

Fortnightly Trends of Major Economic Indicators: Updates on 31 May 2020

As per the latest available information, **broad money** increased by 7.47 percent and stood at Tk. 1310666.30 crore in March 2020 over end June 2019 against the increase of 5.28 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. 269468.30 crore as on 31 May 2020 which was Tk. 266106.20 crore as on 15 May 2020. Reserve money increased by 9.81 percent as on 31 May 2020 over end June 2019, which increased by 5.02 percent during the same period of the preceding fiscal year.

Domestic credit increased by 7.28 percent and stood at TK. 1230376.00 crore in May 2020 over end June 2019, which increased by 7.31 percent to Tk. 1096260.00 crore during the same period of the preceding fiscal year. Domestic credit growth remained stable over the reported period. Credit to private sector increased only by 5.56 percent in May 2020 over end June 2019, which increased by 7.95 percent in the same period of the last fiscal year. However, credit to public sector significantly increased by 19.96 percent in May 2020 over end June 2019 against the increase of 2.17 percent during the same period of the preceding fiscal year.

Government borrowing from the banking system including BB increased by Tk. 1881.80 crore during the period of 01-13 May 2020, which increased by Tk. 4478.35 crore during the same period of the last year. Government overall borrowing from banking system also increased significantly higher by Tk. 59,437.98 crore during the period from 01 July 2019 to 13 May 2020, which increased by Tk. 3195.76 crore during the same period of the last fiscal year.

NBR tax revenue collection increased by 7.53 percent (y-o-y) and stood at Tk. 125563.93 crore during July-January 2020, which increased by 7.35 percent to Tk. 116772.54 crore during the same period of the last fiscal year.

Inward Remittances increased by 8.72 percent and stood at US\$ 16364.62 million during July-May 2019-20 against the increase of 10.69 percent to US\$ 15051.43 million during the same period of the last fiscal year. Following the outbreak of corona virus in different parts of the world, inward remittances slowed down during the reported period as compared to the same period of the preceding fiscal year.

Exports decreased by 13.09 percent and stood at US\$ 29493.84 million during July-April 2019-20, which increased by 11.61 percent to US\$ 33937.23 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 lower deficit of US\$ 2648.00 million during July-March 2019-20 as compared to a deficit of US\$ 4212.00 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-March 2020. Therefore, **foreign exchange reserves** of BB increased by US\$ 0.88 billion and stood at US\$ 33.41 billion as on 31 May 2020 from US\$ 32.53 billion as on 15 May 2020.

Inflation on twelve-month average basis (Base: FY2005-06=100) decreased to 5.61 percent in May 2020 from 5.63 percent in April 2020 due to decrease in food inflation. Point to point general inflation also decreased to 5.35 percent in May 2020 from 5.96 percent in April 2020 due to decrease in both food and non-food inflation.

Detailed fortnightly information upto 31 May 2020 are given at annex-1.

Detailed Information on Trends of Major Economic Indicators upto 31st May 2020

I. Money and Credit

(Taka in crore)

Particulars	March 2019	February 2020 ^R	March 2020 ^P
1. Broad money (M2)	1168579.40	1306496.70	1310666.30
	(+5.28)	(+7.12)	(+7.47)
2. Reserve money @	244686.40 ***	266106.20 **	269468.30 *
	(+5.02)	(+8.44)	(+9.81)
3. Bank deposits^{##}	1023932.90	1144676.30	1137318.70
	(+5.66)	(+7.45)	(+6.76)
4. Domestic credit (A+B)	1096260.00	1251174.70	1230376.00
	(+7.31)	(+9.09)	(+7.28)
A. Public sector (including govt.) (a+b)	116573.90	192275.30	163902.00
i. Net credit to govt. sector	92511.90	162241.60	133760.70
	(+2.17)	(+40.73)	(+19.96)
ii. Credit to other public sector	24062.00	30033.60	30141.30
	(-2.51)	(+43.23)	(+18.09)
B. Credit to private sector	979686.10	1058899.40	1066474.00
	(+25.32)	(+28.59)	(+29.05)
	(+7.95)	(+4.81)	(+5.56)

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 31st May 2020, **Figure is as of 15th May 2020, ***Figure is as of 31st May 2019 .

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

II. Government Financing

Particulars	As on		Flow for the period of			
	13th May 2019	13th May 2020	01-13th May 2019	01-13th May 2020	01 July 2018 to 13th May 2019	01 July 2019 to 13th May 2020
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	23037.42	71832.74	4405.34	1881.80	-608.22	37888.00
B. Net outstanding position of govt. borrowing from banking sector(including BB)	91453.43	167533.68	4478.35	1881.80	3195.76	59437.98
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 2019	January 2020 ^P	July-January 2019	July-January 2020 ^P
	297661.70	329843.34	(+)6782.05	(+)3260.22	(+)33587.31	(+)11840.27
3. Govt.revenue collection (NBR portion)	January 2019	January 2020 ^P	July-January 2019		July-January 2020 ^P	
	18778.85 (+10.39)	19012.90 (+1.25)	116772.54 (+7.35)		125563.93 (+7.53)	

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	March 2019 ^R	March 2020 ^P	July-March 2019	July-March 2020 ^P
1. Custom based import (c&f)	4893.60 (+1.06)	4277.20 (-12.60)	45789.00 (+5.12)	43584.90 (-4.81)
Particulars	January 2019 ^R	January 2020 ^R	July-January 2019	July-January 2020 ^P
2. Opening of Import L/C	6116.16 (+12.58)	5371.35 (-12.18)	35437.09 (-22.40)	33971.59 (-4.14)
3. Settlement of Import L/C	4810.99 (-3.52)	5008.18 (+4.10)	32130.19 (+8.38)	32194.84 (+0.20)
	May 2019	'May 2020 ^P	July-'May 2019	July-'May 2020 ^P
4. Inward Remittances	1748.16 (+16.16)	1503.40 (-14.00)	15051.43 (+10.69)	16364.62 (+8.72)
	April 2019	April 2020 ^P	July-April 2019	July-April 2020 ^P
5. Exports	3034.21 (+2.69)	520.01 (-82.86)	33937.23 (+11.61)	29493.84 (-13.09)
	'July-March 2018-19		July-March 2019-20 ^P	
6. Current Account Balance	-4212.00		-2648.00	
	31 May 2019	15 May 2020	31 May 2020	
7. Foreign Exchange Reserve [#]	31344.79 (-4.85)	32531.25 (-0.57)	33409.89 (+2.12)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	May 2019	April 2020	May 2020
a. Twelve month average basis	5.48	5.63	5.61
b. Twelve month point to point basis	5.63	5.96	5.35

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.