

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

During July-September 2022, **broad money** increased 0.86 percent to Tk 1722827.50 crore at the end of September 2022 from the level of end June 2022. The increase in net domestic assets (NDA) contributed to increase in broad money during the period.

Domestic credit growth increased to 2.29 percent at the end of September 2022 over end June 2022 compared to 2.01 percent growth at the end of September 2021 over end June 2021 because of higher growth of both credit to public sector and credit to private sector. Credit to public sector edged up to 3.17 percent at the end of September 2022 over end June 2022 compared with 2.84 percent rise at the end of September 2021 over end June 2021. Credit to public sector increased due to increase in both net credit to govt. sector and credit to other public sector. As per the latest available data, government borrowing from the banking system increased Tk 14865.02 crore during 01 July to 13 October 2022 against the increase of Tk 10770.52 crore during 01 July to 13 October 2021. Credit to private sector grew 2.09 percent at the end of September 2022 over end June 2022 against 1.84 percent rise during the same period of the preceding fiscal year.

Reserve money declined to Tk 336392.20 crore as on 13 October 2022 from Tk 339428.10 crore as on 29 September 2022. During 01 July to 13 October 2022, reserve money growth declined 3.10 percent against the negative growth of 6.42 percent during the same period of the last fiscal year. Reserve money decreased due mainly to the fall off Net Foreign Assets (NFA) of Bangladesh Bank during the reported period under review.

NBR tax revenue collection rose 21.12 percent to Tk 40269.65 crore during July-August of FY23 which was Tk 33246.87 crore during July-August of FY22.

Exports surged 13.38 percent to USD 12.50* billion during July-September 2022 compared to 11.37 percent to USD 11.02* billion during July-September 2021. Exports seem to increase with the rise of demand from abroad especially from the Europe and North America.

Custom based imports experienced lower growth of 11.67 percent during July-September 2022 compared to 47.56 percent growth during July-September 2021 because of higher base of the previous period. However, 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 decreased 8.57 percent during July-September 2022. On the other hand, Settlement of import LCs increased 31.59 percent during July-September 2022.

*Source: EPB

Inward Remittances surged 3.77 percent to USD 6.44 billion during 01 July to 13 October 2022 compared to 19.99 percent fall during the same period of the previous year. Remittances seem to increase because of the increased number of remitters in FY22, higher BDT depreciation along with Government's phenomenal 2.50 percent cash incentives for sending it through the formal banking channels.

Current account balance recorded a deficit of USD 3.61 billion in July-September 2022 against the deficit of USD 2.55 billion in July-September 2021. The deficit in current account balance occurred mainly because of the larger deficit in trade balance.

Foreign exchange reserve came down to USD 36.21 billion as on 13 October 2022 from USD 46.09 billion as on 13 October 2021. As per latest available data, foreign exchange reserve stood at USD 35.81 billion as on 31 October 2022.

Headline Inflation (Point to point) slightly edged down to 9.10 percent in September 2022 from 9.52 percent in August 2022. On the other hand, headline inflation (twelve-month average) went up to 6.96 percent in September 2022 from 6.66 percent in August 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 October 2022 is annexed herewith.

Detailed Information of Major Economic Indicators upto 15 October 2022

I. Money and Credit

(Taka in crore)

Particulars	June 2021	September 2021	June 2022 ^R	September 2022 ^P	July-September of FY23 ^P	July-September of FY22 ^R
1	2	3	4	5	6	7
1. Broad money (M2)	1560895.30	1585816.90	1708122.30	1722827.50	14705.20	24921.60
	(+13.62)	(+1.60)	(+9.43)	(+0.86)		
2. Bank deposits[#]	1351377.60	1376198.50	1471673.30	1482829.30	11156.00	24820.90
	(+14.37)	(+1.84)	(+8.90)	(+0.76)		
3. Domestic credit (A+B)	1439899.10	1468903.30	1671749.00	1710072.70	38323.70	29004.20
	(+10.11)	(+2.01)	(+16.10)	(+2.29)		
A. Public sector (including govt.) (i+ii)	251043.70	258181.20	320513.30	330659.70	10146.40	7137.50
	(+19.34)	(+2.84)	(+27.67)	(+3.17)		
i. Net credit to govt. sector	221025.90	227544.90	283314.50	292492.10	9177.60	6519.00
	(+22.01)	(+2.95)	(+28.18)	(+3.24)		
ii. Credit to other public sector	30017.80	30636.30	37198.90	38167.60	968.70	618.50
	(+2.75)	(+2.06)	(+23.92)	(+2.60)		
B. Credit to private sector	1188855.30	1210722.10	1351235.60	1379413.00	28177.40	21866.80
	(+8.35)	(+1.84)	(+13.66)	(+2.09)		
Particulars	30 September 2021	13 October 2021	30 September 2022	13 October 2022	01 July-13 October 2022	01 July-13 October 2021
4. Reserve money @	319719.30	325711.30	339428.10	336392.20	-10769.90	-22360.50
	(-8.15)	(-6.42)	(-2.23)	(-3.10)		

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			
	13 October 2021	13 October 2022 ^P	01-13 October 2021	01-13 October 2022	01 July-13 October 2021	01 July-13 October 2022
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	19731.51	80005.51	5554.53	7305.16	-4810.63	24139.11
B. Net outstanding position of govt. borrowing from banking sector(including BB)	212885.61	285050.58	6072.74	2338.89	10770.52	14865.02
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	August 2021	August 2022 ^P	August 2021	August 2022 ^P	'July-August of FY22	July-August of FY23
	390854.54	414068.98	(+)3579.24	(+)1443.94	(+)44280.64	(+)26934.23
3. Govt. tax revenue collection (NBR portion)	August 2021	August 2022 ^P	July-August of FY22		July-August of FY23	
	18864.63 (+22.45)	22471.49 (+19.12)	33246.87 (+10.23)		40269.65 (+21.12)	

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	September 2021	September 2022	July-September 2021	July-September 2022
1. Custom based import (c&f)	6991.70 (+50.28)	7191.90 (+2.86)	18720.40 (+47.56)	20905.30 (+11.67)
2. Opening of Import L/C^{R#}	7267.52 (+35.98)	6051.42 (-16.73)	20322.36 (+52.79)	18580.92 (-8.57)
3. Settlement of Import L/C^{R#}	6087.90 (+47.04)	7100.34 (+16.63)	17062.88 (+48.36)	22453.21 (+31.59)
	13 October 2021	13 October 2022	01 July to 13 October 2021	01 July to 13 October 2022
4. Inward Remittances	800.30 (-23.52)	770.00 (-3.79)	6208.60 (-19.99)	6442.74 (+3.77)
	September 2021	September 2022	July-September 2021	July-September 2022
5. Exports	4165.45 (+37.99)	3905.07 (-6.25)	11021.95 (+11.37)	12496.89 (+13.38)
	July-September 2021		July-September 2022	
6. Current Account Balance	-2545.00		-3610.00	
	13 October 2021	29 September 2022	13 October 2022	
7. Foreign Exchange Reserve[@]	46086.44 (+14.56)	36476.41 (-21.05)	36211.41 (-21.43)	
IV. Price Index				
1. CPI inflation at national level (Base : FY 2005-06=100)	September 2021	August 2022	September 2022	
a. Twelve month average basis	5.50	6.66	6.96	
b. Twelve month point to point basis	5.59	9.52	9.10	

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.