

Monetary Policy Department

Fortnightly Trends of Major Economic Indicators: Updates on January 31, 2018

As per the latest available information, **broad money** increased by Tk. 39933.20 crore or 3.93 percent and stood at Tk. 1056009.20 crore in December 2017 over end June 2017 against the increase of Tk.37675.90 crore or 4.11 percent in the same period of the previous fiscal year. Broad money growth slightly slowed down due mainly to a subdued growth in net foreign assets (NFA) during the period under review.

Reserve money stood at Tk. 209583.5 crore as on January 31, 2018 which was Tk. 213640.4 crore as on January 15, 2018. Reserve money decreased by 6.42 percent as on January 31, 2018 over end June 2017 as compared to the decrease of 2.44 percent during the same period of the previous fiscal year. Reserve money decreased in a moderate extent owing to subdued growth in net foreign assets (NFA) of Bangladesh Bank.

Domestic credit increased by 6.95 percent and stood at TK. 952534.80 crore in December 2017 over end June 2017 against the increase of 3.84 percent to Tk. 832038.00 crore during the same period of the previous fiscal year. Domestic credit growth increased during the reported period due to a significant credit growth in the private sector. Credit to private sector recorded 9.14 percent growth during July-December 2017 as against 6.86 percent growth in the same period of the previous fiscal year. On the other hand, credit to public sector decreased by 7.94 percent during July-December 2017 which also decreased by 11.71 percent during the same period of the previous fiscal year.

Government borrowing from the banking system including BB decreased by Tk. 4319.44 crore during January 16-31, 2017-18 as compared to the decrease of Tk. 2973.53 crore in the same period of the previous year. Moreover, as per the latest data, government borrowing from the banking system during July 01-January 31, 2017-18 decreased by Tk. 13153.41 crore which also decreased by Tk. 18703.08 crore during the same period of the previous fiscal year.

NBR tax revenue collection increased by 16.51 percent (y-o-y) to Tk. 93440.21 crore during July-December 2017 as compared to the increase of 17.78 percent to Tk. 80197.37 crore during the same period of the previous fiscal year.

Inward Remittances increased by 15.83 percent and stood at US\$ 8312.15 million during July-January 2017-18 against the decrease of 16.92 percent to US\$ 7176.32 million during the same period of the previous year.

Exports increased by 6.55 percent and stood at US\$ 21324.87 million during July-January 2017-18 against the increase of 3.86 percent to US\$ 20013.28 million during the same period of the previous year.

Current account balance recorded a deficit of US\$ 4767.00 million during July-December 2017 as compared to the deficit of US\$ 543 million during July-December 2016. Larger deficit in current account balance emerged from increase in deficits both in trade and service accounts due mainly to a higher growth of imports than exports during the period under report.

Foreign exchange reserves of BB increased by US\$ 0.49 billion and stood at US\$ 32.69 billion as on January 31, 2018 against US\$ 32.20 billion as on January 15, 2018 which was supported by surplus in the financial account balance stemming from increase in medium and long term loan inflows.

Inflation on twelve-month average basis (Base: FY2005-06=100) increased to 5.70 percent in December 2017 from 5.64 percent in November 2017 due to increase in food inflation. On the other hand, point to point general inflation decreased to 5.83 percent in December 2017 from 5.91 percent in November 2017 due to decrease in non-food inflation.

Detailed fortnightly information upto January 31, 2018 are given at annex-1.

Monetary Policy Department

Bangladesh Bank, Head Office, Dhaka.

Detailed Information on Trends of Major Economic Indicators upto January 31, 2018

Annex-1(continued)

I. Money and Credit

(Taka in crore)

Particulars	December, 2016	November, 2017 ^R	December, 2017 ^P
1. Broad money (M2)	954053.80	1040365.20	1056009.20
	(+4.11)	(+2.39)	(+3.93)
2. Reserve money @	187902.30 ***	213640.40 **	209583.50 *
	(-2.44)	(-4.61)	(-6.42)
3. Bank credit[#]	712891.50	818040.90	838307.40
	(+6.92)	(+8.30)	(+10.99)
4. Bank deposits^{##}	840900.40	913482.00	926877.90
	(+5.87)	(+3.98)	(+5.50)
5. Domestic credit (A+B)	832038.00	937688.30	952534.80
	(+3.84)	(+5.28)	(+6.95)
A. Public sector (including govt.) (a+b)	115018.50	110744.70	105512.90
	(-11.71)	(-3.38)	(-7.94)
i. Net credit to govt. sector	98638.80	92603.10	87266.40
	(-13.64)	(-4.86)	(-10.34)
ii. Credit to other public sector	16379.70	18141.60	18246.50
	(+2.05)	(+4.98)	(+5.59)
B. Credit to private sector	717019.50	826943.60	847021.90
	(+6.86)	(+6.56)	(+9.14)

Note: Figures in the parenthesis indicate percentage changes over corresponding end June.

P= Provisional, @=excluding F.C. clearing account

*Figure is as of 31st January 2018, **Figure is as of 15th January 2018, ***Figure is as of 31st January 2017 .

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

Particulars	As on		Flow for the period of			
	January 31 ,2017	January 31 ,2018	Jan 16-31, 2016-17	Jan 16-31, 2017-18	July 01-Jan 31, 2016-17	July 01-Jan 31, 2017-18
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	6443.79	9419.23	-5538.16	-4061.09	-15430.55	-6309.58
B. Net outstanding position of govt. borrowing from banking sector(including BB)	89986.61	76563.09	-2973.53	-4319.44	-18703.08	-13153.41
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, 2016	December, 2017 ^P	December, 2016	December, 2017	July-December, 2016-17	July-December, 2017-18 ^P
	187198.54	241443.06	(+)2930.98	(+)3010.70	(+)24302.05	(+)24861.27
3. Govt.revenue collection (NBR portion)	December, 2016	December, 2017 ^P	July-December, 2016-2017		July-December 2017- 18 ^P	
	16334.71 (+23.52)	18108.76 (+10.86)	80197.37 (+17.78)		93440.21 (+16.51)	

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	December, 2016- 17	December, 2017-18 ^P	July-December, 2016- 17	July-December, 2017-18 ^P
1. Custom based import (c&f)	3994.10 (+2.46)	4692.10 (+17.48)	22609.80 (+8.24)	28440.90 (+25.79)
2. Opening of Import L/C	4329.31 (+20.75)	4483.35 (+3.56)	23022.85 (+9.30)	40234.43 (+74.76)
3. Settlement of Import L/C	3565.48 (-3.68)	4068.43 (+14.11)	22588.82 (+11.25)	24660.53 (+9.17)
	January, 2017	January, 2018 ^P	July-January, 2016- 17	July-January, 2017-18 ^P
4. Inward Remittances	1009.47 (-12.27)	1379.79 (+36.68)	7176.32 (-16.92)	8312.15 (+15.83)
5. Exports	3292.23 (+3.35)	3408.85 (+3.54)	20013.28 (+3.86)	21324.87 (+6.55)
	July-December, 2016-17		July-December, 2017-18 ^P	
6. Current Account Balance	-543.00		-4767.00	
	January 31, 2017	January 15, 2018	January 31, 2018	
7. Foreign Exchange Reserve [#]	31724.17 (+5.16)	32203.79 (-3.85)	32694.69 (-2.38)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	December, 2016	November, 2017	December, 2017 ^P
a. Twelve month average basis	5.51	5.64	5.70
b. Twelve month point to point basis	5.03	5.91	5.83

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.