

Fortnightly Trends of Major Economic Indicators: Updates on 31 December 2019

As per the latest available information, **broad money** increased by 4.58 percent and stood at Tk.1275477.00 crore in November 2019 over end June 2019 against the increase of 1.94 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. 250040.60 crore as on 31 December 2019 which was Tk. 249849.80 crore as on 15 December 2019. Reserve money increased by 1.89 percent as on 31 December 2019 over end June 2019, which increased by 0.42 percent during the same period of the preceding fiscal year.

Domestic credit increased by 6.04 percent and stood at TK. 1216202.50 crore in November 2019 over end June 2019, which increased by 3.97 percent to Tk. 1062174.80 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 32.03 percent in November 2019 over end June 2019 against the increase of 4.63 percent during the same period of the preceding fiscal year. Credit to private sector also increased by 2.53 percent in November 2019 over end June 2019, which increased by 3.89 percent in the same period of the last fiscal year.

Government borrowing from the banking system including BB increased by Tk. 1737.40 crore during the period of 16-31 December 2019, which increased by Tk. 114.30 crore during the same period of the last year. Government overall borrowing from banking system also increased significantly higher by Tk. 48015.81 crore during the period from 01 July to 31 December 2019, which increased by Tk. 3395.37 crore during the same period of the last fiscal year.

NBR tax revenue collection increased by 5.08 percent (y-o-y) and stood at Tk. 83705.26 crore during July-November 2019, which increased by 7.67 percent to Tk. 79660.55 crore during the same period of the last fiscal year.

Inward Remittances increased by 25.46 percent and stood at US\$ 9403.40 million during July-December 2019 against the increase of 8.12 percent to US\$ 7495.35 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 5.84 percent and stood at US\$ 19302.19 million during July-December 2019, which increased by 14.42 percent to US\$ 20499.87 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\$ 1097.00 million during July-November 2019 as compared to a deficit of US\$ 2425.00 million during the same period of the last fiscal year. Lower deficit in current account emerged from a smaller deficit in service account 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 smaller deficit during July-November 2019. However, **foreign exchange reserves** of BB marginally increased by US\$ 0.41 billion and stood at US\$ 32.69 billion as on 30 December 2019 from US\$ 32.28 billion as on 15 December 2019.

Inflation on twelve-month average basis (Base: FY2005-06=100) increased to 5.59 percent in December 2019 from 5.56 percent in November 2019 due to increase in both food and non-food inflation. On the other hand, point to point general inflation decreased to 5.75 percent in December 2019 from 6.05 percent in November 2019 due to lower food inflation than the previous month.

Detailed fortnightly information upto 31 December 2019 are given at annex-1.

Detailed Information on Trends of Major Economic Indicators upto 31 December 2019**I. Money and Credit**

(Taka in crore)

Particulars	November 2018	October 2019 ^R	November 2019 ^P
1. Broad money (M2)	1131503.10	1261811.20	1275477.00
	(+1.94)	(+3.46)	(+4.58)
2. Reserve money @	233956.90 ***	249849.80 **	250040.60 *
	(+0.42)	(+1.81)	(+1.89)
3. Bank deposits^{##}	992393.90	1106983.60	1120223.50
	(+2.41)	(+3.91)	(+5.15)
4. Domestic credit (A+B)	1062174.80	1199463.10	1216202.50
	(+3.97)	(+4.58)	(+6.04)
A. Public sector (including govt.) (a+b)	119381.40	173504.70	180387.30
	(+4.63)	(+26.99)	(+32.03)
 i. Net credit to govt. sector	97786.70	147656.90	153436.30
	(+3.05)	(+30.35)	(+35.46)
 ii. Credit to other public sector	21594.60	25847.80	26950.90
	(+12.47)	(+10.67)	(+15.39)
B. Credit to private sector	942793.50	1025958.40	1035815.30
	(+3.89)	(+1.55)	(+2.53)

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 December 2019, **Figure is as of 15th December 2019, ***Figure is as of 31st December 2018 .

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			
	27 December 2018	31 December 2019	16-27 December 2018	16-31 December 2019	01 July-27 December 2018	01 July-31 December 2019
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	24367.87	44265.37	1214.52	278.41	722.23	10320.63
B. Net outstanding position of govt. borrowing from banking sector(including BB)	91653.04	156111.51	114.30	1737.40	3395.37	48015.81
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	October 2018	October 2019 ^P	October 2018	October 2019 ^P	July-October 2018-19	July-October 2019-20 ^P
	282028.42	325346.19	(+)4300.19	(+)1707.75	(+)17954.03	(+)7343.12
3. Govt.revenue collection (NBR portion)	November 2018	November 2019 ^P	July-November 2018-19		July-November 2019-20 ^P	
	17267.03 (+10.94)	18606.72 (+7.76)	79660.55 (+7.67)		83705.26 (+5.08)	

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	November 2018 ^R	November 2019 ^P	July-November 2018-19	July-November 2019-20 ^P
1. Custom based import (c&f)	5081.60 (-2.69)	4392.40 (-13.56)	25326.50 (+6.64)	23995.70 (-5.25)
2. Opening of Import L/C	5170.86 (-68.40)	4680.85 (-9.48)	24681.40 (-30.96)	23304.57 (-5.58)
3. Settlement of Import L/C	4902.14 (+11.49)	4322.25 (-11.83)	22545.67 (+9.49)	22204.99 (-1.51)
	December 2018	December 2019 ^P	July-December 2018-19	July-December 2019-20 ^P
4. Inward Remittances	1206.91 (+3.70)	1687.15 (+39.79)	7495.35 (+8.12)	9403.40 (+25.46)
	December 2018	December 2019 ^P	July-December 2018-19	July-December 2019-20 ^P
5. Exports	3426.11 (+2.18)	3525.09 (+2.89)	20499.87 (+14.42)	19302.19 (-5.84)
	July-November 2018 ^R		July-November 2019 ^P	
6. Current Account Balance	-2425.00		-1097.00	
	27 December 2018	15 December 2019	30 December 2019	
7. Foreign Exchange Reserve [#]	32016.25 (-2.81)	32275.74 (-1.35)	32688.48 (-0.09)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	December 2018	November 2019	December 2019
a. Twelve month average basis	5.54	5.56	5.59
b. Twelve month point to point basis	5.35	6.05	5.75

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.