

Fortnightly Trends of Major Economic Indicators: Updates on 15 October 2021

As per the latest available data, **broad money** increased by Tk 18647.60 crore or 1.19 percent over end June 2021 to Tk 1579542.90 crore in August 2021 against the increase of Tk 41677.30 crore or 3.03 percent over end June 2020 to Tk 1415412.30 crore in August 2020. Broad money increased during the reported period due to increase of both net foreign assets (NFA) and net domestic assets (NDA). The percentage contribution of NDA was higher than that of NFA into broad money growth.

Domestic credit increased by 0.64 percent over end June 2021 to Tk 1449131.00 crore in August 2021 against the increase of 1.44 percent over end June 2020 to Tk 1326399.70 crore in August 2020. Domestic credit growth is slightly lower as compared to the previous year mainly due to a slow growth of credit to the public sector. Credit to public sector growth (1.47) is smaller as compared to the previous year (6.83) mainly due to a slow growth of net credit to government sector. However, as per the latest available data, government overall borrowing from the banking system increased by Tk 9433.82 crore from 01 July 2021 to 14 October 2021 against the decrease of Tk 1156.29 crore during the same period of the preceding fiscal year. Credit to private sector increased by 0.47 percent in August 2021 over end June 2021 against the increase of 0.40 percent in August 2020 over end June 2020. Credit to private sector increased due to come back normalcy in economic activities of the country.

Reserve money stood at Tk 322957.20 crore as on 14 October 2021 which was Tk 322813.20 crore as on 30 September 2021. Reserve money decreased by 7.22 percent as on 14 October 2021 over end June 2021 due mainly to fall off Net Foreign Assets (NFA) of Bangladesh Bank which increased by 2.43 percent during the same period of the preceding fiscal year.

NBR tax revenue collection stood at Tk 15354.33 crore in July 2021 which was Tk 14754.67 crore in July 2020. NBR tax revenue is higher by Tk 599.66 crore or 4.06 percent in July 2021 which was lower by 6.77 percent in July 2020.

Inward Remittances decreased by 19.44 percent to US\$ 5407.88 million in July-September 2021-22 against the increase of 48.54 percent to US\$ 6713.20 million in July-September 2020-21. Remittance declined significantly due to the second wave of Covid-19 pandemic situation. During this period, many Bangladeshi migrants have lost their jobs, some migrants have been laid off by their companies and many others who returned to Bangladesh couldn't go back due to suspended international flights and unmet vaccine requirements.

Exports increased by 11.37 percent to US\$ 11021.95 million in July-September 2021-22 against the increase of 2.58 percent to US\$ 9896.84 million in July-September 2020-21. Exports increased with the reopening of all kinds of industries after a countrywide lockdown because of Covid-19 pandemic.

Current account balance recorded a deficit of US\$ 1243.00 million in July-August 2021-22 against the surplus of US\$ 3228.00 million in July-August 2020-21. Current account balance is in deficit mainly for the larger deficit in trade balance and negative growth in workers' remittances.

The **foreign exchange reserves** of BB was US\$ 46.20 billion as on 30 September 2021 which slightly decreased to 46.18 billion as on 14 October 2021. As per latest information BB's foreign exchange reserves stood at US\$ 46.55 billion as on 27 October 2021.

Inflation on twelve-month average basis (Base: FY2005-06=100) slightly decreased to 5.53 percent in August 2021 from 5.54 percent in July 2021 due mainly to decrease in food inflation. But point to point general inflation sharply increased to 5.54 percent in August 2021 from 5.36 percent in July 2021 due to increase in both food and non-food inflation.

Detailed fortnightly information available up to 15 October 2021 are annexed herewith.

Detailed Information on Trends of Major Economic Indicators upto 15 October 2021

I. Money and Credit

(Taka in crore)

Particulars	August 2020	July 2021 ^R	August 2021 ^P	July-August 2021 ^P	July-August 2020 ^R
1. Broad money (M2)	1415412.30	1578046.00	1579542.90	18647.60	41677.30
	(+3.03)	(+1.10)	(+1.19)	(-55.26)	(+56.13)
2. Bank deposits[#]	1221422.80	1351003.10	1366022.20	14644.60	39802.20
	(+3.37)	(-0.03)	(+1.08)	(-63.21)	(+151.75)
3. Domestic credit (A+B)	1326399.70	1446282.60	1449131.00	9231.90	18765.90
	(+1.44)	(+0.44)	(+0.64)	(-50.80)	(-19.44)
A. Public sector (including govt.) (i+ii)	224724.00	259272.00	254739.60	3695.90	14358.10
	(+6.83)	(+3.28)	(+1.47)	(-74.26)	(-45.10)
i. Net credit to govt. sector	195188.00	229134.90	224512.30	3486.40	14037.20
	(+7.75)	(+3.67)	(+1.58)	(-75.16)	(-44.08)
ii. Credit to other public sector	29536.00	30137.10	30227.30	209.50	320.90
	(+1.10)	(+0.40)	(+0.70)	(-34.71)	(-69.35)
B. Credit to private sector	1101675.70	1187010.60	1194391.40	5536.10	4407.80
	(+0.40)	(-0.16)	(+0.47)	(+25.60)	(-254.24)
4. Reserve money @	290763.50 ***	322813.20 **	322957.20 *	-25114.60	6901.10
	(+2.43)	(-7.26)	(-7.22)	(-463.92)	(+109.87)

Source: Statistics Department, BB.

Note: Figures in the parenthesis of First three columns of data from left indicate percentage changes over the previous June.

Figures in the parenthesis of last two columns from left indicate percentage changes over July to August.

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

*Figure as of 14 October 2021, **Figure as of 30 September 2021, ***Figure as of 14 October 2020.

Including both demand and time deposits (excluding inter-bank)

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

Particulars	As on		Flow for the period of			
	14 October 2020	14 October 2021 ^P	01-14 October 2020	01-14 October 2021	01 July 2020 to 14 October 2020	01 July 2021 to 14 October 2021
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	25762.14	19158.93	6571.17	4339.55	-18591.36	-5184.61
B. Net outstanding position of govt. borrowing from banking sector(including BB)	176666.72	211350.31	280.48	4836.80	-1156.29	9433.82
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	July 2020	July 2021 ^P	July 2020	July 2021 ^P	July-June 2019-20	July-June 2020-21
	346337.65	387075.27	(+)5348.31	(+)2005.32	(+)3953981.99	(+)4396740.29
3. Govt.revenue collection (NBR portion)	July 2020	July 2021 ^P	July-June 2019-20		July-June 2020-21 ^P	
	14754.67 (-6.77)	15354.33 (+4.06)	218406.05 (-2.45)		259881.80 (+18.99)	

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	July 2020	July 2021	July-June 2019-20 ^R	July-June 2020-21 ^P
1. Custom based import (c&f)	4228.00 (-19.42)	5141.10 (+21.60)	54784.70 (-8.56)	65594.70 (+19.73)
2. Opening of Import L/C ^{R#}	4464.33 (-1.48)	4946.37 (+10.80)	56099.89 (-9.51)	67037.42 (+19.50)
3. Settlement of Import L/C ^{R#}	3698.34 (-12.60)	4658.79 (+27.54)	53253.71 (-10.88)	57256.40 (+7.52)
	September 2020	September 2021	July-September 2020-21 ^R	July-September 2021-22 ^P
4. Inward Remittances	2151.05 (+45.65)	1726.29 (-19.75)	6713.20 (+48.54)	5407.88 (-19.44)
	September 2020	September 2021	July-September 2020-21 ^R	July-September 2021-22 ^P
5. Exports	3018.76 (+3.53)	4165.45 (+37.99)	9896.84 (+2.58)	11021.95 (+11.37)
	July-August 2020-21 ^R		July-August 2021-22 ^P	
6. Current Account Balance	3228.00		-1243.00	
	14 October 2020	30 September 2021	14 October 2021	
7. Foreign Exchange Reserve [@]	40286.81 (+11.79)	46199.80 (-0.41)	46176.41 (-0.46)	
IV. Price Index				
1. CPI inflation at national level (Base : FY 2005-06=100)	August 2020	July 2021	August 2021	
a. Twelve month average basis	5.65	5.54	5.53	
b. Twelve month point to point basis	5.68	5.36	5.54	

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 the previous June.

NA= Not Available, due to the general holiday; R#=Revised by FEOD due to system generated data from "Online Import Monitoring System" for FY 20 and FY 19.