

Fortnightly Trends of Major Economic Indicators: Updates on 31 August 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 325325.30 crore as on 31 August 2021 which was Tk 338950.60 crore as on 16 August 2021. Reserve money decreased by 6.38 percent as on 31 August 2021 over end June 2021 which decreased by 0.95 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 to Tk 1320955.00 crore in July 2020. Domestic credit growth slightly increased during the mentioned period mainly due to a positive growth of credit to the public sector. Credit to public sector increased by 3.28 percent in July 2021 over end June 2021 against the increase of 7.31 percent in July 2020. As per the latest available data, government overall borrowing from the banking system increased by Tk 7519.59 crore from 01 July 2021 to 31 August 2021 against the increase of Tk 6042.11 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 27.97 percent and stood at US\$ 1871.49 million in July 2021 against the increase of 62.62 percent to US\$ 2598.21 million in July 2020. 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 11.19 percent and stood at US\$ 3473.43 million in July 2021 against the increase of 0.59 percent to US\$ 3910.92 million in July 2020. Export 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.

The **foreign exchange reserves** of BB stood at US\$ 48.06 billion as on 31 August 2021 which was US\$ 39.04 billion during the same period of the last year. As per latest information BB's foreign exchange reserves stood at US\$ 48.12 billion as on 6 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 31 August 2021 are annexed herewith.

Detailed Information on Trends of Major Economic Indicators upto 31 August 2021**I. Money and Credit****(Taka in crore)**

Particulars	July 2020	June 2021 ^R	July 2021 ^P
1. Broad money (M2)	1404878.30	1560895.30	1578046.00
	(+2.27)	(+13.62)	(+1.10)
2. Reserve money @	281178.60 ***	338950.60 **	325325.30 *
	(-0.95)	(-2.46)	(-6.38)
3. Bank deposits[#]	1193894.40	1351377.60	1351003.10
	(+1.04)	(+14.37)	(-0.03)
4. Domestic credit (A+B)	1320955.00	1439897.60	1446282.60
	(+1.02)	(+10.11)	(+0.44)
A. Public sector (including govt.) (i+ii)	225753.10	251042.00	259272.00
	(+7.31)	(+19.34)	(+3.28)
i. Net credit to govt. sector	196694.80	221024.90	229134.90
	(+8.58)	(+22.01)	(+3.67)
ii. Credit to other public sector	29058.30	30017.10	30137.10
	(-0.54)	(+2.75)	(+0.40)
B. Credit to private sector	1095201.80	1188855.50	1187010.60
	(-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 31 August 2021, **Figure as of 16 August 2021, ***Figure as of 31 August 2020.

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

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

Particulars	As on		Flow for the period of			
	31 August 2020	31 August 2021 ^P	16-31 August 2020	16-31 August 2021	01 July 2020 to 31 August 2020	01 July 2021 to 31 August 2021
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	27767.07	16152.27	-14083.11	-3403.63	-16586.43	-8191.27
B. Net outstanding position of govt. borrowing from banking sector(including BB)	183865.12	209436.08	-5088.77	-3173.97	6042.11	7519.59
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	June 2020	June 2021 ^P	June 2020	June 2021 ^P	July-June 2019-20	July-June 2020-21
	340989.34	385069.95	(+)4540.14	(+)5077.95	(+)22986.27	(+)44080.61
3. Govt.revenue collection (NBR portion)	June 2020	June 2021 ^P	July-June 2019-20		July-June 2020-21 ^P	
	29890.42 (-1.28)	39809.27 (+33.18)	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	June 2020	June 2021	July-June 2019-20 ^R	July-June 2020-21 ^P
1. Custom based import (c&f)	4807.90 (+23.88)	6969.00 (+44.95)	54784.70 (-8.56)	65594.70 (+19.73)
2. Opening of Import L/C ^{R#}	4231.81 (+9.14)	7374.06 (+74.25)	56099.89 (-9.51)	67037.42 (+19.50)
3. Settlement of Import L/C ^{R#}	4193.46 (-2.35)	6355.72 (+51.56)	53253.71 (-10.88)	57256.40 (+7.52)
	July 2020	July 2021	July-June 2019-20 ^R	July-June 2020-21 ^P
4. Inward Remittances	2598.21 (+62.62)	1871.49 (-27.97)	18205.01 (+10.87)	24777.71 (+36.10)
	July 2020	July 2021	July-June 2019-20 ^R	July-June 2020-21 ^P
5. Exports	3910.92 (+0.59)	3473.43 (-11.19)	33674.12 (-16.93)	38758.31 (+15.10)
	July 2020 ^R		July 2021 ^P	
6. Current Account Balance	2135.00		336.00	
	31 August 2020	16 August 2021	31 August 2021	
7. Foreign Exchange Reserve [@]	39040.14 (+8.33)	46072.38 (-0.69)	48059.99 (+3.60)	
IV. Price Index				
1. CPI inflation at national level (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 & 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.