

### **Fortnightly Trends of Major Economic Indicators: Updates on 30 June 2022**

**Broad money** recorded a lower growth of 6.52 percent at the end of May 2022 over end June 2021 compared to 11.10 percent growth during the same period of the preceding fiscal year. Despite the increase of domestic credit, broad money growth decelerated during the reported period due to the negative growth of net foreign assets (NFA).

**Domestic credit** increased by 11.92 percent at the end of May 2022 over end June 2021 compared to 7.07 percent during the same time of the preceding fiscal year. Domestic credit growth stood higher due to higher growth of both credit to public and private sector. Credit to public sector growth stood higher at 14.75 percent at the end of May 2022 over end June 2021 as compared to the growth of 8.51 percent in May 2021 over end June 2020 due to higher growth of both credit to govt. sector (13.64%) and credit to other public sector (22.86%). As per the latest available data, government borrowing from the banking system increased by Tk 72749.52 crore in FY22 against the increase of Tk 24292.08 crore during the previous fiscal year. Credit to private sector growth increased by 11.32 percent at the end of May 2022 over end June 2021 against the lower growth of 6.79 percent in May 2021 over end June 2020.

**Reserve money** growth fell to 0.44 percent in FY22 from 22.35 percent in FY21. Reserve money decreased due mainly to the fall of the Net Foreign Assets (NFA) of Bangladesh Bank during the reported period.

**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 76.64 percent of the fiscal year's target of Tk 330000.00 crore.

**Exports** grew by 34.38 percent to 52082.66 million US\$ during FY22 compared to 15.10 percent (38758.31 million US\$) 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 39.01 percent during July-May FY22 compared to 17.31 percent during the corresponding period of FY21 due to increase in apparel export orders after reopening of economies from covid-19 pandemic resulting from increased demand for the import of raw materials and capital goods along with higher prices in global market. Opening of import LCs and Settlement of import LCs during July-April of FY22 increased by 44.53 percent and 48.25 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, capital machinery, consumer goods, and machinery for miscellaneous industries.

**Inward Remittances** decreased by 15.12 percent during FY22 compared to 36.10 percent increase during FY21. 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 US\$ 17233.00 million during July-May FY22 against the deficit of US\$ 2783.00 million during July-May FY21. The deficit in current account balance was mainly due to the larger deficit in trade balance and lower workers' remittances.

**Foreign exchange reserve** of BB stood at US\$ 41.83 billion as on 30 June 2022 which was US\$ 46.39 billion as on 30 June 2021. The foreign exchange reserve decreased slightly to US\$ 39.77 billion as on 12 July 2022 due to ACU payment of US\$ 1.96 billion. As per latest available data, foreign exchange reserves of BB stood at US\$ 39.69 billion as on 18 July 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, oil price hike and rise in domestic demand with the improvement of Covid-19 situation. Russia-Ukraine war was also a contributing factor for the increasing inflation.

Detailed fortnightly information available up to 30 June 2022 is annexed herewith.

**Detailed Information of Major Economic Indicators upto 30 June 2022****I. Money and Credit**

(Taka in crore)

Particulars	June 2020	May 2021	June 2021	April 2022 <sup>R</sup>	May 2022 <sup>P</sup>	July-May FY22 <sup>P</sup>	July-May FY21 <sup>R</sup>
1	2	3	4	5	6	7	8
<b>1. Broad money (M2)</b>	1373735.00	1526275.40	1560895.30	1663704.60	1662637.00	101741.70	152540.40
	(+12.64)	(+11.10)	(+13.62)	(+6.59)	(+6.52)	(-33.30)	(+15.54)
<b>2. Bank deposits<sup>#</sup></b>	1181620.60	1325067.70	1351377.60	1426912.70	1437488.90	86111.30	143447.10
	(+10.92)	(+12.14)	(+14.37)	(+5.59)	(+6.37)	(-39.97)	(+54.98)
<b>3. Domestic credit (A+B)</b>	1307633.80	1400067.60	1439899.10	1600069.50	1611547.10	171648.00	92433.80
	(+14.02)	(+7.07)	(+10.11)	(+11.12)	(+11.92)	(+85.70)	(-31.55)
<b>A. Public sector (including govt.) (i+ii)</b>	210365.90	228258.70	251043.70	290438.70	288064.70	37021.00	17892.80
	(+53.97)	(+8.51)	(+19.34)	(+15.69)	(+14.75)	(+106.90)	(-67.90)
<b>i. Net credit to govt. sector</b>	181150.80	197478.70	221025.90	254529.20	251184.50	30158.60	16327.90
	(+59.92)	(+9.01)	(+22.01)	(+15.16)	(+13.64)	(+84.71)	(-66.84)
<b>ii. Credit to other public sector</b>	29215.10	30780.00	30017.80	35909.50	36880.20	6862.40	1564.90
	(+25.09)	(+5.36)	(+2.75)	(+19.63)	(+22.86)	(+338.52)	(-75.91)
<b>B. Credit to private sector</b>	1097267.90	1171808.90	1188855.30	1309630.80	1323482.40	134627.10	74541.00
	(+8.61)	(+6.79)	(+8.35)	(+10.16)	(+11.32)	(+80.61)	(-6.00)
<b>4. Reserve money @</b>	284483.40	348071.80 ***	348071.80	332350.40 **	346548.90 *	-1522.90	63588.40
	(+15.56)	(+22.35)	(+22.35)	(-4.52)	(-0.44)	(-102.39)	(+66.05)

Source: Statistics Department, BB.

Note: Figures in the parenthesis of column no 2 to 6 of data indicate percentage changes over the previous June.

Figures in the parenthesis of column no 7 &amp; 8 indicate percentage changes over corresponding period of the last year.

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

\*Figure as of 30 June 2022, \*\*Figure as of 15 June 2022, \*\*\*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			
	30 June 2021	30 June 2022 <sup>P</sup>	15-30 June 2021	15-30 June 2022	01 July 2020 to 30 June 2021	01 July 2021 to 30 June 2022
<b>1. A. Net outstanding position of govt. borrowing from Bangladesh Bank</b>	24542.14	55946.04	8746.42	19973.94	-19811.36	31403.90
<b>B. Net outstanding position of govt. borrowing from banking sector(including BB)</b>	202115.09	274864.61	14034.14	33402.80	24292.08	72749.52
<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	
	April 2021	April 2022 <sup>P</sup>	April 2021	April 2022 <sup>P</sup>	July-April FY21	July-April FY22
	377653.75	406652.06	(+)1553.04	(+)1322.21	(+)36664.41	(+)21382.08
<b>3. Govt. tax revenue collection (NBR portion)</b>	May 2021	May 2022 <sup>P</sup>	July-May FY21		July-May FY22 <sup>P</sup>	
	22489.01 (+67.16)	25164.17 (+11.90)	220072.53 (+16.74)		252920.76 (+14.93)	

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.

(In million US\$)

**III. External Sector**

Particulars	May 2021	May 2022	July-May FY21 <sup>R</sup>	July-May FY22 <sup>P</sup>
1. Custom based import (c&f)	6135.80 (+27.62)	7276.30 (+18.59)	58625.70 (+17.31)	81496.50 (+39.01)
Particulars	April 2021	April 2022	July-April FY21 <sup>R</sup>	July-April FY22 <sup>P</sup>
2. Opening of Import L/C <sup>R#</sup>	5939.85 (+236.16)	7256.79 (+22.17)	52961.84 (+14.56)	76651.47 (+44.53)
3. Settlement of Import L/C <sup>R#</sup>	5297.55 (-87.94)	7269.91 (+37.23)	45737.26 (+3.48)	67868.04 (+48.25)
Particulars	June 2021	June 2022	July-June FY21 <sup>R</sup>	July-June FY22 <sup>P</sup>
4. Inward Remittances	1940.81 (+5.90)	1837.27 (-5.33)	24777.71 (+36.10)	21031.68 (-15.12)
Particulars	June 2021	June 2022	July-June FY21 <sup>R</sup>	July-June FY22 <sup>P</sup>
5. Exports	3577.49 (+31.77)	4908.03 (+37.19)	38758.31 (+15.10)	52082.66 (+34.38)
	July-May FY21 <sup>R</sup>		July-May FY22 <sup>P</sup>	
6. Current Account Balance	-2783.00		-17233.00	
	30 June 2021	15 June 2022	30 June 2022	
7. Foreign Exchange Reserve <sup>@</sup>	46391.44 (+28.73)	41383.10 (-10.80)	41826.73 (-9.84)	
<b>IV. Price Index</b>				
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 &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.