

### **Fortnightly of Major Economic Indicators: Updated up to 31 May 2023**

During July-May FY23, **broad money** increased 6.54 percent to BDT 1819909.60 crore at the end of May 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 12.25 percent in May 2023 over June 2022 compared to 11.92 percent in May 2022 over June 2021. Domestic credit growth stood higher compared to previous period because of higher growth of credit to public sector. Credit to public sector grew by 26.71 percent at the end of May 2023 over end June 2022 compared to 14.75 percent growth at the end of May 2022 over end June 2021. The higher credit growth in public sector due to higher growth of net credit to govt. sector. As per the latest available data, government borrowing from the banking system increased by BDT 92288.85 crore during 01 July 2022 to 31 May 2023 against the increase of BDT 32515.23 crore during 01 July 2021 to 31 May 2022. However, credit to private sector growth decelerated to 8.81 percent during July-May 2023 over June 2022 compared to 11.32 percent rise during the same period of the preceding fiscal year.

During July-May FY23, **reserve money** inched up 0.13 percent to BDT 347618.00 crore as on 31 May 2023 from the level of end 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 by 9.22 percent to BDT 282416.92 crore during July-May FY23 which was BDT 258570.26 crore during July-May FY22. Target for NBR tax revenue collection has been set at BDT 370000.00 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 7.11 percent to USD 50.53\* billion during July-May FY23 compared to 34.09 percent growth to USD 47.17\* billion during July-May FY22. Export growth lowered compared to 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 14.15 percent during July-May FY23 compared to 39.01 percent rise during July-May FY22. Opening of import LCs decreased by 26.80 percent during July-April FY23. Besides, Settlement of import LCs also decreased by 8.15 percent during July-April FY23. The depreciation of BDT against USD as well as import monitoring by BB, and declining commodity prices in the international market may contribute to negative growth of imports.

\*Source: EPB

**Inward Remittances** surged 1.13 percent to USD 19.41 billion during July to May FY23 compared to 15.95 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 (-) 4.51 billion in July-May FY23 against USD (-) 17.28 billion in July-May 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 moderate growth of export during July-May of FY23, with higher remittance inflows.

**Foreign exchange reserves** came down to USD 29.87 billion as on 31 May 2023 from USD 42.20 billion as on 31 May 2022.

**Headline Inflation (Point to point)** edged up to 9.94 percent in May 2023 from 9.24 percent in April 2023. **Headline inflation (twelve-month average)** also went up to 8.84 percent in May 2023 from 8.64 percent in April 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 possibly a rise in domestic demand were contributing factors for the increasing headline inflation.

Detailed fortnightly information available up to 31 May 2023 is annexed herewith.

## Detailed Information of Major Economic Indicators upto 31 May 2023

### I. Money and Credit

(Taka in crore)

Particulars	June 2021	May 2022	June 2022 <sup>R</sup>	May 2023 <sup>P</sup>	July-May of FY23 <sup>P</sup>	July-May of FY22 <sup>R</sup>
1	2	3	4	5	6=(5-4)	7=(3-2)
<b>1. Broad money (M2)</b>	1560895.30	1662637.10	1708122.30	1819909.60	111787.30	101741.80
	(+13.62)	(+6.52)	(+9.43)	(+6.54)		
<b>2. Bank deposits<sup>#</sup></b>	1351377.60	1437488.90	1471673.30	1564079.70	92406.40	86111.30
	(+14.37)	(+6.37)	(+8.90)	(+6.28)		
<b>3. Domestic credit (A+B)</b>	1439899.10	1611547.10	1671749.00	1876461.40	204712.40	171648.00
	(+10.11)	(+11.92)	(+16.10)	(+12.25)		
<b>A. Public sector (including govt.) (i+ii)</b>	251043.70	288064.70	320513.30	406137.90	85624.60	37021.00
	(+19.34)	(+14.75)	(+27.67)	(+26.71)		
<b>    i. Net credit to govt. sector</b>	221025.90	251184.50	283314.50	361186.20	77871.70	30158.60
	(+22.01)	(+13.64)	(+28.18)	(+27.49)		
<b>    ii. Credit to other public sector</b>	30017.80	36880.20	37198.90	44951.70	7752.80	6862.40
	(+2.75)	(+22.86)	(+23.92)	(+20.84)		
<b>B. Credit to private sector</b>	1188855.30	1323482.30	1351235.60	1470323.60	119088.00	134627.00
	(+8.35)	(+11.32)	(+13.66)	(+8.81)		
Particulars	12 May 2022	31 May 2022	15 May 2023	31 May 2023	01 July 2022-31 May 2023	01 July 2021-31 May 2022
<b>4. Reserve money @</b>	337790.70	330285.40	349420.00	347618.00	455.90	-17786.40
	(-2.95)	(-5.11)	(+0.65)	(+0.13)		

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			
	31 May 2022	31 May 2023 <sup>P</sup>	16-31 May 2022	16-31 May 2023 <sup>P</sup>	01 July 2021 to 31 May 2022	01 July 2022 to 31 May 2023 <sup>P</sup>
<b>1. A. Net outstanding position of govt. borrowing from Bangladesh Bank</b>	30815.55	131603.58	-4225.55	9380.06	2146.61	71610.38
<b>B. Net outstanding position of govt. borrowing from banking sector(including BB)</b>	238757.12	366601.21	-393.03	18141.81	32515.23	92288.85
<b>2. Net outstanding position of non-bank borrowing of the govt.*</b>	As of end		Flow for the month of		Flow for the period of	
	May 2022	May 2023 <sup>P</sup>	May 2022	May 2023 <sup>P</sup>	July-May of FY22	July-May of FY23
	407641.06	419262.90	(+)989.00	(+)1689.60	(+)44280.64	(+)26934.23
<b>3. Govt. tax revenue collection (NBR portion)</b>	May 2022	May 2023 <sup>P</sup>	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 &amp; 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 &amp; T.bonds held by non-bank financial institutions.

**III. External Sector****(In million US\$)**

Particulars	May 2022	May 2023	July-May of FY22	July-May of FY23
<b>1. Custom based import (c&amp;f)</b>	7276.30 (+18.59)	6464.70 (-11.15)	81496.50 (+39.01)	69965.00 (-14.15)
<b>Particulars</b>	<b>April 2022</b>	<b>April 2023</b>	<b>July-April</b>	<b>July-April</b>
<b>2. Opening of Import L/C<sup>R#</sup></b>	7256.79 (+22.17)	4304.82 (-40.68)	76996.99 (+45.38)	56363.74 (-26.80)
<b>3. Settlement of Import L/C<sup>R#</sup></b>	7269.91 (+37.23)	4690.29 (-35.48)	67932.08 (+48.53)	62397.87 (-8.15)
	<b>May 2022</b>	<b>May 2023</b>	<b>July-May of FY22</b>	<b>July- May of FY23</b>
<b>4. Inward Remittances</b>	1885.34 (-13.16)	1691.66 (-10.27)	19194.41 (-15.95)	19411.65 (+1.13)
	<b>May 2022</b>	<b>May 2023</b>	<b>July-May of FY22</b>	<b>July-May of FY23</b>
<b>5. Exports</b>	3830.29 (+23.24)	4849.62 (+26.61)	47174.63 (+34.09)	50527.24 (+7.11)
	<b>July-May 2021-22</b>		<b>July-May 2022-23</b>	
<b>6. Current Account Balance</b>	-17279.00		-4508.00	
	<b>31 May 2022</b>	<b>15 May 2023</b>	<b>31 May 2023</b>	
<b>7. Foreign Exchange Reserve<sup>@</sup></b>	42202.00 (-6.14)	30224.73 (-27.89)	29873.91 (-29.21)	
<b>IV. Price Index</b>				
<b>1. CPI inflation at national level</b>	<b>May 2022</b> (Base: FY 2005-06=100)	<b>April 2023</b> (Base: FY 2021-22=100)	<b>May 2023</b> (Base: FY 2021-22=100)	
a. Point to point basis	7.42	9.24	9.94	
b. Twelve month average basis	5.99	8.64	8.84	

Source: Statistics Department and Accounts &amp; 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.