

Fortnightly of Major Economic Indicators: Updates up to 31 July 2022

Broad money recorded a lower growth of 9.43 percent (y-o-y) at the end of June 2022 compared with 13.62 percent growth at the end of June 2021. Despite the increase of domestic credit, broad money growth decelerated during the reported period because of the negative growth of net foreign assets (NFA).

Domestic credit increased by 16.10 percent (y-o-y) at the end of June 2022 compared with 10.11 percent at the end of June 2021. Domestic credit growth stood higher because of higher growth of both credit to public and credit to private sector. Credit to public sector growth surged to 27.67 percent at the end of June 2022 compared with the growth of 19.34 percent at the end of June 2021 due to higher growth of both credit to govt. sector (28.18%) and credit to other public sector (23.92%). As per the latest available data, government borrowing from the banking system decreased by Tk 1704.80 crore from 01 to 31 July 2022 against the increase of Tk 10999.80 crore during 01 to 31 July 2021. Credit to private sector grew by 13.66 percent in FY22 against the growth of 8.35 percent in FY21.

Reserve money fell to Tk 344275.10 crore as on 31 July 2022 from Tk 356738.90 crore as on 14 July 2022. Reserve money growth declined by 0.83 percent as on 31 July 2022 over end June 2022 while it rose by 0.26 percent in July 2021 over end June 2021. Reserve money decreased due mainly to the fall off Net Foreign Assets (NFA) of Bangladesh Bank during the reported period under reviews.

NBR tax revenue collection stood higher at Tk 252920.76 crore during July-May of FY22 compared with Tk 220072.53 crore during July-May of FY21. The collection of NBR tax revenue during July-May of FY22 was, however, 76.64 percent of the fiscal year's target of Tk 330000.00 crore.

Exports increased by 14.72 (y-o-y) percent to USD 3.98* billion in July 2022 compared to the decrease of 11.19 percent to USD 3.47* billion in July 2021. Exports seem to increase with the rise of exports demand from abroad especially from the Europe and North America.

Custom based imports grew remarkably by 35.93 percent during FY22 compared to 19.73 percent during FY21 because of increase in economic demand including apparel exports with the reopening of economies from covid-19 pandemic, resulting in the rise of demand for import of raw materials and capital goods along with higher prices in the global market. Opening of import LCs and Settlement of import LCs of FY22 increased by 37.59 percent and 46.15 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 and machinery for miscellaneous industries.

*Source: EPB

Inward Remittances increased by 12.05 (y-o-y) percent in July 2022 compared to 27.97 percent fall in July 2021. Remittances seem to increase because of higher exchange rate along with Government's 2.50 percent cash incentives for sending it through the formal banking channels.

Current account balance recorded a larger deficit of USD 18.70 billion in FY22 against the deficit of USD 4.58 billion in FY21. The deficit in current account balance happened mainly because of the larger deficit in trade balance.

Foreign exchange reserve stood at USD 39.60 billion as on 31 July 2022 which was USD 45.84 billion as on 29 July 2021. As per latest available data, foreign exchange reserve stood at USD 39.53 billion as on 17 August 2022.

Headline Inflation (Point to point) slightly decreased to 7.48 percent in July 2022 from 7.56 percent in June 2022. On the other hand, headline inflation (twelve-month average) went up to 6.33 percent in July 2022 from 6.15 percent in June 2022. Supply bottleneck due to Russia-Ukraine war and rise in domestic demand were contributing factors for the increasing inflation.

Detailed fortnightly information available up to 31 July 2022 is annexed herewith.

Detailed Information of Major Economic Indicators upto 31 July 2022

I. Money and Credit

(Taka in crore)

Particulars	June 2020	June 2021	May 2022 ^R	June 2022 ^P	FY22 ^P	FY21 ^R
1	2	3	4	5	6	7
1. Broad money (M2)	1373735.00	1560895.30	1662637.00	1708122.20	147226.90	187160.30
	(+12.64)	(+13.62)	(+6.52)	(+9.43)	(-21.34)	(+21.44)
2. Bank deposits[#]	1181620.60	1351377.60	1437488.90	1471673.30	120295.70	169757.00
	(+10.92)	(+14.37)	(+6.37)	(+8.90)	(-29.14)	(+45.97)
3. Domestic credit (A+B)	1307633.80	1439899.10	1611547.10	1671748.80	231849.70	132265.30
	(+14.02)	(+10.11)	(+11.92)	(+16.10)	(+75.29)	(-17.72)
A. Public sector (including govt.) (i+ii)	210365.90	251043.70	288064.70	320513.30	69469.60	40677.80
	(+53.97)	(+19.34)	(+14.75)	(+27.67)	(+70.78)	(-44.83)
i. Net credit to govt. sector	181150.80	221025.90	251184.50	283314.50	62288.60	39875.10
	(+59.92)	(+22.01)	(+13.64)	(+28.18)	(+56.21)	(-41.25)
ii. Credit to other public sector	29215.10	30017.80	36880.20	37198.80	7181.00	802.70
	(+25.09)	(+2.75)	(+22.86)	(+23.92)	(+794.61)	(-86.30)
B. Credit to private sector	1097267.90	1188855.30	1323482.40	1351235.50	162380.20	91587.40
	(+8.61)	(+8.35)	(+11.32)	(+13.66)	(+77.30)	(+5.26)
4. Reserve money @	347162.10 ^{****}	348960.10 ^{***}	356738.90 ^{**}	344275.10 [*]	-2887.00	888.30
	(-0.26)	(+0.26)	(+2.76)	(-0.83)	(-425.00)	(-98.60)

Source: Statistics Department, BB.

Note: Figures in the parenthesis of column no 2 to 5 of data indicate percentage changes over the previous June.

Figures in the parenthesis of column no 6 & 7 indicate percentage changes over corresponding period of the last fiscal year.

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

*Figure as of 31 July 2022, **Figure as of 14 July 2022, ***Figure as of 29 July 2021, ****Figure as of 30 June 2022

Including both demand and time deposits

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

Particulars	As on		Flow for the period of			
	29 July 2021	31 July 2022 ^P	15-29 July 2021	15-31 July 2022	01-31 July 2021	01-31 July 2022
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	22159.98	56397.36	-3835.43	4720.46	-2382.16	530.96
B. Net outstanding position of govt. borrowing from banking sector(including BB)	213114.89	268480.76	2091.41	-4253.32	10999.80	-1704.80
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	May 2021	May 2022 ^P	May 2021	May 2022 ^P	July-May FY21	July-May FY22
	379992.03	407641.06	(+)2338.28	(+)989.00	(+)39002.69	(+)22371.08
3. Govt. tax revenue collection (NBR portion)	May 2021	May 2022 ^P	July-May FY21		July-May FY22 ^P	
	22489.01 (+67.16)	25164.17 (+11.90)	220072.53 (+16.74)		252920.76 (+14.93)	

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.

III. External Sector

(In million US\$)

Particulars	June 2021	June 2022	FY21 ^R	FY22 ^P
1. Custom based import (c&f)	6969.00 (+44.95)	7665.80 (+10.00)	65594.70 (+19.73)	89162.30 (+35.93)
2. Opening of Import L/C ^{R#}	7374.06 (+74.25)	7020.02 (-4.80)	67037.42 (+19.50)	92234.69 (+37.59)
3. Settlement of Import L/C ^{R#}	6355.72 (+51.56)	8366.59 (+31.64)	57256.40 (+7.52)	83681.73 (+46.15)
	July 2021	July 2022	FY21 ^R	FY22 ^P
4. Inward Remittances	1871.49 (-27.97)	2096.92 (+12.05)	24777.71 (+36.10)	21031.68 (-15.12)
	July 2021	July 2022	FY21 ^R	FY22 ^P
5. Exports	3473.43 (-11.19)	3984.82 (+14.72)	38758.31 (+15.10)	52082.66 (+34.38)
		FY21 ^R		FY22 ^P
6. Current Account Balance		-4575.00		-18697.00
	29 July 2021	14 July 2022		31 July 2022
7. Foreign Exchange Reserve [@]	45842.20 (+22.94)	39704.25 (-12.53)		39599.91 (-13.62)
IV. Price Index				
1. CPI inflation at national level (Base : FY 2005-06=100)	July 2021	June 2022	July 2022	
a. Twelve month average basis	5.54	6.15	6.33	
b. Twelve month point to point basis	5.36	7.56	7.48	

Source: Statistics Department and Accounts & Budgeting Department, BB website, Export Promotion Bureau 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.