

Fortnightly Trends of Major Economic Indicators: Updates on 29 February 2020

As per the latest available information, **broad money** increased by 6.39 percent and stood at Tk.1297549.90 crore in January 2020 over end June 2019 against the increase of 4.02 percent during the same period of the preceding fiscal year. Broad money increased over the reported period due mainly to increase in net domestic assets (NDA).

Reserve money stood at Tk. 250189.40 crore as on 29 February 2020 which was Tk. 252208.50 crore as on 15 February 2020. Reserve money increased by 1.95 percent as on 29 February 2020 over end June 2019, which decreased by 2.97 percent during the same period of the preceding fiscal year.

Domestic credit increased by 8.60 percent and stood at TK. 1245472.00 crore in January 2020 over end June 2019, which increased by 6.38 percent to Tk. 1086835.80 crore during the same period of the preceding fiscal year. Domestic credit increased over the reported period due mainly to significant increase in credit to public sector including government. Credit to public sector increased by 41.26 percent in January 2020 over end June 2019 against the increase of 7.83 percent during the same period of the preceding fiscal year. However, credit to private sector increased by only 4.18 percent in January 2020 over end June 2019, which increased by 6.20 percent in the same period of the last fiscal year.

Government borrowing from the banking system including BB decreased by Tk. 719.88 crore during the period of 16-29 February 2020, which decreased by Tk. 4151.07 crore during the same period of the last year. Government overall borrowing from banking system also increased significantly higher by Tk. 52136.58 crore during the period from 01 July 2019 to 29 February 2020, which increased by Tk. 300.68 crore during the same period of the last fiscal year.

NBR tax revenue collection increased by 8.73 percent (y-o-y) and stood at Tk. 106551.03 crore during July-December 2019, which increased by 6.79 percent to Tk. 97993.69 crore during the same period of the last fiscal year.

Inward Remittances increased by 21.49 percent and stood at US\$ 11046.36 million during July-January 2019-20 against the increase of 9.39 percent to US\$ 9092.56 million during the same period of the last fiscal year. Inward Remittances increased over the reported period due mainly to government's announcement to provide 2 percent cash incentive on remittance through legal channel, applicable for an expatriate remitting maximum US\$ 1500 or equivalent each time without any document.

Exports decreased by 4.79 percent and stood at US\$ 26241.86 million during July-February 2019-20, which increased by 12.98 percent to US\$ 27562.79 million in the same period of the preceding fiscal year. Exports decreased over the reported period due to confluence of some factors including setback of growth in country's apparel sector for shrinking external demand.

Current account balance recorded a lower deficit of US\$ 1516 million during July-January 2019-20 as compared to a deficit of US\$ 4041.00 million during the same period of the last fiscal year. Lower deficit in current account emerged from smaller Deficit in trade accounts as well as larger inflows of remittances.

Supported by a surplus in financial account balance as well as lower deficit in current account balance, overall balance in BOP recorded a surplus during July-January 2020. Therefore, **foreign exchange reserves** of BB increased by US\$ 0.36 billion and stood at US\$ 32.99 billion as on 29 February 2020 from US\$ 32.63 billion as on 15 February 2020.

Inflation on twelve-month average basis (Base: FY2005-06=100) remained stable at 5.60 percent in February 2020. On the other hand, point to point general inflation decreased to 5.46 percent in February 2020 from 5.57 percent in January 2020 due to decrease in both food and non-food inflation as compared to the previous month.

Detailed fortnightly information upto 29 February 2020 are given at annex-1.

Detailed Information on Trends of Major Economic Indicators upto 29 February 2020**I. Money and Credit**

(Taka in crore)

Particulars	January 2019	December 2019 ^R	January 2020 ^P
1. Broad money (M2)	1154557.80	1294435.10	1297549.90
	(+4.02)	(+6.14)	(+6.39)
2. Reserve money @	226069.60 ***	252208.50 **	250189.40 *
	(-2.97)	(+2.77)	(+1.95)
3. Bank deposits^{##}	1009876.10	1137852.20	1138632.40
	(+4.21)	(+6.81)	(+6.88)
4. Domestic credit (A+B)	1086835.80	1240598.10	1245472.00
	(+6.38)	(+8.17)	(+8.60)
A. Public sector (including govt.) (a+b)	123027.70	187446.50	192998.30
	(+7.83)	(+37.19)	(+41.26)
 i. Net credit to govt. sector	98916.90	156860.80	163255.10
	(+4.24)	(+38.48)	(+44.12)
 ii. Credit to other public sector	24110.80	30585.70	29743.20
	(+25.58)	(+30.96)	(+27.35)
B. Credit to private sector	963808.00	1053151.50	1052473.70
	(+6.20)	(+4.25)	(+4.18)

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 29th February 2020, **Figure is as of 15th February 2020, ***Figure is as of 29th February 2019 .

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

II. Government Financing

Particulars	As on		Flow for the period of			
	29 February 2019	29 February 2020	16-29 February 2019	16-29 February 2020	01 July 2018 to 29 February 2019	01 July 2019 to 29 February 2020
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	17360.35	36492.34	-4234.65	-5489.68	-6285.29	2547.61
B. Net outstanding position of govt. borrowing from banking sector(including BB)	88558.35	160232.28	-4151.07	-719.88	300.68	52136.58
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	January 2019	January 2020 ^P	January 2018	January 2019 ^P	July-January 2018	July-January 2019 ^P
	297661.70	329843.34	(+)6782.05	(+)3260.22	(+)33587.31	(+)11840.27
3. Govt.revenue collection (NBR portion)	December 2018	December 2019 ^P	July-December 2018		July-December 2019 ^P	
	18333.14 (+3.12)	22352.67 (+21.92)	97993.69 (+6.79)		106551.03 (+8.73)	

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.

(In million US\$)

III. External Sector

Particulars	January 2019 ^R	January 2020 ^P	July-January 2019	July-January 2020 ^P
1. Custom based import (c&f)	6120.80 (+16.48)	5334.10 (-12.85)	36191.50 (+7.41)	34584.00 (-4.44)
Particulars	December 2018 ^R	December 2019 ^R	July-December 2018	July-December 2019 ^P
2. Opening of Import L/C	4639.52 (+3.48)	5295.68 (+14.14)	29320.92 (-27.12)	28600.24 (-2.46)
3. Settlement of Import L/C	4773.53 (+17.33)	4981.67 (+4.36)	27319.20 (+10.78)	27186.66 (-0.49)
	January 2019	January 2020 ^P	July-January 2018-19	July-January 2019-20 ^P
4. Inward Remittances	1597.21 (+15.76)	1638.43 (+2.58)	9092.56 (+9.39)	11046.36 (+21.49)
	February 2019	February 2020 ^P	July-February 2018-19	July-February 2019-20 ^P
5. Exports	3383.20 (+10.12)	3322.36 (-1.80)	27562.79 (+12.98)	26241.86 (-4.79)
	'July-January 2018-2019 ^R		July-January 2019-2020 ^P	
6. Current Account Balance	-4041.00		-1516.00	
	29 February 2019	15 February 2020	29 February 2020	
7. Foreign Exchange Reserve [#]	32235.68 (-2.15)	32633.01 (-0.26)	32987.35 (+0.83)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	February 2019	January 2020	February 2020
a. Twelve month average basis	5.49	5.60	5.60
b. Twelve month point to point basis	5.47	5.57	5.46

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.