

Monetary Policy Department

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

As per the latest available information, **broad money** increased by Tk. 35470.80 crore or 3.49 percent and stood at Tk. 1051546.80 crore in February 2018 over end June 2017 against the increase of Tk.41508.56 crore or 4.53 percent in the same period of the previous fiscal year. Broad money growth slowed down due mainly to a subdued growth in net foreign assets (NFA) and net repayment of Government debt to the banking sector during the period under review.

Reserve money stood at Tk. 211530.40 crore as on March 29, 2018 which was Tk. 213670.70 crore as on March 15, 2018. Reserve money decreased by 5.57 percent as on March 29, 2018 over end June 2017 as compared to the decrease of 0.34 percent during the same period of the previous fiscal year.

Domestic credit increased by 7.32 percent and stood at TK. 955853.00 crore in February 2018 over end June 2017 against the increase of 4.44 percent to Tk. 836880.27 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 11.10 percent growth during July-February 2017-18 as against 8.45 percent growth in the same period of the previous fiscal year. On the other hand, credit to public sector decreased by 18.31 percent during July-February 2017-18 which also decreased by 16.19 percent during the same period of the previous fiscal year.

Government borrowing from the banking system including BB decreased by Tk. 7528.59 crore during March 16-29, 2017-18 as compared to the decrease of Tk. 2516.35 crore in the same period of the previous year. Similarly, as per the latest data, government overall borrowing from the banking system during July 01-March 29, 2017-18 decreased by Tk. 21272.04 crore which also decreased by Tk. 25372.26 crore during the same period of the previous fiscal year.

NBR tax revenue collection increased by 15.34 percent (y-o-y) to Tk. 110479.25 crore during July-January 2017-18 as compared to the increase of 19.78 percent to Tk. 95789.77 crore during the same period of the previous fiscal year.

Inward Remittances increased by 17.04 percent and stood at US\$ 10761.29 million during July-March 2017-18 against the decrease of 16.86 percent to US\$ 9194.59 million during the same period of the previous year.

Exports increased by 6.33 percent and stood at US\$ 27451.55 million during July-March 2017-18 against the increase of 3.45 percent to US\$ 25816.60 million during the same period of the previous year.

Current account balance recorded a deficit of US\$ 5347.00 million during July-January 2017-18 as compared to the deficit of US\$ 890 million during July-January 2016-17. Larger deficit in current account balance emerged from increase in deficit both in trade and service account due mainly to a significantly larger growth of imports than exports during the period under report.

Foreign exchange reserves of BB increased by US\$ 0.32 billion and stood at US\$ 32.40 billion as on March 29, 2018 against US\$ 32.08 billion as on March 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 5.82 percent in March 2018 from 5.80 percent in February 2018 due to increase in both food and non-food inflation. On the other hand, point to point general inflation decreased to 5.68 percent in March 2018 from 5.72 percent in February 2018 due to decrease in food inflation.

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

Monetary Policy Department

Bangladesh Bank, Head Office, Dhaka.

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

Annex-1(continued)

I. Money and Credit

(Taka in crore)

Particulars	February, 2017	January, 2018 ^R	February, 2018 ^P
1. Broad money (M2)	957886.46	1048062.20	1051546.80
	(+4.53)	(+3.15)	(+3.49)
2. Reserve money @	191954.00 ***	213670.70 **	211530.40 *
	(-0.34)	(-4.61)	(-5.57)
3. Bank credit[#]	723270.50	843015.80	854167.50
	(+8.48)	(+11.61)	(+13.09)
4. Bank deposits^{##}	845386.76	919813.90	923208.70
	(+6.43)	(+4.70)	(+5.08)
5. Domestic credit (A+B)	836880.27	950843.50	955853.00
	(+4.44)	(+6.76)	(+7.32)
A. Public sector (including govt.) (a+b)	109179.14	99428.70	93628.20
	(-16.19)	(-13.25)	(-18.31)
i. Net credit to govt. sector	93525.56	81033.50	75069.40
	(-18.12)	(-16.75)	(-22.87)
ii. Credit to other public sector	15653.58	18395.20	18558.80
	(-2.48)	(+6.45)	(+7.40)
B. Credit to private sector	727701.14	851414.90	862224.80
	(+8.45)	(+9.71)	(+11.10)

Source: SBS, Statistics Department.

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

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

*Figure is as of 29th March 2018, **Figure is as of 15th March 2018, ***Figure is as of 30th March 2017.

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

II. Government Financing

Particulars	As on		Flow for the period of			
	March 29 ,2017	March 29 ,2018	March 16-29, 2016-17	March 16-29, 2017-18	July 01-March 29, 2016-17	July 01-March 29, 2017-18
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	4721.53	10817.15	-1085.33	-3382.64	-17152.81	-4911.66
B. Net outstanding position of govt. borrowing from banking sector(including BB)	83317.43	68444.46	-2516.35	-7528.59	-25372.26	-21272.04
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, 2017	January, 2018 ^P	January, 2017	January, 2018	July-January, 2016-17	July-January, 2017-18 ^P
	192894.03	246738.21	(+)5695.49	(+)5295.15	(+)29997.54	(+)30156.42
3. Govt.revenue collection (NBR portion)	January, 2017	January, 2018 ^P	July-January, 2016-2017		July-January 2017- 18 ^P	
	15592.40 (+31.20)	17026.32 (+9.20)	95789.77 (+19.78)		110479.25 (+15.34)	

Source: Research Department, Statistics Department 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, 2016- 17	January, 2017-18 ^P	July-January, 2016- 17	July-January, 2017-18 ^P
1. Custom based import (c&f)	4301.70 (+19.77)	5255.00 (+22.16)	26911.50 (+9.88)	33695.90 (+25.21)
2. Opening of Import L/C	4441.16 (+31.12)	5432.58 (+22.32)	27464.01 (+12.32)	45667.01 (+66.28)
3. Settlement of Import L/C	3962.34 (+18.22)	4986.35 (+25.84)	26551.16 (+12.24)	29646.88 (+11.66)
	March, 2017	March, 2018 ^P	July-March, 2016- 17	July-March, 2017-18 ^P
4. Inward Remittances	1077.52 (-16.18)	1300.46 (+20.69)	9194.59 (-16.86)	10761.29 (+17.04)
5. Exports	3097.33 (+9.39)	3054.50 (-1.38)	25816.60 (+3.45)	27451.55 (+6.33)
	July-January, 2016-17		July-January, 2017-18 ^P	
6. Current Account Balance	-890.00		-5347.00	
	March 30, 2017	March 15, 2018	March 29, 2018	
7. Foreign Exchange Reserve [#]	32215.19 (+6.79)	32082.94 (-4.21)	32403.15 (-3.25)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	March, 2017	February, 2018	March, 2018 ^P
a. Twelve month average basis	5.39	5.80	5.82
b. Twelve month point to point basis	5.39	5.72	5.68

Source: Statistics Department, Accounts & Budgeting Department 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.