7. Foreign Exchange Reserve[@]	44187.27 (+2.55)	32266.97 (-29.77)	31286.77 (-29.20)	
IV. Price Index				
1. CPI inflation at national level (Base : FY 2005-06=100)	March 2022	February 2023	March 2023	
a. Point to point basis	6.22	8.78	9.33	
b. Twelve month average basis	5.75	8.14	8.39	

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.