

### **Fortnightly Trends of Major Economic Indicators: Updates on 15 September 2021**

As per the latest available data, **broad money** increased by Tk 17150.70 crore or 1.10 percent and stood at Tk 1578046.00 crore in July 2021 over end June 2021 against the increase of Tk 31143.30 crore or 2.27 percent to Tk 1404878.30 crore during the same period of the preceding year. Broad money increased during the reported period due mainly to sharp increase of net foreign assets (NFA).

**Reserve money** stood at Tk 324461.80 crore as on 15 September 2021 which was Tk 325328.30 crore as on 31 August 2021. Reserve money decreased by 6.63 percent as on 15 September 2021 over end June 2021 which increased by 0.98 percent during the same period of the preceding fiscal year.

**Domestic credit** increased by 0.44 percent over end June 2021 and stood at Tk 1446282.60 crore in July 2021 against the increase of 1.02 percent over end June 2020 and stood at Tk 1320955.00 crore in July 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 is lower as compared to the previous year mainly due to a slow growth of net credit to government sector. As per the latest available data, government overall borrowing from the banking system increased by Tk 6809.34 crore from 01 July 2021 to 15 September 2021 against the increase of Tk 8089.12 crore during the same period of the preceding fiscal year. Credit to private sector decreased by 0.16 percent in July 2021 over end June 2021 against the decrease of 0.19 percent in July 2020 over end June 2020 due to the seasonal and Covid-19 effects.

**NBR tax revenue** collection during FY 2020-21 stood at Tk 259881.80 crore which was higher by Tk 41475.75 crore or 18.99 percent against the collection of Tk 218406.05 crore during the same period of the last fiscal year.

**Inward Remittances** decreased by 19.30 percent and stood at US\$ 3681.59 million in July-August 2021-22 against the increase of 49.95 percent to US\$ 4562.15 million in July-August 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** decreased by 0.31 percent and stood at US\$ 6856.50 million in July-August 2021-22 against the increase of 2.17 percent to US\$ 6878.08 million in July-August 2020-21. Exports declined due to decreased shipment of readymade garment products as the factories remained closed for 12 days owing to holidays of Eid-ul-Azha and the ongoing lockdown for Covid-19.

**Current account balance** recorded a surplus of US\$ 336.00 million in July 2021 against the surplus of US\$ 2135.00 million in July 2020. Surplus in current account balance emerged mainly from increasing surplus in secondary income, mainly inward remittances.

The **foreign exchange reserves** of BB was US\$ 48.06 billion as on 31 August 2021 which slightly decreased to 46.61 billion as on 15 September 2021 due mainly to ACU payment. As per latest information BB's foreign exchange reserves stood at US\$ 46.31 billion as on 19 September 2021.

**Inflation** on twelve-month average basis (Base: FY2005-06=100) decreased to 5.54 percent in July 2021 from 5.56 percent in June 2021 due mainly to decrease in food inflation. Again, point to point general inflation decreased to 5.36 percent in July 2021 from 5.64 percent in June 2021 due to decrease in both food and non-food inflation.

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

**Detailed Information on Trends of Major Economic Indicators upto 15 September 2021****I. Money and Credit****(Taka in crore)**

| Particulars                                      | July 2020            | June 2021 <sup>R</sup> | July 2021 <sup>P</sup> |
|--|----------------------|------------------------|------------------------|
| <b>1. Broad money (M2)</b>                       | <b>1404878.30</b>    | <b>1560895.30</b>      | <b>1578046.00</b>      |
|  | (+2.27)              | (+13.62)               | (+1.10)                |
| <b>2. Reserve money @</b>                        | <b>286643.90 ***</b> | <b>325328.30 **</b>    | <b>324461.80 *</b>     |
|  | (+0.98)              | (-6.38)                | (-6.63)                |
| <b>3. Bank deposits<sup>#</sup></b>              | <b>1193894.40</b>    | <b>1351377.60</b>      | <b>1351003.10</b>      |
|  | (+1.04)              | (+14.37)               | (-0.03)                |
| <b>4. Domestic credit (A+B)</b>                  | <b>1320955.00</b>    | <b>1439897.60</b>      | <b>1446282.60</b>      |
|  | (+1.02)              | (+10.11)               | (+0.44)                |
| <b>A. Public sector (including govt.) (i+ii)</b> | <b>225753.10</b>     | <b>251042.00</b>       | <b>259272.00</b>       |
|  | (+7.31)              | (+19.34)               | (+3.28)                |
| <b>i. Net credit to govt. sector</b>             | <b>196694.80</b>     | <b>221024.90</b>       | <b>229134.90</b>       |
|  | (+8.58)              | (+22.01)               | (+3.67)                |
| <b>ii. Credit to other public sector</b>         | <b>29058.30</b>      | <b>30017.10</b>        | <b>30137.10</b>        |
|  | (-0.54)              | (+2.75)                | (+0.40)                |
| <b>B. Credit to private sector</b>               | <b>1095201.80</b>    | <b>1188855.50</b>      | <b>1187010.60</b>      |
|  | (-0.19)              | (+8.35)                | (-0.16)                |

Source: Statistics Department, BB.

Note: Figures in the parenthesis indicate percentage changes over the previous June.

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

\*Figure as of 15 September 2021, \*\*Figure as of 31 August 2021, \*\*\*Figure as of 15 September 2020.

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

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

| Particulars   | As on               |                                | Flow for the period of |                        |                                  |                                  |
|---|---------------------|--------------------------------|------------------------|------------------------|----------------------------------|----------------------------------|
|   | 15 September 2020   | 15 September 2021 <sup>P</sup> | 1-15 September 2020    | 1-15 September 2021    | 1 July 2020 to 15 September 2020 | 1 July 2021 to 15 September 2021 |
| <b>1. A. Net outstanding position of govt. borrowing from Bangladesh Bank</b>           | 28649.37            | 18451.20                       | 882.30                 | 2298.93                | -15704.13                        | -5892.34                         |
| <b>B. Net outstanding position of govt. borrowing from banking sector(including BB)</b> | 185912.13           | 208725.83                      | 2047.01                | -710.25                | 8089.12                          | 6809.34                          |
| <b>2. Net outstanding position of non-bank borrowing of the govt.*</b>                  | As of end           |                                | Flow for the month of  |                        | Flow for the period of           |                                  |
|   | June 2020           | June 2021 <sup>P</sup>         | June 2020              | June 2021 <sup>P</sup> | July-June 2019-20                | July-June 2020-21                |
|   | 340989.34           | 385069.95                      | (+)4540.14             | (+)5077.95             | (+)22986.27                      | (+)44080.61                      |
| <b>3. Govt.revenue collection (NBR portion)</b>   | June 2020           | June 2021 <sup>P</sup>         | July-June 2019-20      |                        | July-June 2020-21 <sup>P</sup>   |                                  |
|   | 29890.42<br>(-1.28) | 39809.27<br>(+33.18)           | 218406.05<br>(-2.45)   |                        | 259881.80<br>(+18.99)            |                                  |

Source: Research Department &amp; 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 &amp; T.bonds held by non-bank financial institutions.

**III. External Sector**

(In million US\$)

| Particulars   | June 2020              | June 2021           | July-June 2019-20 <sup>R</sup>   | July-June 2020-21 <sup>P</sup>   |
|---|------------------------|---------------------|----------------------------------|----------------------------------|
| 1. Custom based import (c&f)                                  | 4807.90<br>(+23.88)    | 6969.00<br>(+44.95) | 54784.70<br>(-8.56)              | 65594.70<br>(+19.73)             |
| 2. Opening of Import L/C <sup>R#</sup>                        | 4231.81<br>(+9.14)     | 7374.06<br>(+74.25) | 56099.89<br>(-9.51)              | 67037.42<br>(+19.50)             |
| 3. Settlement of Import L/C <sup>R#</sup>                     | 4193.46<br>(-2.35)     | 6355.72<br>(+51.56) | 53253.71<br>(-10.88)             | 57256.40<br>(+7.52)              |
|   | August 2020            | August 2021         | July-August 2020-21 <sup>R</sup> | July-August 2021-22 <sup>P</sup> |
| 4. Inward Remittances   | 1963.94<br>(+35.94)    | 1810.10<br>(-7.83)  | 4562.15<br>(+49.95)              | 3681.59<br>(-19.30)              |
|   | August 2020            | August 2021         | July-August 2020-21 <sup>R</sup> | July-August 2021-22 <sup>P</sup> |
| 5. Exports  | 2967.16<br>(+4.32)     | 3383.07<br>(+14.02) | 6878.08<br>(+2.17)               | 6856.50<br>(-0.31)               |
|   | July 2020 <sup>R</sup> |                     | July 2021 <sup>P</sup>           |                                  |
| 6. Current Account Balance                                    | 2135.00                |                     | 336.00                           |                                  |
|   | 15 September 2020      | 31 August 2021      | 15 September 2021                |                                  |
| 7. Foreign Exchange Reserve <sup>@</sup>                      | 38693.81<br>(+7.37)    | 48059.99<br>(+3.60) | 46608.36<br>(+0.47)              |                                  |
| <b>IV. Price Index</b>  |                        |                     |                                  |                                  |
| 1. CPI inflation at national level<br>(Base : FY 2005-06=100) | July 2020              | June 2021           | July 2021                        |                                  |
| a. Twelve month average basis                                 | 5.64                   | 5.56                | 5.54                             |                                  |
| b. Twelve month point to point basis                          | 5.53                   | 5.64                | 5.36                             |                                  |

Source: Statistics Department and Accounts &amp; 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.