

Fortnightly Trends of Major Economic Indicators: Updates on 28 February 2019

As per the latest available information, **broad money** increased by Tk. 44576.80 crore or 4.02 percent in January 2019 over end June 2018 against the increase of Tk. 31986.10 crore or 3.15 percent during the same period of the previous fiscal year. Broad money increased due to positive growth in net domestic asset (NDA) owing to strong public sector credit growth, though private sector credit growth remained moderate. On the other hand, net foreign asset (NFA) constitutes negative growth during the period under review.

Reserve money stood at Tk. 226036.00 crore as on 28 February 2019 which was Tk. 227647.30 crore as on 14 February 2019. Reserve money decreased by 2.98 percent as on 28 February 2019 over end June 2018 as compared to the decrease of 6.34 percent during the same period of the previous fiscal year.

Domestic credit increased by 6.38 percent and stood at TK. 1086835.80 crore in January 2019 over end June 2018 as compared to the increase of 6.76 percent to Tk. 950843.50 crore during the same period of the previous fiscal year. Domestic credit growth marginally slowed down during the reported period mainly due to slower growth in credit to the private sector. Credit to Private sector increased by 6.20 percent in January 2019 over the end June 2018 as compared to the increase of 9.71 percent during the same period of the previous fiscal year. However, Public sector credit growth increased by 7.83 percent in January 2019 over the end June 2018 which decreased by 13.25 percent during the same period of the previous fiscal year.

Government borrowing from the banking system including BB increased by Tk. 1679.41 crore during the period of 15-28 February 2019 as compared to the decrease of Tk. 6853.00 crore in the same period of the previous year. Similarly, as per the latest data, government overall borrowing from the banking system increased by Tk. 222.67 crore during the period from 01 July to 28 February in FY2018-19 while it was decreased by Tk. 20993.44 crore during the same period of the previous fiscal year.

NBR tax revenue collection increased by 6.36 percent (y-o-y) and stood at Tk. 98027.76 crore during July-December 2018 as compared to the increase of 20.17 percent during the same period of the previous fiscal year.

Inward Remittances increased by 10.03 percent and stood at US\$ 10410.29 million during July-February 2018-19 against the increase of 16.56 percent during the same period of the previous fiscal year.

Exports increased by 12.98 percent and stood at US\$ 27562.79 million during July-February 2018-19 against the increase of 7.38 percent during the same period of the previous fiscal year.

Current account balance recorded a deficit of US\$ 4337 million during July-January 2018-19 as compared to the deficit of US\$ 5402 million during the same period of the previous fiscal year. Lower deficit in current account emerged from decrease in deficit both in trade and service as well as increased remittance inflows.

Supported by surplus in financial account balance along with the moderate growth in exports and remittances, **foreign exchange reserves** of BB increased by US\$ 0.39 billion and stood at US\$ 32.24 billion as on 27 February 2019 from US\$ 31.85 billion as on 14 February 2019.

Inflation on twelve-month average basis (Base: FY2005-06=100) decreased to 5.49 percent in February 2019 from 5.51 percent in January 2019 though point to point general inflation increased marginally to 5.47 percent in February 2019 from 5.42 percent in January 2019 due to increase in food inflation.

Detailed fortnightly information upto 28 February 2019 are given at annex-1.

Detailed Information on Trends of Major Economic Indicators upto 28 February 2019**I. Money and Credit**

(Taka in crore)

| Particulars | January 2018 | December 2018 ^R | January 2019 ^P |
|---|----------------------|----------------------------|---------------------------|
| 1. Broad money (M2) | 1048062.20 | 1155360.60 | 1154557.80 |
| | (+3.15) | (+4.09) | (+4.02) |
| 2. Reserve money @ | 209801.00 *** | 227647.30 ** | 226036.00 * |
| | (-6.34) | (-2.29) | (-2.98) |
| 3. Bank deposits^{##} | 919813.90 | 1010681.60 | 1009876.10 |
| | (+4.70) | (+4.29) | (+4.21) |
| 4. Domestic credit (A+B) | 950843.50 | 1080350.00 | 1086835.80 |
| | (+6.76) | (+5.75) | (+6.38) |
| A. Public sector (including govt.) (a+b) | 99428.70 | 121498.80 | 123027.70 |
| | (-13.25) | (+6.49) | (+7.83) |
| i. Net credit to govt. sector | 81033.50 | 98152.20 | 98916.90 |
| | (-16.75) | (+3.43) | (+4.24) |
| ii. Credit to other public sector | 18395.20 | 23346.70 | 24110.80 |
| | (+6.45) | (+21.60) | (+25.58) |
| B. Credit to private sector | 851414.90 | 958851.20 | 963808.00 |
| | (+9.71) | (+5.65) | (+6.20) |

Source: Statistics Department, BB.

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

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

*Figure is as of 28th February 2019, **Figure is as of 14th February 2019, ***Figure is as of 28th February 2018 .

Advances, import and inland bills. ## Demand and time deposits (excluding inter-bank)

II. Government Financing

| Particulars | As on | | Flow for the period of | | | |
|---|----------------------|----------------------------|------------------------|----------------------------|---------------------------------|---------------------------------|
| | 28 February 2018 | 28 February 2019 | 15-28 February 2018 | 15-28 February 2019 | 01 July -28 February 2017-18 | 01 July -28 February 2018-19 |
| 1. A. Net outstanding position of govt. borrowing from Bangladesh Bank | 7908.34 | 17348.60 | -4006.78 | -1375.88 | -7820.47 | -6297.04 |
| B. Net outstanding position of govt. borrowing from banking sector(including BB) | 68723.06 | 88480.34 | -6853.00 | 1679.41 | -20993.44 | 222.67 |
| 2. Net outstanding position of non-bank borrowing of the govt.* | As of end | | Flow for the month of | | Flow for the period of | |
| | December 2017 | December 2018 ^P | December 2017 | December 2018 ^P | July-December 2017 | July-December 2018 ^P |
| | 241443.06 | 290879.65 | (+)3010.69 | (+)3804.26 | (+)24861.27 | (+)26805.26 |
| 3. Govt.revenue collection (NBR portion) | December 2017 | December 2018 ^P | July-December 2017 | | July-December 2018 ^P | |
| | 17748.83 (+13.37) | 18294.78 (+3.08) | 92163.01 (+20.17) | | 98027.76 (+6.36) | |

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 | January 2018 | January 2019 ^P | July-January 2017-18 | July-January 2018-19 ^P |
|--|-----------------------------------|----------------------------|-----------------------------------|------------------------------------|
| 1. Custom based import (c&f) | 5255.00 (+22.16) | 6120.80 (+16.48) | 33695.90 (+25.21) | 36191.50 (+7.41) |
| Particulars | December 2017 | December 2018 ^P | July-December 2017 | July-December 2018 ^P |
| 2. Opening of Import L/C | 4483.35 (+3.56) | 4639.52 (+3.48) | 40234.43 (+74.76) | 29320.92 (-27.12) |
| 3. Settlement of Import L/C | 4068.43 (+14.11) | 4773.53 (+17.33) | 24660.53 (+9.17) | 27319.20 (+10.78) |
| Particulars | February 2018 | February 2019 ^P | July-February 2017-18 | July-February 2018-19 ^P |
| 4. Inward Remittances | 1149.08 (+22.15) | 1317.73 (+14.68) | 9461.23 (+16.56) | 10410.29 (+10.03) |
| 5. Exports | 3072.15 (+13.53) | 3383.20 (+10.12) | 24397.02 (+7.38) | 27562.79 (+12.98) |
| | July-January 2017-18 ^P | | July-January 2018-19 ^P | |
| 6. Current Account Balance | -5402.00 | | -4337.00 | |
| | 28 February 2018 | 14 February 2019 | 27 February 2019 | |
| 7. Foreign Exchange Reserve [#] | 33368.99 (-0.37) | 31848.64 (-3.32) | 32235.68 (-2.15) | |

IV. Price Index

| 1. CPI inflation at national level (Base : FY 2005-06=100) | February 2018 | January 2019 | February 2019 |
|---|---------------|--------------|---------------|
| a. Twelve month average basis | 5.80 | 5.51 | 5.49 |
| b. Twelve month point to point basis | 5.72 | 5.42 | 5.47 |

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 corresponding end June.