

Fortnightly Trends of Major Economic Indicators: Updates on 15 July 2020

As per the latest available information, **broad money** increased by Tk. 1374030.50 crore or 12.66 percent during July-June 2019-20 against the increase of Tk. 1219611.50 crore or 9.88 percent during the same period of the preceding fiscal year. Broad money increased due mainly to sharp increase in net foreign asset (NFA) during the period under review.

Reserve money stood at Tk. 279643.10 crore as on 15 July 2020 which was Tk. 283862.40 crore as on 30 June 2020. Reserve money decreased by 1.50 percent as on 30 June 2020 over end June 2019 as compared to the decrease of 2.11 percent during the same period of the preceding fiscal year.

Domestic credit increased by 13.58 percent and stood at TK. 1302619.80 crore during July-June 2019-20 against the increase of 12.26 percent to Tk. 1146884.70 crore during the same period of the previous fiscal year. Domestic credit slightly increased over the reported period due mainly to increase in credit to public sector including net credit to government. Credit to public sector significantly increased by 55.30 percent during FY 2019-20 against the increase of 19.75 percent in FY 2018-19. However, credit to private sector increased only by 8.61 percent during FY 2019-20, which increased by 11.32 percent in the same period of the last fiscal year.

Government borrowing from the banking system including BB increased by Tk. 8756.23 crore during the period of 01-05 July 2020 as compared to the increase of Tk. 10570.42 crore during the same period of the last year.

NBR tax revenue collection decreased by 2.63 percent (y-o-y) and stood at Tk. 188513.88 crore during July-May 2019-20 as compared to the increase of 8.35 percent to Tk.193615.41 crore during the same period of the last fiscal year.

Inward Remittances increased by 10.87 percent and stood at US\$ 18204.94 million during July-June 2019-20 against the increase of 9.60 percent to US\$ 16419.63 million during the same period of the last fiscal year.

Exports decreased by 16.93 percent and stood at US\$ 33674.09 million during July-June 2019-20 against the increase of 10.55 percent to US\$ 40535.04 million in the same period of the preceding fiscal year. Exports decreased over the reported period due to corona virus outbreak across the world.

Current account balance recorded a deficit of US\$ 4374 million during July-May 2019-20 as compared to the deficit of US\$ 5154 million during the same period of the last fiscal year. Lower deficit in current account emerged from larger inflows of remittances as well as lower deficit in service account.

Supported by surplus in financial account as well as lower deficit in current account **foreign exchange reserves** of BB increased by US\$ 4.24 billion and stood at US\$ 36.10 billion as on 15 July 2020 from US\$ 31.86 billion as on 15 July 2019.

Inflation on twelve-month average basis (Base: FY2005-06=100) increased to 5.65 percent in June 2020 from 5.61 percent in May 2020 due to increase in food inflation. Similarly, point to point general inflation also increased to 6.02 percent in June 2020 from 5.35 percent in May 2020 due to increase in food inflation.

Detailed fortnightly information upto 15 July 2020 are given at annex-1.

Detailed Information on Trends of Major Economic Indicators upto 15 July 2020**I. Money and Credit**

(Taka in crore)

Particulars	June 2019	May 2020 ^R	June 2020 ^P
1. Broad money (M2)	1219611.50	1351631.10	1374030.50
	(+9.88)	(+10.82)	(+12.66)
2. Reserve money @	244888.80 ***	283862.40 **	279643.10 *
	(-0.21)	(+0.00)	(-1.49)
3. Bank deposits^{##}	1065324.50	1157880.30	1181646.10
	(+9.93)	(+8.69)	(+10.92)
4. Domestic credit (A+B)	1146884.70	1281927.20	1302619.80
	(+12.26)	(+11.77)	(+13.58)
A. Public sector (including govt.) (a+b)	136629.00	192369.60	205354.50
	(+19.75)	(+40.80)	(+50.30)
 i. Net credit to govt. sector	113273.40	162518.00	176139.50
	(+19.37)	(+43.47)	(+55.50)
 ii. Credit to other public sector	23355.60	29851.70	29215.00
	(+21.64)	(+27.81)	(+25.09)
B. Credit to private sector	1010255.70	1089557.60	1097265.30
	(+11.32)	(+7.85)	(+8.61)

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 15th July 2020, **Figure is as of 30th June 2020, ***Figure is as of 15th July 2019 .

Advances, import and inland bills. ## Demand and time deposits (excluding inter-bank)

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

Particulars	As on		Flow for the period of			
	05 July 2019	05 July 2020	01 July-05 July 2019		01 July-05 July 2020	
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	41010.55	53142.42	7065.81		8756.23	
B. Net outstanding position of govt. borrowing from banking sector(including BB)	118666.13	189098.37	10570.42		8756.23	
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 2019	May 2020 ^P	May 2019	May 2020 ^P	July-May 2018-19	July-May 2019-20 ^P
	314261.51	336449.20	(+)4459.37	(+)1671.23	(+)50187.12	(+)18446.13
3. Govt.revenue collection (NBR portion)	May 2019	May 2020 ^P	July-May 2018-19		July-May 2019-20 ^P	
	20548.90 (+16.93)	13453.55 (-34.53)	193615.41 (+8.35)		188513.88 (-2.63)	

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	May 2019	May 2020 ^P	July-May 2019	July-May 2020 ^P
1. Custom based import (c&f)	5124.40 (-8.45)	3533.40 (-31.05)	56033.50 (+2.61)	49976.80 (-10.81)
	March 2019 ^R	March 2020 ^R	July-March 2019	July-March 2020 ^P
2. Opening of Import L/C	4992.97 (-13.22)	4827.87 (-3.31)	44266.23 (-20.89)	43341.02 (-2.09)
3. Settlement of Import L/C	4315.69 (-5.48)	4341.56 (+0.60)	41217.74 (+7.32)	41240.53 (+0.06)
	June 2018	June 2019 ^P	July-June 2018-19	July-June 2019-20 ^P
4. Inward Remittances	1368.20 (+12.65)	1832.56 (+33.94)	16419.63 (+9.60)	18204.94 (+10.87)
5. Exports	2784.44 (-5.27)	2714.95 (-2.50)	40535.04 (+10.55)	33674.09 (-16.93)
	July-May 2018-19 ^R		July-May 2019-20 ^P	
6. Current Account Balance	-5154.00		-4374.00	
	15 July 2019	30 June 2020	15 July 2020	
7. Foreign Exchange Reserve [#]	31862.55 (-4.87)	36037.03 (+9.39)	36102.01 (+9.59)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	June 2019	May 2020	June 2020
a. Twelve month average basis	5.47	5.61	5.65
b. Twelve month point to point basis	5.52	5.35	6.02

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.