

Fortnightly of Major Economic Indicators: Updates up to 15 August 2022

Broad money growth remained stable at the end of July 2022 over end June 2022. The increase in net domestic assets (NDA) contributed to maintain stable in broad money growth during the period.

Domestic credit growth decelerated to 0.04 percent at the end of July 2022 over end June 2022 compared with 0.44 percent growth at the end of July 2021 over end June 2021. Domestic credit growth stood lower because of negative growth of credit to public sector. Credit to public sector declined by 0.19 percent at the end of July 2022 over end June 2022 compared to 3.28 percent rise at the end of July 2021 over end June 2021. Credit to public sector declined because of decrease in credit to govt. sector. As per the latest available data, government borrowing from the banking system increased by Tk 123.89 crore from 01 July to 14 August 2022 against the increase of Tk 10929.58 crore during 01 July to 12 August 2021. Credit to private sector grew by 0.10 percent at the end of July 2022 over end June 2022 against 0.16 percent fall during the same period of the preceding fiscal year.

Reserve money reached Tk 348205.30 crore as on 14 August 2022 from Tk 344931.00 crore as on 31 July 2022. Reserve money growth increased by 0.30 percent as on 14 August 2022 over end June 2022 while it declined by 3.11 percent during the same period of the last fiscal year. Reserve money increased due mainly to the rise in Net Domestic Assets (NDA) of Bangladesh Bank during the reported period under reviews.

NBR tax revenue collection stood higher at Tk 301633.84 crore during FY22 compared with Tk 259881.80 crore during FY21. The collection of NBR tax revenue during FY22 was, however, 91.40 percent of the fiscal year's target of Tk 330000.00 crore.

Exports increased by 14.72 (y-o-y) percent to USD 3.98* billion in July 2022 compared to the decrease of 11.19 percent to USD 3.47* billion in July 2021. Exports seem to increase with the rise of demand from abroad especially from the Europe and North America.

Custom based imports grew by 23.20 percent (y-o-y) in July 2022 compared with 21.60 percent in July 2021. Custom based imports went up because of increase in economic demand including apparel exports with the reopening of economies from covid-19 pandemic, resulting in the rise of demand for import of raw materials and capital goods along with higher prices in the global market. Opening of import LCs and Settlement of import LCs of FY22 increased by 10.61 percent (y-o-y) and 63.06 percent (y-o-y) respectively. Both Opening of import LCs and Settlement of import LCs increased due mainly to rise in demand for petroleum & petroleum products, industrial raw material and machinery for miscellaneous industries.

*Source: EPB

Inward Remittances increased by 15.74 percent and surged to 3.16 billion from 01 July to 14 August 2022 compared to 21.16 percent fall during the same period of the previous year. Remittances seem to increase because of higher BDT depreciation along with Government's 2.50 percent cash incentives for sending it through the formal banking channels.

Current account balance recorded a deficit of USD 0.32 billion in July 2022 against the surplus of USD 0.29 billion in July 2021. The deficit in current account balance occurred unexpectedly mainly because of the larger deficit in trade balance.

Foreign exchange reserve stood at USD 39.58 billion as on 14 August 2022 which was USD 46.06 billion as on 12 August 2021. As per latest available data, foreign exchange reserve stood at USD 39.02 billion as on 5 September 2022.

Headline Inflation (Point to point) edged down to 7.48 percent in July 2022 from 7.56 percent in June 2022. On the other hand, headline inflation (twelve-month average) went up to 6.33 percent in July 2022 from 6.15 percent in June 2022. Supply bottleneck due to Russia-Ukraine war, higher commodity price in the international market along with BDT depreciation and rise in domestic demand were contributing factors for the increasing inflation.

Detailed fortnightly information available up to 15 August 2022 is annexed herewith.

Detailed Information of Major Economic Indicators upto 15 August 2022**I. Money and Credit**

(Taka in crore)

Particulars	June 2021	July 2021	June 2022 ^R	July 2022 ^P	Flow of July FY23 ^P	Flow of July FY22 ^R
1	2	3	4	5	6	7
1. Broad money (M2)	1560895.30	1578046.00	1708122.20	1707930.50	-191.70	17150.70
	(+13.62)	(+1.10)	(+9.43)	(-0.01)		
2. Bank deposits[#]	1351377.60	1351003.10	1471673.30	1465904.30	-5769.00	-374.50
	(+14.37)	(-0.03)	(+8.90)	(-0.39)		
3. Domestic credit (A+B)	1439899.10	1446282.60	1671748.80	1672464.30	715.50	6383.50
	(+10.11)	(+0.44)	(+16.10)	(+0.04)		
A. Public sector (including govt.) (i+ii)	251043.70	259272.00	320513.30	319897.90	-615.40	8228.30
	(+19.34)	(+3.28)	(+27.67)	(-0.19)		
i. Net credit to govt. sector	221025.90	229134.90	283314.50	281761.70	-1552.80	8109.00
	(+22.01)	(+3.67)	(+28.18)	(-0.55)		
ii. Credit to other public sector	30017.80	30137.10	37198.80	38136.20	937.40	119.30
	(+2.75)	(+0.40)	(+23.92)	(+2.52)		
B. Credit to private sector	1188855.30	1187010.60	1351235.50	1352566.40	1330.90	-1844.70
	(+8.35)	(-0.16)	(+13.66)	(+0.10)		
Particulars	29 July 2021	12 August 2021	31 July 2022	14 August 2022	01 July-14 August 2022	01 July-12 August 2021
4. Reserve money @	349551.20	337264.10	344931.00	348205.30	1043.20	-10807.70
	(+0.43)	(-3.11)	(-0.64)	(+0.30)		

Source: Statistics Department, BB.

Note: Figures in the parenthesis of column no 2 to 5 of data indicate percentage changes over the previous June

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

Including both demand and time deposits

II. Government Financing**(Taka in crore)**

Particulars	As on		Flow for the period of			
	12 August 2021	14 August 2022 ^P	01-12 August 2021	01-14 August 2022	01 July-12 August 2021	01 July-14 August 2022
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	19555.90	59305.85	-2604.08	2908.49	-4986.24	3439.45
B. Net outstanding position of govt. borrowing from banking sector(including BB)	213044.67	270309.45	-70.22	1828.69	10929.58	123.89
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 2021	June 2022 ^P	June 2021	June 2022 ^P	FY21	FY22
	385269.98	412204.21	(+)5277.95	(+)4563.15	(+)44280.64	(+)26934.23
3. Govt. tax revenue collection (NBR portion)	June 2021	June 2022 ^P	FY21		FY22 ^P	
	39809.27 (+33.18)	48764.27 (+22.49)	259881.80 (+18.99)		301633.84 (+16.07)	

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	July 2021	July 2022	FY21 ^R	FY22 ^P
1. Custom based import (c&f)	5141.10 (+21.60)	6333.80 (+23.20)	65594.70 (+19.73)	89162.30 (+35.93)
2. Opening of Import L/C ^{R#}	5145.35 (+15.25)	5691.02 (+10.61)	67037.42 (+19.50)	92234.69 (+37.59)
3. Settlement of Import L/C ^{R#}	4700.57 (+27.10)	7664.66 (+63.06)	57256.40 (+7.52)	83681.73 (+46.15)
	12 August 2021	14 August 2022	'01 July to 12 August 2021	01 July to 14 August 2022
4. Inward Remittances	857.30 (-0.67)	1062.00 (+23.88)	2728.79 (-21.16)	3158.32 (+15.74)
	July 2021	July 2022	FY21 ^R	FY22 ^P
5. Exports	3473.43 (-11.19)	3984.82 (+14.72)	38758.31 (+15.10)	52082.66 (+34.38)
	July 2021		July 2022	
6. Current Account Balance	293.00		-321.00	
	12 August 2021	31 July 2022	14 August 2022	
7. Foreign Exchange Reserve [@]	46061.91 (+22.04)	39599.91 (-13.62)	39580.85 (-14.07)	
IV. Price Index				
1. CPI inflation at national level (Base : FY 2005-06=100)	July 2021	June 2022	July 2022	
a. Twelve month average basis	5.54	6.15	6.33	
b. Twelve month point to point basis	5.36	7.56	7.48	

Source: Statistics Department and Accounts & Budgeting Department, BB website, Export Promotion Bureau 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 the previous June.