

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

Broad money recorded a lower growth of 9.43 percent (y-o-y) at the end of June 2022 compared with 13.62 percent growth at the end of June 2021. Despite the increase of domestic credit, broad money growth decelerated during the reported period because of the negative growth of net foreign assets (NFA).

Domestic credit increased by 16.10 percent (y-o-y) at the end of June 2022 compared with 10.11 percent at the end of June 2021. Domestic credit growth stood higher because of higher growth of both credit to public and credit to private sector. Credit to public sector growth surged to 27.67 percent at the end of June 2022 compared with the growth of 19.34 percent at the end of June 2021 due to higher growth of both credit to govt. sector (28.18%) and credit to other public sector (23.92%). As per the latest available data, government borrowing from the banking system increased by Tk 70618.99 crore from 01 July 2021 to 14 July 2022 against the increase of Tk 33200.48 crore during the same period of previous year. Credit to private sector grew by 13.66 percent in FY22 against the growth of 8.35 percent in FY21.

Reserve money stood higher at Tk 356736.00 crore as on 14 July 2022 which was Tk 347162.10 crore as on 30 June 2022. Reserve money grew by 2.76 percent as on 14 July 2022 over end June 2022 against the increase of 0.78 percent as on 14 July 2021 over end June 2021. 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 252920.76 crore during July-May of FY22 compared to Tk 220072.53 crore during July-May of FY21. The collection of NBR tax revenue during July-May of FY22 was, however, 76.64 percent of the fiscal year's target of Tk 330000.00 crore.

Exports grew by 34.38 percent to USD 52.08 billion during FY22 compared to 15.10 percent (USD 38.76 billion) during FY21*. Exports seem to increase with the rise of exports demand from abroad. However, economic fallout from the Ukraine-Russia war may create some uncertainty thereby export growth performance will be maligned in the near future.

Custom based imports grew remarkably by 35.93 percent during FY22 compared to 19.73 percent during FY21 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 37.59 percent and 46.15 percent 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 decreased by 15.12 percent during FY22 compared to 36.10 percent increase during FY21. As per latest available data, remittances stood at USD 1239.30 million as on 14 July 2022 which was USD 1085.10 million as on 14 July 2021. Government has already enhanced cash incentives from 2.00 percent to 2.50 percent with a view to attracting inward remittances through formal legal banking channel. Most of the Bangladeshi workers have returned to their workplaces due to the improvement of Covid-19 situation all over the world. Besides, BDT has been depreciated following higher market demand of USD. These factors may help increase remittances in the upcoming months.

Current account balance recorded a higher deficit of USD 18.70 billion in FY22 against the deficit of USD 4.58 billion in FY21. The deficit in current account balance happened mainly because of the larger deficit in trade balance and lower inflow of workers' remittances.

Foreign exchange reserve stood at USD 39.70 billion as on 14 July 2022 which was USD 45.36 billion as on 14 July 2021. As per latest available data, foreign exchange reserve stood at USD 39.67 billion as on 02 August 2022.

Headline Inflation (Point to point) went up to 7.56 percent in June 2022 from 7.42 percent in May 2022. Headline Inflation (twelve-month average) also went up to 6.15 percent in June 2022 from 5.99 percent in May 2022. Inflation has been showing upward trend because of higher commodity prices in the global market and rise in domestic demand with the improvement of Covid-19 situation. Supply bottleneck due to Russia-Ukraine war was also a contributing factor for the increasing inflation.

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

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

(Taka in crore)

Particulars	June 2020	June 2021	May 2022 ^R	June 2022 ^P	FY22 ^P	FY21 ^R
1	2	3	4	5	6	7
1. Broad money (M2)	1373735.00	1560895.30	1662637.00	1708122.20	147226.90	187160.30
	(+12.64)	(+13.62)	(+6.52)	(+9.43)	(-21.34)	(+21.44)
2. Bank deposits[#]	1181620.60	1351377.60	1437488.90	1471673.30	120295.70	169757.00
	(+10.92)	(+14.37)	(+6.37)	(+8.90)	(-29.14)	(+45.97)
3. Domestic credit (A+B)	1307633.80	1439899.10	1611547.10	1671748.80	231849.70	132265.30
	(+14.02)	(+10.11)	(+11.92)	(+16.10)	(+75.29)	(-17.72)
A. Public sector (including govt.) (i+ii)	210365.90	251043.70	288064.70	320513.30	69469.60	40677.80
	(+53.97)	(+19.34)	(+14.75)	(+27.67)	(+70.78)	(-44.83)
i. Net credit to govt. sector	181150.80	221025.90	251184.50	283314.50	62288.60	39875.10
	(+59.92)	(+22.01)	(+13.64)	(+28.18)	(+56.21)	(-41.25)
ii. Credit to other public sector	29215.10	30017.80	36880.20	37198.80	7181.00	802.70
	(+25.09)	(+2.75)	(+22.86)	(+23.92)	(+794.61)	(-86.30)
B. Credit to private sector	1097267.90	1188855.30	1323482.40	1351235.50	162380.20	91587.40
	(+8.61)	(+8.35)	(+11.32)	(+13.66)	(+77.30)	(+5.26)
4. Reserve money @	348071.8 ^{****}	350797.30 ^{***}	347162.10 ^{**}	356736.00 [*]	-909.70	63588.40
	(+22.35)	(+0.78)	(-0.26)	(+2.76)	(-101.43)	(+66.05)

Source: Statistics Department, BB.

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

Figures in the parenthesis of column no 6 & 7 indicate percentage changes over corresponding period of the last fiscal year.

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

*Figure as of 14 July 2022, **Figure as of 30 June 2022, ***Figure as of 14 July 2021, ****Figure as of 30 June 2021

Including both demand and time deposits

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

Particulars	As on		Flow for the period of			
	14 July 2021	14 July 2022 ^P	01-14 July 2021	01-14 July 2022	01 July 2020 to 14 July 2021	01 July 2021 to 14 July 2022
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	25995.41	51676.90	1453.27	-4269.14	-18358.09	27134.76
B. Net outstanding position of govt. borrowing from banking sector(including BB)	211023.49	272734.08	8908.40	-2130.53	33200.48	70618.99
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	May 2021	May 2022 ^P	May 2021	May 2022 ^P	July-May FY21	July-May FY22
	379992.03	407641.06	(+)2338.28	(+)989.00	(+)39002.69	(+)22371.08
3. Govt. tax revenue collection (NBR portion)	May 2021	May 2022 ^P	July-May FY21		July-May FY22 ^P	
	22489.01 (+67.16)	25164.17 (+11.90)	220072.53 (+16.74)		252920.76 (+14.93)	

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	June 2021	June 2022	FY21R	FY22P
1. Custom based import (c&f)	6969.00 (+44.95)	7665.80 (+10.00)	65594.70 (+19.73)	89162.30 (+35.93)
2. Opening of Import L/C ^{R#}	7374.06 (+74.25)	7020.02 (-4.80)	67037.42 (+19.50)	92234.69 (+37.59)
3. Settlement of Import L/C ^{R#}	6355.72 (+51.56)	8366.59 (+31.64)	57256.40 (+7.52)	83681.73 (+46.15)
	14 July 2021	14 July 2022	FY21 ^R	FY22 ^P
4. Inward Remittances	1085.10 (-3.86)	1239.30 (+14.21)	24777.71 (+36.10)	21031.68 (-15.12)
	June 2021	June 2022	FY21 ^R	FY22 ^P
5. Exports	3577.49 (+31.77)	4908.03 (+37.19)	38758.31 (+15.10)	52082.66 (+34.38)
	FY21 ^R		FY22 ^P	
6. Current Account Balance	-4575.00		-18697.00	
	14 July 2021	30 June 2022	14 July 2022	
7. Foreign Exchange Reserve [@]	45363.79 (-2.22)	41826.73 (-9.84)	39704.25 (-5.07)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	June 2021	May 2022	June 2022
a. Twelve month average basis	5.56	5.99	6.15
b. Twelve month point to point basis	5.64	7.42	7.56

Source: Statistics Department and Accounts & Budgeting Department, BB website, EPB 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.