

Fortnightly of Major Economic Indicators: Updated up to 31 January 2023

During July-January FY23, **broad money** increased 2.54 percent to Tk 1751440.60 crore at the end of January 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 6.07 percent in January 2023 over June 2022 compared to 6.58 percent growth in January 2022 over June 2021. Domestic credit growth stood lower compared to previous period because of lower growth of credit to private sector. Credit to public sector stood 8.31 percent at the end of January 2023 over June 2022 compared to 6.94 percent rise at the end of January 2022 over end June 2021. Credit to public sector growth stood higher because of higher growth of net credit to govt. sector. As per the latest available data, government borrowing from the banking system increased Tk 34589.66 crore during July-January FY23 against the increase of Tk 11855.79 crore during July-January FY22. However, credit to private sector growth decelerated to 5.53 percent at the end of January 2023 over June 2022 compared to 6.51 percent rise during the same period of the preceding fiscal year.

During July-January FY23, **reserve money** increased 1.62 percent to Tk 352790.30 crore as on 31 January 2023 from the level of end June 2022. Reserve money increased due mainly to the higher growth in Net Domestic Assets (NDA) of Bangladesh Bank stemmed from higher government borrowing during the reported period under review.

NBR tax revenue collection rose 12.32 percent to Tk 172309.15 crore during July-January of FY23 which was Tk 153411.00 crore during July-January of 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-January of FY23 was 46.57 percent of the target set for FY23.

Exports surged 9.81 percent to USD 32.45* billion during July-January FY23 compared to 30.34 percent to USD 29.55* billion during July-January FY22. Exports growth stood lower in January 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 5.72 percent during July-January FY23 compared to 46.21 percent rise during July-January FY22. Custom based imports declined because of import restriction of different types of commodities and the luxurious items from imported countries. Opening of import LCs decreased 24.79 percent during July-January of FY23 due to government's import restriction policy imposed on non-essential and luxurious items. On the other hand, Settlement of import LCs increased 2.86 percent during July-January of FY23.

*Source: EPB

Inward Remittances surged 4.25 percent to USD 12.45 billion during July-January FY23 compared to 19.87 percent fall during the same period of the previous year. Remittances seem to increase because of the increased number of remitters in FY22, 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 a deficit of USD 5.04 billion in July-January FY23 against the deficit of USD 10.26 billion in July-January 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 slightly compared to the same period of previous fiscal year due mainly to slower growth in import than that of export during July-January of FY23, with higher remittance inflows.

Foreign exchange reserves came down to USD 32.22 billion as on 31 January 2023 from USD 44.95 billion as on 31 January 2022.

Headline Inflation (Point to point) edged down to 8.57 percent in January 2023 from 8.71 percent in December 2022. On the other hand, headline inflation (twelve-month average) went up to 7.92 percent in January 2023 from 7.70 percent in December 2022. 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 (twelve-month average).

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

Detailed Information of Major Economic Indicators upto 31 January 2023

I. Money and Credit

(Taka in crore)

Particulars	June 2021	January 2022	June 2022 ^R	January 2023	July-January of FY23 ^P	July-January of FY22 ^R
1	2	3	4	5	6	7
1. Broad money (M2)	1560895.30	1614120.30	1708122.30	1751440.60	43318.30	53225.00
	(+13.62)	(+3.41)	(+9.43)	(+2.54)		
2. Bank deposits[#]	1351377.60	1402343.10	1471673.30	1488447.80	16774.50	50965.50
	(+14.37)	(+3.77)	(+8.90)	(+1.14)		
3. Domestic credit (A+B)	1439899.10	1534711.50	1671749.00	1773179.30	101430.30	94812.40
	(+10.11)	(+6.58)	(+16.10)	(+6.07)		
A. Public sector (including govt.) (i+ii)	251043.70	268454.10	320513.30	347153.10	26639.80	17410.40
	(+19.34)	(+6.94)	(+27.67)	(+8.31)		
i. Net credit to govt. sector	221025.90	232076.00	283314.50	303589.10	20274.60	11050.10
	(+22.01)	(+5.00)	(+28.18)	(+7.16)		
ii. Credit to other public sector	30017.80	36378.10	37198.90	43564.00	6365.10	6360.30
	(+2.75)	(+21.19)	(+23.92)	(+17.11)		
B. Credit to private sector	1188855.30	1266257.40	1351235.60	1426026.20	74790.60	77402.10
	(+8.35)	(+6.51)	(+13.66)	(+5.53)		
Particulars	15 January 2022	31 January 2022	15 January 2023	31 January 2023	01 July-31 January 2022-23	01 July-31 January 2021-22
4. Reserve money @	323248.70	323298.90	354301.00	352790.30	5628.20	-24772.90
	(-7.13)	(-7.12)	(+2.06)	(+1.62)		

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 January 2022	31 January 2023 ^P	16-31 January 2022	16-31 January 2023 ^P	01 July 2021-31 January 2022	01 July 2022-31 January 2023 ^P
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	11412.38	102344.53	1466.59	-3889.27	-13129.76	46478.13
B. Net outstanding position of govt. borrowing from banking sector(including BB)	213970.89	304775.22	1131.19	1573.05	11855.79	34589.66
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	December 2021	December 2022 ^P	December 2021	December 2022 ^P	July-December of FY22	July-December of FY23
	397044.27	415158.59	(+)488.16	(+)409.51	(+)44280.64	(+)26934.23
3. Govt. tax revenue collection (NBR portion)	January 2022	January 2023 ^P	July-January of FY22		July-January of FY23	
	24349.60 (+12.56)	26877.68 (+10.38)	153411.00 (+16.10)		172309.15 (+12.32)	

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	January 2022	January 2023	July-January of FY22	July-January of FY23
1. Custom based import (c&f)	9254.80 (+27.91)	6371.50 (-31.15)	50449.30 (+46.21)	47566.00 (-5.72)
2. Opening of Import L/C^{R#}	7767.62 (+25.77)	4989.48 (-35.77)	52474.33 (+49.40)	39464.02 (-24.79)
3. Settlement of Import L/C^{R#}	7081.48 (+49.98)	5405.84 (-23.66)	45528.12 (+52.66)	46828.15 (+2.86)
	January 2022	January 2023	July-January of FY22	July-January of FY23
4. Inward Remittances	1704.53 (-13.12)	1958.87 (+14.92)	11944.06 (-19.87)	12452.13 (+4.25)
	January 2022	January 2023	July-January of FY22	July-January of FY23
5. Exports	4850.37 (+41.13)	5136.24 (+5.89)	29548.92 (+30.34)	32447.50 (+9.81)
	July-January 2021-22		July-January 2022-23	
6. Current Account Balance	-10260.00		-5037.00	
	31 January 2022	15 January 2023	31 January 2023	
7. Foreign Exchange Reserve[@]	44951.22 (+4.87)	32564.49 (-29.44)	32222.55 (-28.32)	
IV. Price Index				
1. CPI inflation at national level (Base : FY 2005-06=100)	January 2022	December 2022	January 2023	
a. Point to point basis	5.86	8.71	8.57	
b. Twelve month average basis	5.62	7.70	7.92	

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.