

Fortnightly Trends of Major Economic Indicators: Updates on 31 August 2018

As per the latest available information, **broad money** decreased by Tk. 3820.30 crore or 0.34 percent and stood at Tk.1106160.70 crore in July 2018 over end June 2018 against the decrease of Tk.6484.40 crore or 0.64 percent during the same period of the previous fiscal year.

Reserve money stood at Tk. 233610.60 crore as on 31 August 2018 which was Tk. 231391.50 crore as on 14 August 2018. Reserve money increased by 0.27 percent as on 31 August 2018 over end June 2018 as compared to the increase of 2.47 percent during the same period of the previous fiscal year.

Domestic credit decreased by 0.34 percent and stood at TK. 1018132.30 crore in July 2018 over end June 2018 as compared to the decrease of 0.04 percent to Tk. 890340.40 crore during the same period of the previous fiscal year. Domestic credit decreased over the reported period due mainly to decrease in credit to private sector. Credit to private sector recorded 0.67 percent negative growth in July 2018 over the end June 2018, while it was increased by 0.25 percent in the same period of the previous fiscal year. On the other hand, credit to public sector increased by 2.25 percent in July 2018 over the end June 2018 which decreased by 2.00 percent during the same period of the previous fiscal year.

Government borrowing from the banking system including BB increased by Tk. 4845.08 crore during the period of 16-31 August 2018-19 as compared to the increase of Tk. 3266.10 crore in the same period of the previous year. Similarly, as per the latest data, government overall borrowing from the banking system increased by Tk. 7583.21 crore during the period of 01 July-31 August 2018, which was increased by Tk. 3305.86 crore during the same period of the previous fiscal year.

NBR tax revenue collection increased by 20.75 percent (y-o-y) to Tk. 207307.95 crore during July-June 2017-18 as compared to the increase of 10.39 percent to Tk. 171679.14 crore during the same period of the previous fiscal year.

Inward Remittances increased by 7.70 percent and stood at US\$ 2729.23 million during July-August 2018-19 against the increase of 15.76 percent to US\$ 2534.15 million during the same period of the previous year.

Exports increased by 19.88 percent and stood at US\$ 3581.48 million in July 2018 against the increase of 17.89 percent to US\$ 2987.66 million during the same month of the previous year.

Current account balance recorded a deficit of US\$ 9780 million during July-June 2017-18 as compared to the deficit of US\$ 1331.00 million during July-June 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\$ 0.64 billion and stood at US\$ 32.93 billion as on 31 August 2018 against US\$ 32.29 billion as on 14 August 2018 supported by surplus in financial account balance as well as significant amount of inflows from remittances.

Inflation on twelve-month average basis (Base: FY2005-06=100) was stable at 5.78 percent at the end July 2018. However, point to point general inflation marginally decreased to 5.51 percent in July 2018 from 5.54 percent in June 2018 due to decrease in non-food inflation.

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

Detailed Information on Trends of Major Economic Indicators upto 31 August 2018

I. Money and Credit

(Taka in crore)

| Particulars | July 2017 | June 2018 ^R | July 2018 ^P |
|---|----------------------|------------------------|------------------------|
| 1. Broad money (M2) | 1009591.70 | 1109981.00 | 1106160.70 |
| | (-0.64) | (+9.24) | (-0.34) |
| 2. Reserve money @ | 229521.70 *** | 231391.50 ** | 233610.60 * |
| | (+2.47) | (+3.30) | (+0.27) |
| 3. Bank credit[#] | 770492.90 | 899493.00 | 893967.30 |
| | (-0.24) | (+16.46) | (-0.61) |
| 4. Bank deposits^{##} | 883333.30 | 969063.60 | 968458.40 |
| | (+0.55) | (+10.30) | (-0.06) |
| 5. Domestic credit (A+B) | 890340.40 | 1021626.80 | 1018132.30 |
| | (-0.04) | (+14.70) | (-0.34) |
| A. Public sector (including govt.) (a+b) | 112324.60 | 114095.20 | 116666.70 |
| | (-2.00) | (-0.45) | (+2.25) |
| i. Net credit to govt. sector | 94759.80 | 94895.00 | 97182.50 |
| | (-2.64) | (-2.51) | (+2.41) |
| ii. Credit to other public sector | 17564.80 | 19200.10 | 19484.20 |
| | (+1.65) | (+11.11) | (+1.48) |
| B. Credit to private sector | 778015.80 | 907531.60 | 901465.60 |
| | (+0.25) | (+16.94) | (-0.67) |

Source: SBS from 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 August 2018, **Figure is as of 14th August 2018, ***Figure is as of 31st August 2017.

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

II. Government Financing

| Particulars | As on | | Flow for the period of | | | |
|---|----------------------|------------------------|------------------------|----------------------|--------------------------------|--------------------------------|
| | 31 August 2017 | 31 August 2018 | 16-31 August 2017-18 | 16-31 August 2018-19 | 01 July -31 August 2017-18 | 01 July -31 August 2018-19 |
| 1. A. Net outstanding position of govt. borrowing from Bangladesh Bank | 18152.60 | 20642.47 | 5252.86 | 1007.19 | 2423.79 | -3003.17 |
| B. Net outstanding position of govt. borrowing from banking sector(including BB) | 93022.36 | 95825.78 | 3266.10 | 4845.08 | 3305.86 | 7568.11 |
| 2. Net outstanding position of non-bank borrowing of the govt.* | As of end | | Flow for the month of | | Flow for the period of | |
| | June 2017 | June 2018 ^P | June 2017 | June 2018 | July-June 2016-17 | July-June 2017-18 ^P |
| | 216581.79 | 264074.39 | (+)6163.03 | (+)2972.57 | (+)53685.30 | (+)47492.60 |
| 3. Govt.revenue collection (NBR portion) | June 2017 | June 2018 ^P | July-June 2016-17 | | July-June 2017-18 ^P | |
| | 19337.61 (-11.38) | 27595.48 (+42.70) | 171679.14 (+10.39) | | 207307.95 (+20.75) | |

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 | June 2016-17 | June 2017-18 ^P | July-June 2016- 17 | July-June 2017-18 ^P |
|--|---------------------|-----------------------------|--------------------------------|----------------------------------|
| 1. Custom based import (c&f) | 3499.10 (-8.32) | 4257.20 (+21.67) | 47005.20 (+9.00) | 58865.30 (+25.23) |
| 2. Opening of Import L/C | 4007.21 (-13.33) | 4016.51 (+0.23) | 48125.92 (+11.05) | 69421.15 (+44.25) |
| 3. Settlement of Import L/C | 3274.28 (-4.11) | 3744.41 (+14.36) | 44272.76 (+10.47) | 51530.56 (+16.39) |
| | August 2017-18 | August 2018-19 ^P | July-August 2017- 18 | July-August 2018-19 ^P |
| 4. Inward Remittances | 1418.58 (+19.85) | 1411.05 (-0.53) | 2534.15 (+15.76) | 2729.23 (+7.70) |
| | July 2017-2018 | July 2018-19 ^P | July-June 2016- 17 | July-June 2017-18 ^P |
| 5. Exports | 2987.66 (+17.89) | 3581.48 (+19.88) | 34655.90 (+1.16) | 36668.17 (+5.81) |
| | July-June 2016-17 | | July-June 2017-18 ^P | |
| 6. Current Account Balance | -1331.00 | | -9780.00 | |
| | 31 August 2017 | 14 August 2018 | 31 August 2018 | |
| 7. Foreign Exchange Reserve [#] | 33596.25 (+0.31) | 32285.40 (-1.92) | 32925.14 (+0.03) | |

IV. Price Index

| 1. CPI inflation at national level (Base : FY 2005-06=100) | July 2017 | June 2018 | July 2018 ^P |
|---|-----------|-----------|------------------------|
| a. Twelve month average basis | 5.45 | 5.78 | 5.78 |
| b. Twelve month point to point basis | 5.57 | 5.54 | 5.51 |

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.