

Fortnightly Trends of Major Economic Indicators: Updates on 31 December 2021

Broad money increased by Tk 41088.00 crore or 2.63 percent over end June 2021 to Tk 1601983.30 crore in November 2021 against the increase of Tk 80225.10 crore or 5.84 percent over end June 2020 to Tk 1453960.10 crore in November 2020. Broad money increased during the reported period mainly due to increase in net domestic assets (NDA).

Domestic credit increased by 4.69 percent over end June 2021 to Tk 1507410.20 crore in November 2021 against the increase of 2.83 percent over end June 2020 to Tk 1344689.00 crore in November 2020. Domestic credit growth is higher as compared to the previous year due to a little bit higher growth of both credit to the public and the private sector. Credit to public sector growth (8.81%) is higher as compared to the previous year (6.38%) due to a higher growth of both net credit to government sector and credit to other public sector. As per the latest available data, government overall borrowing from the banking system increased by Tk 18802.86 crore from 01 July 2021 to 30 December 2021 against the decrease of Tk 603.19 crore during the same period of the preceding fiscal year. Credit to private sector increased by 3.82 percent in November 2021 over end June 2021 against the increase of 2.15 percent in November 2020 over end June 2020. Credit to private sector increased due to come back normalcy in economic activities of the country.

Reserve money stood at Tk 323087.90 crore as on 30 December 2021 which was Tk 327876.20 crore as on 15 December 2021. Reserve money decreased by 7.02 percent as on 30 December 2021 over end June 2021 against the increase of 6.85 percent during the same period of the preceding fiscal year. Reserve money decreased due to decrease in Net Domestic Assets (NDA) of Bangladesh Bank.

NBR tax revenue collection stood at Tk 21116.06 crore in October 2021 which was Tk 18138.78 crore in October 2020. NBR tax revenue is increased by Tk 2977.28 crore or 16.41 percent in October 2021 which was also increased by 1.96 percent in October 2020.

Inward Remittances decreased by 20.91 percent to US\$ 10237.91 million in July-December 2021 against the increase of 37.59 percent to US\$ 12944.75 million in July-December 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. Also, after the resumption of international flights many migrants could have sent their hard earned money through informal channels.

Exports increased by 24.29 percent to US\$ 19790.87 million in July-November 2021 against the increase of 0.93 percent to US\$ 15923.59 million in July- November 2020. Exports increased with the reopening of all kinds of industries and also getting orders from abroad.

Current account balance recorded a deficit of US\$ 4769.00 million in July-October 2021 against the surplus of US\$ 3636.00 million in July-October 2020. Current account balance is in deficit mainly for the larger deficit in trade balance which means import is higher than export and lower workers' remittances.

The **foreign exchange reserves** of BB was US\$ 44.88 billion as on 30 November 2021 which increased to US\$ 46.15 billion as on 30 December 2021 due mainly to receipt of foreign loan from ADB. As per latest data, foreign exchange reserves of BB decreased to 44.44 billion as on 06 January 2022 due to ACU payment.

Inflation on twelve-month average basis (Base: FY2005-06=100) increased to 5.54 percent in December 2021 from 5.48 percent in November 2021. Also point to point general inflation increased to 6.05 percent in December 2021 from 5.98 percent in November 2021. Inflation increased in December due to higher commodity prices in the global market, oil price hike and depreciation of Bangladesh Taka against US dollar.

Detailed fortnightly information available up to 31 December 2021 are annexed herewith.

Detailed Information on Trends of Major Economic Indicators upto 31 December 2021

I. Money and Credit

(Taka in crore)

Particulars	November 2020	October 2021 ^R	November 2021 ^P	July-November 2021 ^P	July-November 2020 ^R
1. Broad money (M2)	1453960.10	1594460.40	1601983.30	41088.00	80225.10
	(+5.84)	(+2.15)	(+2.63)	(-48.78)	(+43.60)
2. Bank deposits[#]	1268523.20	1388565.20	1393686.90	42309.30	86902.60
	(+7.35)	(+2.75)	(+3.13)	(-51.31)	(+58.30)
3. Domestic credit (A+B)	1344689.00	1482105.40	1507410.20	67511.10	37055.20
	(+2.83)	(+2.93)	(+4.69)	(+82.19)	(-46.54)
A. Public sector (including govt.) (i+ii)	223787.00	262568.70	273164.50	22120.80	13421.10
	(+6.38)	(+4.59)	(+8.81)	(+64.82)	(-69.33)
i. Net credit to govt. sector	193146.10	230981.50	240082.20	19056.30	11995.30
	(+6.62)	(+4.50)	(+8.62)	(+58.86)	(-70.13)
ii. Credit to other public sector	30640.80	31587.10	33082.30	3064.50	1425.70
	(+4.88)	(+5.23)	(+10.21)	(+114.95)	(-60.35)
B. Credit to private sector	1120902.00	1219536.80	1234245.70	45390.40	23634.10
	(+2.15)	(+2.58)	(+3.82)	(+92.05)	(-7.53)
4. Reserve money @	303305.10 ***	327876.20 **	323087.90 *	-24397.40	19442.70
	(+6.85)	(-5.64)	(-7.02)	(-225.48)	(+319.01)

Source: Statistics Department, BB.

Note: Figures in the parenthesis of First three columns of data from left indicate percentage changes over the previous June.

Figures in the parenthesis of last two columns of data from left indicate percentage changes over July to August.

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

*Figure as of 30 December 2021, **Figure as of 15 December 2021, ***Figure as of 31 December 2020.

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

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

Particulars	As on		Flow for the period of			
	30 December 2020	30 December 2021 ^P	01-30 December 2020	01-30 December 2021	01 July 2020 to 30 December 2020	01 July 2021 to 30 December 2021
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	12889.27	9943.35	-11725.61	-7866.74	-31464.23	-14598.79
B. Net outstanding position of govt. borrowing from banking sector(including BB)	177219.82	220917.95	-7114.33	-1662.13	-603.19	18802.86
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	October 2020	October 2021 ^P	October 2020	October 2021 ^P	July-October 2020-21	July-October 2021-22
	325346.19	394800.87	(+)1707.75	(+)1007.28	(-)15643.15	(+)9730.92
3. Govt.revenue collection (NBR portion)	October 2020	October 2021 ^P	July-October 2020-21		July-October 2021-22 ^P	
	18138.78 (+1.96)	21116.06 (+16.41)	68130.11 (+3.53)		79467.25 (+16.64)	

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	October 2020	October 2021	July-October 2020-21 ^R	July-October 2021-22 ^P
1. Custom based import (c&f)	4375.80 (-17.11)	7110.80 (+62.50)	17062.30 (-12.96)	25831.20 (+51.39)
2. Opening of Import L/C ^{R#}	4719.24 (+1.46)	6902.90 (+46.27)	18019.68 (-6.39)	27322.32 (+52.26)
3. Settlement of Import L/C ^{R#}	3970.39 (-22.19)	6328.20 (+59.38)	15471.66 (-16.09)	23378.22 (+51.33)
	December 2020	December 2021	July-December 2020-21 ^R	July-December 2021-22 ^P
4. Inward Remittances	2050.65 (+21.22)	1629.04 (-20.56)	12944.75 (+37.59)	10237.91 (-20.91)
	November 2020	November 2021	July-November 2020-21 ^R	July-November 2021-22 ^P
5. Exports	3078.95 (+0.76)	4041.39 (+31.26)	15923.59 (+0.93)	19790.87 (+24.29)
	July-October 2020-21 ^R		July-October 2021-22 ^P	
6. Current Account Balance	3636.00		-4769.00	
	30 December 2020	15 December 2021	30 December 2021	
7. Foreign Exchange Reserve [@]	43166.52 (+19.78)	45272.98 (-2.41)	46153.93 (-0.51)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	December 2020	November 2021	December 2021
a. Twelve month average basis	5.69	5.48	5.54
b. Twelve month point to point basis	5.29	5.98	6.05

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.