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Economic and Financial Developments

Executive Summary

A broad-based pick-up in economic activity continued in Q4FY18, supported by strong domestic and external demand. Strong private sector credit growth together with a rebound in remittance inflows helped boost consumption demand. At the same time, aided by favorable financing conditions and fiscal policy supports, both public and private investment picked up during this period, as reflected in the strong growth of investment-related imports. On the supply side, the growth momentum received support from the industry and the service sectors. The agriculture sector activities also remained solid, aided by favorable weather, higher crop prices, and timely supply of inputs and finance. Real GDP growth reached 7.86 percent in FY18, up from 7.28 percent growth in FY17.

Headline CPI inflation (point-to-point) moderated to 5.54 percent in June 2018, driven by falling food inflation due to a good boro harvest. Average inflation edged down to 5.78 percent in June 2018, slightly above the FY18 target of 5.5 percent. Non-food inflation, which was on the rise for more than a year, increased at a faster pace in the last two months of Q4FY18 and reached 4.87 percent in June 2018, partly due to rising global commodity prices and strong domestic demand.

The negative growth in NFA caused by the deficit in overall balance and negative government borrowings from the banking system resulted in a low growth of broad money (M2) at 9.24 percent, well below the FY18 program target of 13.30 percent, while private credit growth (16.95 percent) remained close to the monetary program (16.80 percent). BB reduced Cash Reserve Ratio (CRR) by 100 basis points and repo rate by 75 basis points in April 2018 to moderate any sharp liquidity tightening and avoid any abrupt increase in interest rates as often witnessed during market transitions in many developing economies with segmented markets.

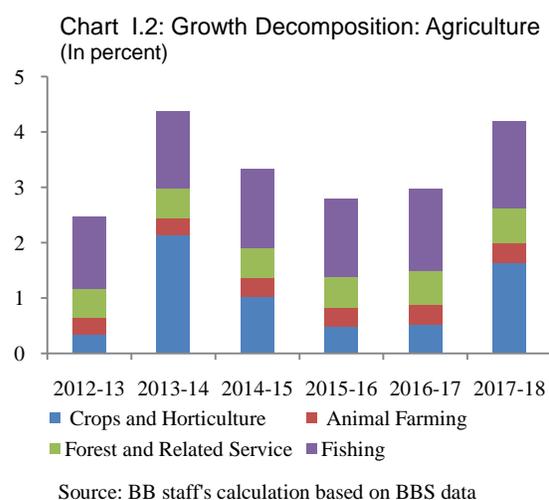
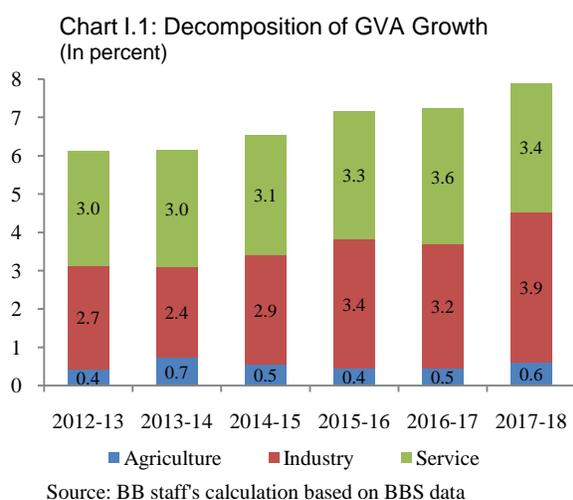
Despite a rebound in exports and strong remittance inflows, the deficit in current account balance widened to USD 9.78 billion (around 3 percent of GDP) in FY18, driven mainly by a sharp increase in infrastructure-related imports in connection with the implementation of government's mega projects, higher food imports due to last year's floods, and rising global commodity prices. However, a favorable financial account surplus moderated overall balance to a deficit of around USD 0.7 billion.

The higher growth in overall expenditure against revenue collection led to a higher budget deficit in Q4FY18. As in the recent past, deficit financing primarily relied on the non-bank financing sources but bank financing of budget deficit turned positive in Q4FY18. The capital market witnessed a mixed trend during Q4FY18, as reflected in price indices, market capitalization, price earnings ratio, and turnover.

Looking ahead, growth and inflation outlook would likely remain relatively favorable in FY19, assuming no significant pickup in election-related political tension. However, downside risks to growth from global trade conflicts, monetary tightening in the advanced economies and any broad-based pick-up in emerging market vulnerabilities remain. Managing macro-financial stability in the face of a sizeable current account deficit and changing global liquidity conditions would require continued vigilance.

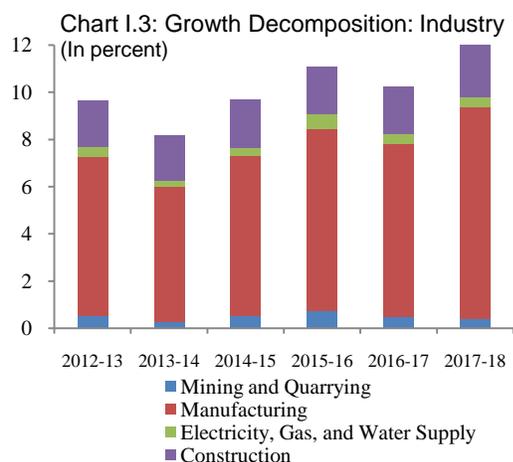
I. Developments in the Real Economy

1.1 During FY18, robust economic activity maintained its momentum, supported by domestic and external demand. A higher growth in private sector credit together with a surge in remittance inflows helped boost consumption demand. At the same time, aided by favorable financing conditions and fiscal policy, investment demand picked up during this period, as reflected in the growth of investment-related imports. On the supply side, growth momentum relied on the industry and the service sectors. The agriculture sector activities also remained solid, aided by favorable weather, higher crop price, and timely supply of inputs and finance. Real GDP grew by 7.86 percent in FY18, up from 7.28 percent growth in FY17.



1.2 The agriculture sector grew by 4.19 percent in FY18, supported by the strong growth in fishing (6.37 percent). Crop and horticulture activities, which account for more than half of the agricultural value added, attained a moderate growth (3.06 percent), despite 7.9 percent growth in rice (the main crop in Bangladesh) production, reflecting a scarcity of arable land and productivity of non-rice crops. Among the major non-rice crops, production of maize increased by 10.7 percent, while wheat production dropped by 12.1 percent due mainly to low acreage.

1.3 The industry sector, constituting around one-third of gross value-added (GVA) in the economy, grew by around 12.1 percent in FY18, up from 10.2 percent in FY17, led mainly by manufacturing and construction activities. Continued improvement in electricity generation and the rebound in exports due to stronger-than-expected demand growth in the US and Euro area helped the manufacturing sector grow faster (13.4 percent). Within the manufacturing sector, large- and medium-scale manufacturing was more active than small scale manufacturing, as reflected in their growth rates. The growth of the large- and medium-scale industry was underpinned by the manufacturing of food, leather products, pharmaceuticals, textiles, and wearing apparels (Chart 4). The construction sector received a boost from the government's mega projects implementation.



Source: BB staff's calculation based on BBS

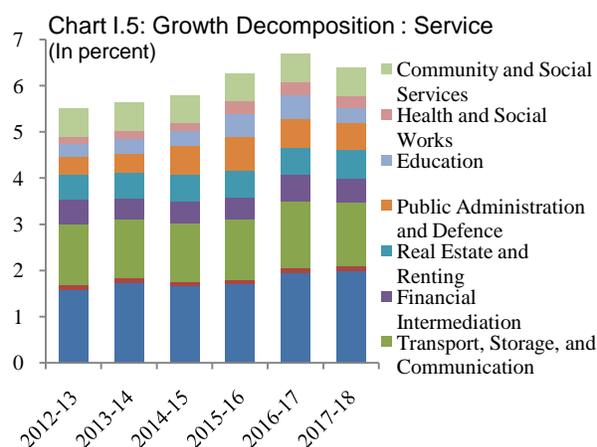
Chart I.4: Heat Map for Large- and Medium-Scale Manufacturing Output Growth (In percent)

	Weight	FY 16		FY 17			FY 18			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
General Index of Manufacturing	100	10.6	7.3	10.0	10.3	10.6	21.4	21.8	16.8	10.6
Food products	10.8	1	-7	-11	1	31	55	31	21	
Beverage	0.3	21	32	-26	-27	17	10	-13	-9	-16
Tobacco product	2.9	0	2	-1	26	-9	1	39	30	-2
Textile	14.1	25	10	31	28	16	36	13	14	0
Wearing apparel	34.8	13	3	2	9	-1	10	13	17	12
Leather and related product	4.4	1	29	52	57	76	80	71	45	24
Wood and product of wood and cork	0.3	8	8	0	8	7	5	4	4	7
Paper and paper products	0.3	4	2	2	2	0	1	1	1	1
Printing and recorded media	1.8	1	2	2	0	1	3	4	3	2
Coke and refined petroleum product	1.3	87	103	143	63	4	-42	-40	-40	-36
Chemical and chemical product	3.7	26	16	3	1	32	16	6	-13	-17
Pharmaceuticals products	8.2	-11	19	22	41	47	45	34	22	0
Rubber and plastic products	1.6	20	15	6	3	7	7	20	16	16
Non-metallic mineral product	7.1	38	29	31	34	33	26	15	3	3
Basic metal	3.2	-30	-8	-3	-34	3	0	14	0	0
Fabricated metal product	2.3	11	17	22	30	22	18	18	7	4
Computer and electronic products	0.2	93	44	18	-6	-12	-18	-37	-42	-10
Electrical equipments	0.7	25	59	84	68	34	33	-16	-11	-3
Machinery and equipments	0.2	46	47	42	52	41	46	43	27	29
Motor vehicles and trailers	0.1	50	103	124	11	38	-72	-59	-27	0
Transport equipment	0.7	58	-24	-6	0	0	18	12	-1	0
Furniture	0.9	10	12	17	17	13	15	32	19	23

Source: BB staff's calculation based on BBS data



1.4 Despite some moderation, the service sector, comprising more than half of GVA, registered a modest growth of 6.39 percent in FY18. Within the sector, larger growth impulse primarily came from the wholesale and retail trade, transport, and financial intermediation. The sub-sectors viz. wholesale and retail trade, transport, and financial intermediation grew by 7.45, 6.58, and 7.90 percent in FY18 compared to 7.37, 6.76, and 9.12 percent in FY17, respectively.

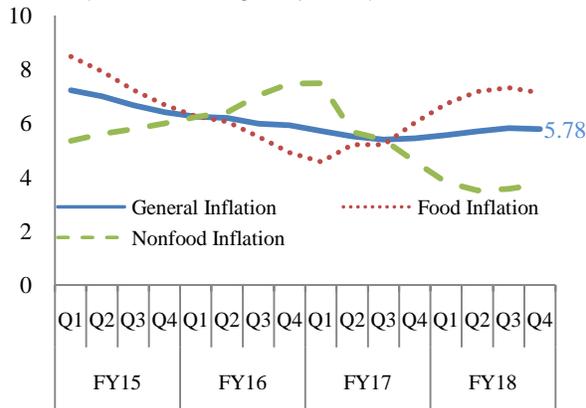


Source: BB staff's calculation based on BBS data

II. Price Developments

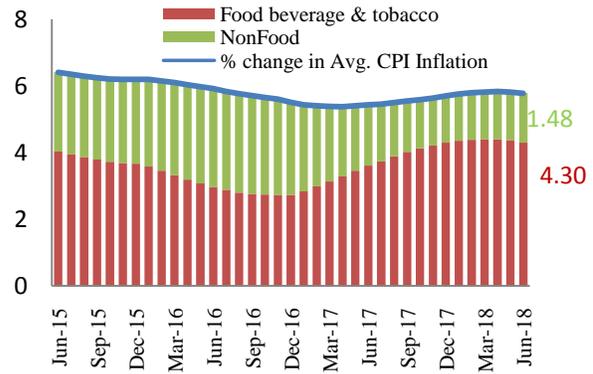
2.1 Headline CPI (12-month average) inflation edged down in Q4FY18 to 5.78 percent, due to moderating food inflation, after rising gradually since Q4FY17. The decomposition of headline inflation shows that of the 5.78 percent inflation in June 2018, almost three-fourths of the increase (4.30 percent) came from food inflation and the rest (1.48 percent) from non-food inflation.

Chart-II.1: Average CPI Inflation
(12-month average; In percent)



Source: Bangladesh Bureau of Statistics

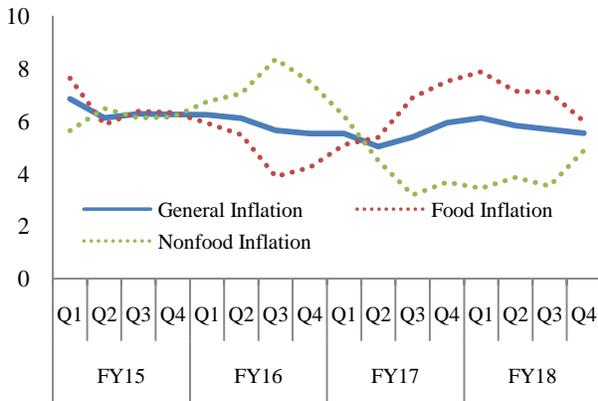
Chart-II.2: Decomposition of Inflation



Source: BB staffs calculation based on BBS data

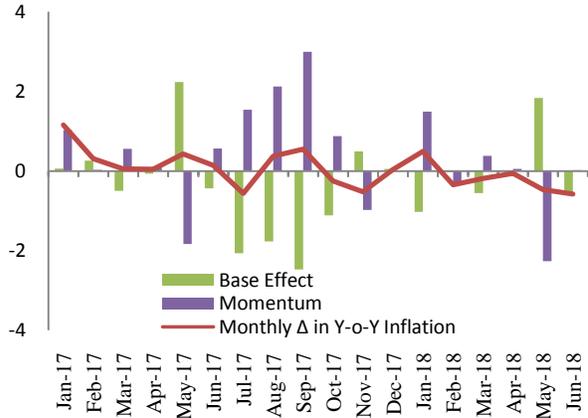
2.2 CPI inflation (point-to-point) continued its downward trajectory and reached 5.54 percent in Q4FY18. This favorable inflation dynamics reflected food inflation from better harvests. Food inflation eased to 5.98 percent in June 2018, down from 7.09 percent in March 2018 (Chart II.4). However, nonfood inflation crept up to 4.87 percent in Q4FY2018, reflecting strong demand and inflation expectations.

Chart II.3: Point-to-point CPI Inflation
(Percent)



Source: Bangladesh Bureau of Statistics

Chart II.4: Base effect of Food inflation



Source: BB staff's calculation based on BBS data

Chart II.5: Inflation Heat Map

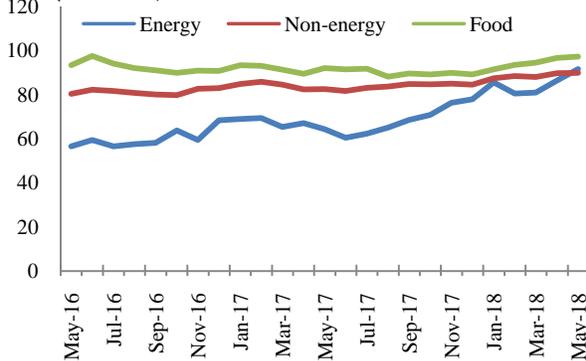
(In percent)	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
General	5.57	5.89	6.12	6.04	5.91	5.83	5.88	5.72	5.68	5.63	5.57	5.54
Food, Beverage and Tobacco	6.95	7.32	7.87	7.62	7.09	7.13	7.62	7.27	7.09	7.03	6.56	5.98
1. Food	7.81	8.25	8.87	8.46	7.82	7.93	8.40	6.86	6.42	6.28	5.84	5.04
(a) Cereals	18.49	19.83	26.04	15.18	13.93	17.68	15.87	18.24	19.81	17.41	4.83	-6.03
(i) Rice	20.06	21.41	27.98	16.04	14.63	18.53	16.56	19.09	20.73	18.17	4.79	-6.72
(ii) Other Cereals	-3.12	-2.15	-1.50	1.85	3.14	4.66	4.71	4.53	4.85	4.76	11.70	15.18
(b) Pulses:	-18.42	-20.84	-22.27	-15.73	-17.32	-18.26	-14.90	-9.60	-9.46	-6.46	-1.53	-3.21
(c) Fish (fresh) & dry fish	-8.90	-8.22	-6.11	-3.44	-3.74	-11.06	-10.30	-9.89	-8.50	-4.98	-8.58	2.87
(d) Eggs and Meat	13.20	12.56	13.38	13.69	12.93	10.88	11.22	7.28	3.86	3.87	3.92	-7.48
(e) Vegetable	8.79	8.13	1.77	12.91	7.57	10.13	22.46	5.58	-0.07	-1.83	17.52	34.93
(f) Fruits	3.16	-2.26	-8.53	-3.35	-3.46	-2.58	-0.40	4.31	8.08	8.31	15.64	27.68
(g) Spices	9.21	11.51	2.09	10.50	17.17	18.31	13.12	5.21	-0.08	1.14	0.37	0.67
(h) Edible oils & fats	4.67	3.77	3.58	3.78	3.13	2.36	1.46	1.11	1.73	1.75	1.84	1.80
(i) Milk and milk products	0.72	0.66	1.13	1.10	1.12	1.24	1.10	1.07	1.17	1.18	1.17	1.21
(j) Miscellaneous food items	6.76	7.19	3.18	2.86	4.06	5.14	4.28	3.83	3.83	5.01	5.00	4.96
2. Beverage	0.44	0.76	0.95	1.14	1.13	1.13	0.75	0.28	0.38	0.38	0.38	0.66
3. Tobacco & Products	-0.45	-0.92	-1.33	-0.19	0.56	-0.12	0.72	13.44	15.97	16.91	16.21	17.88
Non-food	3.53	3.75	3.44	3.61	4.10	3.85	3.23	3.36	3.52	3.49	4.08	4.87
I. Clothing and Footwear	2.23	2.52	2.03	2.12	2.75	2.64	6.55	6.67	6.70	6.22	6.94	10.02
II. Rent, Fuel & Lighting	4.88	4.65	4.48	4.49	4.58	4.77	1.89	1.91	1.64	1.68	2.03	1.91
III. Household Furniture, operations and repairing	3.78	4.44	4.32	5.46	6.55	5.72	5.75	5.81	6.66	6.85	7.51	7.46
IV. Medical Care & Health Expenses	0.81	0.77	0.72	0.75	0.92	0.97	1.06	1.25	1.66	1.76	2.08	2.20
V. Transport and Communication	3.78	4.25	3.41	3.42	3.90	2.97	2.86	3.35	3.61	3.74	4.22	6.14
VI. Recreation & Educational Expenses	5.83	5.87	5.87	5.91	5.94	6.24	0.99	1.06	1.02	1.04	1.07	1.15
VII. Miscellaneous Goods & Services	1.1	2.1	1.8	1.8	3.3	2.2	2.5	2.5	3.3	3.3	5.3	5.4

Source: BB staffs calculation based on BBS data



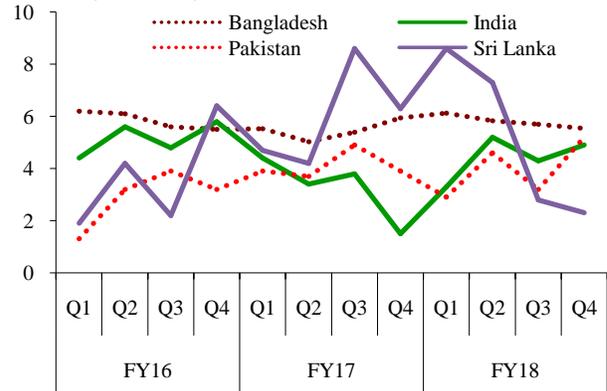
2.3 Global commodity prices continued its rising trend in Q4 FY18, supported by both supply and demand factors, including strong economic activities in the emerging market and advanced economies (Chart II.6). Accelerating growth lifted demand for the commodities, while some commodities faced supply constraints. Rising geopolitical tension combined with production cuts increased oil prices.

Chart II.6: Global Commodity Price Indices (2010=100)



Source: World Bank

Chart II.7: Inflation in South Asian (In Percent)



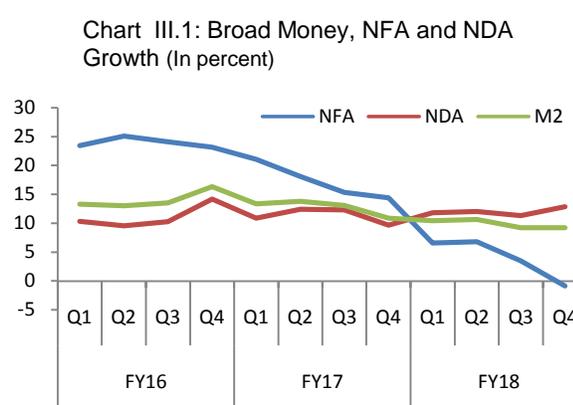
Source: Central banks and statistics department of respective countries

2.4 From a regional perspective, inflation performance followed a mixed trend in South Asia during Q4FY18. Inflation in Sri Lanka fell to 2.5 percent in Q4FY18 from 2.8 percent in Q3FY18. Inflation in India and Pakistan marginally increased to 4.9 percent and 5.2 percent in Q4FY18 from 4.3 percent and 3.2 percent, respectively in Q3FY18 (Chart II.7).

2.5 Looking ahead, a good harvest of food production may offset some inflation risks from the pass-through effects of global oil and commodity prices. However, rising non-food inflation and inflation expectations may constrain any significant improvement in the inflation momentum.

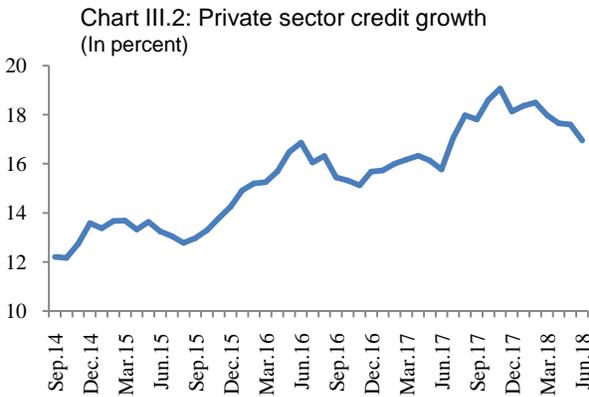
III. Money and Credit Market Developments

3.1 Monetary and credit developments were close to the program path of June 2018 in Q4FY18. Broad money (M2) growth remained modest at 9.2 percent (Y/Y) in June 2018, well below the FY18 monetary program target of 13.3 percent. Net foreign asset (NFA) growth turned negative (-4.3 percent) in June 2018 driven by a large current account deficit which contributed to the deceleration in M2 growth. Despite a strong private sector credit growth, net domestic asset (NDA) growth (12.8 percent) remained well below the target (17.9 percent) for FY18, underpinned by a negative growth in credit to the public sectors (Chart III.1).

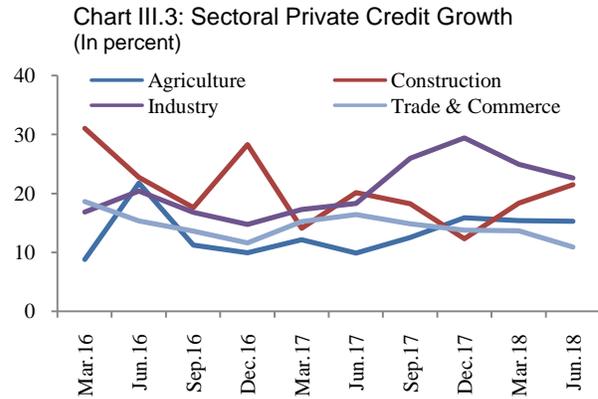


Source: Bangladesh Bank

3.2 Private sector credit growth was robust during the first half of FY18 but moderated somewhat in the second half to 16.95 percent (Y/Y) in June 2018 (Chart III.2), slightly above the FY18 monetary program target of 16.8 percent. Credit growth (y/y) to the industrial, transport and construction sectors rose to 22.6, 24.6, and 21.5 percent, respectively in Q4FY18. Around 40.0 percent of the credit went to industry and 34.5 percent to the trade and commerce sectors in the quarter under review (Chart III.3).

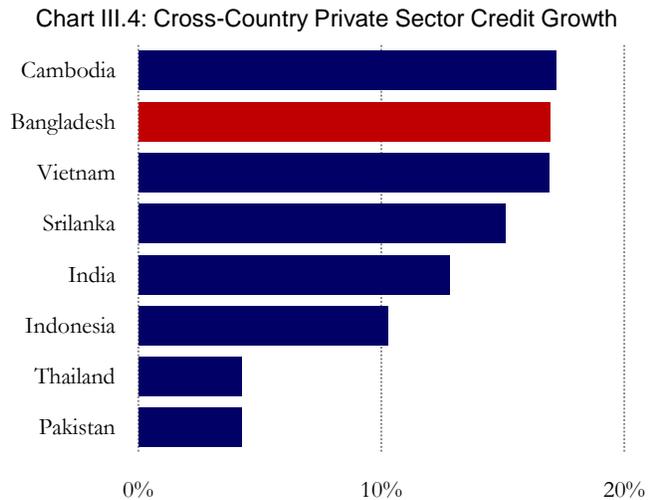


Source: Bangladesh Bank



Source: Bangladesh Bank

From a cross-country perspective, private sector credit growth in Bangladesh, one of the higher ones among the peer countries, remain sufficient to support the Government's investment and growth targets (Chart III.4).

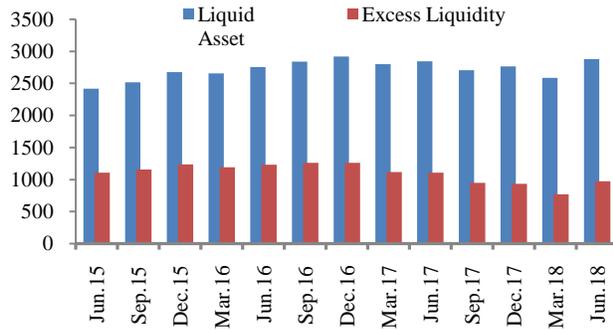


Sources: Various central bank websites and Bloomberg.

3.3 Rising demand for liquidity due to strong private sector credit growth accompanied by the negative growth in NFAs caused some tightening of domestic liquidity conditions at the beginning of Q4FY18. As liquidity condition tightened, BB reduced Cash Reserve Ratio (CRR) by 100 basis points to 5.5 percent and repo rates by 75 basis points to 6.0 percent with effect from April 2018. Moreover, to ease the liquidity conditions, BB increased available repo tenors to 7, 14 and 28 days. Under the term repos, banks can now borrow from BB for longer period through auction process by bidding at rates higher than 6.0 percent. This will give banks and financial institutions a scope to recalibrate their liquidity positions in case of adverse conditions. BB's policy measures led to improvements in liquidity conditions as reflected in the call money rate which came down from 4.40 percent in March to 3.41 percent in June 2018.

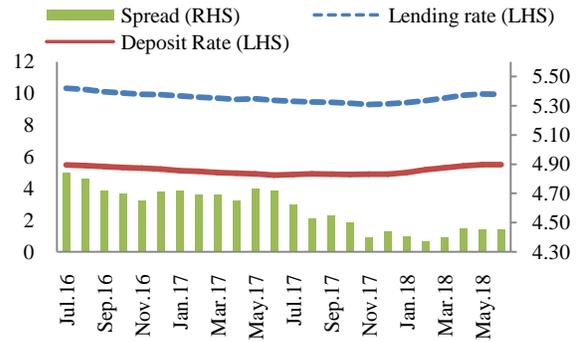
Improving liquidity conditions, in the aftermath of the policy actions in April, are also evidenced by an increase in excess liquidity from BDT 768.9 billion in March to BDT 974.7 billion in June 2018 (Chart III.5).

Chart III.5: Liquidity Condition (BDT in billion)



Source: Bangladesh Bank

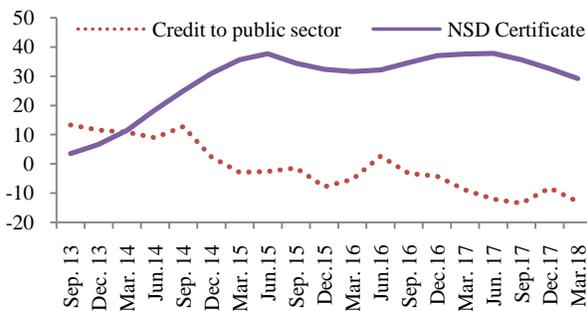
Chart III.6: Lending-Deposit Rates & Spreads (In percent)



Source: Bangladesh Bank

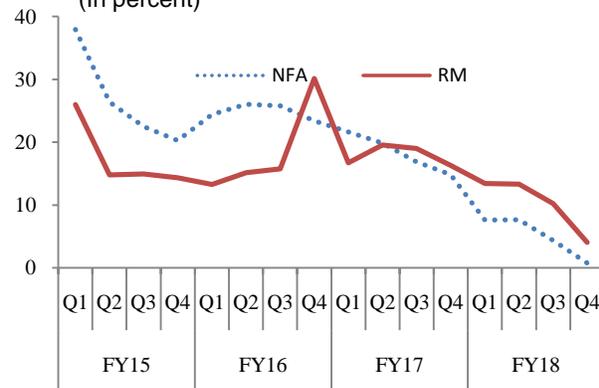
3.4 Although liquidity conditions improved in June 2018, the weighted average deposit and lending rates rose modestly to 5.50 percent and 9.95 percent in June 2018, reflecting a rising credit demand which led to a strong competition among some banks for deposit mobilization, given the high risk-free NSCs (National Savings Certificates) rates. A higher increase in deposit rates than that of the lending rates moderated the spread by 27 basis points in Q4FY18 (Chart III.6). Public sector credit growth remained negative in FY18 as the Government primarily borrowed through NSCs (Chart III.7).

Chart III.7: Growth of Public Sector Credit and Outstanding NSC (In percent)

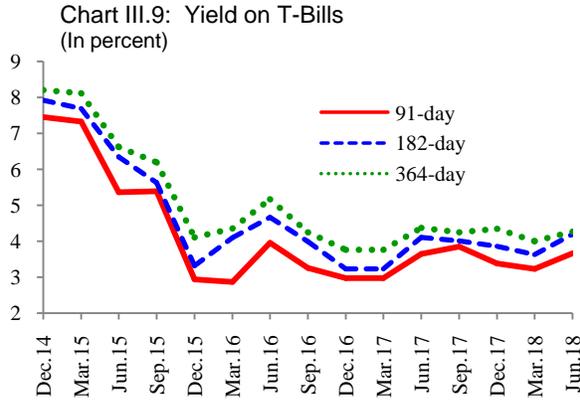


Source: Bangladesh Bank; National Savings Directorate

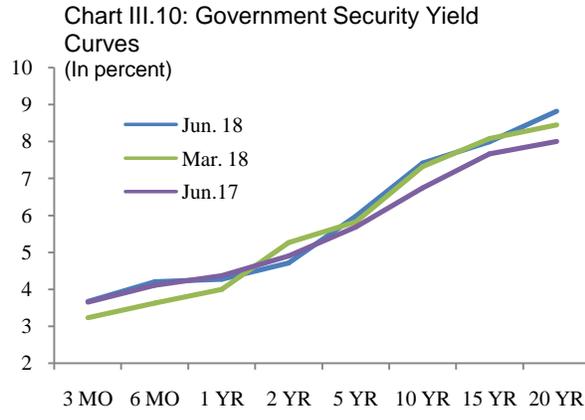
Chart III.8: NFA and Reserve Money Growth (In percent)



Source: Bangladesh Bank



Source: Bangladesh Bank

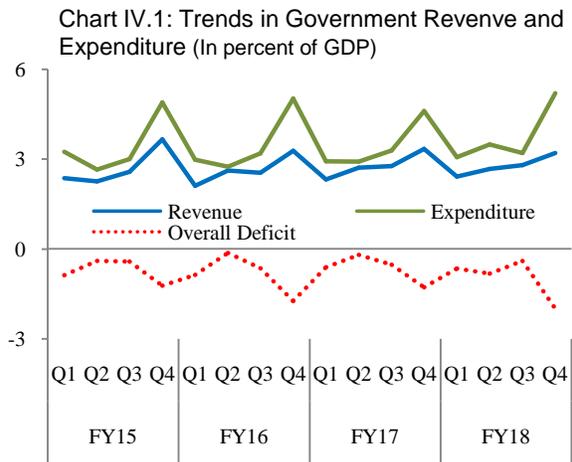


Source: Bangladesh Bank

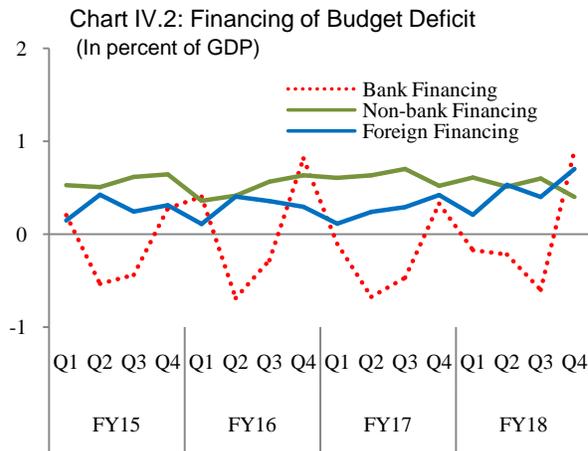
3.5 The yields on T-bills picked up at the end of Q4FY18 compared to Q3FY18. The yield on 91-day, 182-day and 364-day T-bill were 3.67, 4.20 and 4.27 respectively at the end of June 2018, compared to 3.65, 4.11 and 4.37 at the end of June 2017. Again, the yields on BGTBs with maturities of 2-year, 15-year declined to 4.71 and 7.99 but 5-year, 10-year and 20-year rose to 5.98, 7.41 and 8.82 respectively (Chart III.9 and III.10). The yield curve movements reflected tighter liquidity demand on the shorter end and a limited supply of the long-maturity bonds.

IV. Fiscal Developments

4.1 Overall fiscal performance remained relatively expansionary in Q4FY18. The higher pace of expenditure growth (33.9 percent) over revenue collection (26.1 percent) supported a wider fiscal deficit during Q4FY18. The fiscal deficit increased by 48.3 percent to BDT 457.0 billion in Q4. More than two-thirds of deficit was met from domestic sources and rest of the amount from foreign sources during quarter under review. In FY18, budget deficit as percent of GDP stood at 3.9 percent, below the revised budget target of 4.8 percent.



Sources: Bangladesh Bank; National Board of Revenue



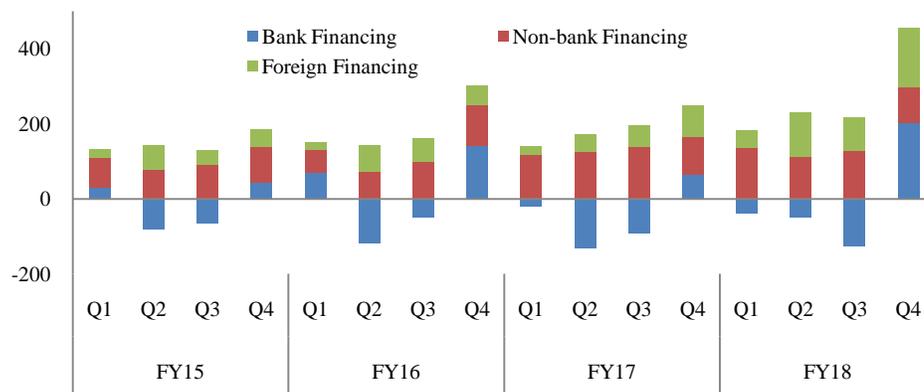
Sources: Bangladesh Bank; National Board of Revenue

4.2 Total revenue collection accelerated to 26.1 percent (3.2 percent of GDP) in Q4FY18 from Q4FY17. NBR tax revenue collection rose 29.0 percent to BDT 637.9 billion in Q4FY18 over Q4FY17. With regards to the NBR revenue collection, value added tax (25.6 percent), customs duties (11.5 percent), and income tax (38.6 percent) were the main drivers. During FY18, total revenue collection amounted to BDT 2435.2 billion (10.9 percent of GDP), below the target of revised budget (11.6 percent of GDP) but above the FY17 performance (10.5 percent of GDP).

4.3 The fiscal spending expanded sharply in Q4FY18 due to the higher growth in ADP expenditure along with moderate current expenditure. The overall expenditure surged by 33.9 percent to BDT 1167.9 billion during Q4FY18. Of the total expenditure, ADP expenditure rose by 43.3 percent to BDT 762.5 billion and current spending by 23.6 percent to BDT 327.4 billion. In FY18, total fiscal spending amounted to BDT 3310.4 billion (14.8 percent of GDP), below the revised budget target for FY18 (16.6 percent of GDP).

4.4 The quarterly fiscal deficit rose 48.3 percent to BDT 457.0 billion in Q4FY18, the highest in the last three quarters, owing to a faster growth in overall expenditure compared to moderate growth in revenue collection. Besides, quarterly expenditure generally picks up in the fourth quarter. In FY18, budget deficit reached 3.9 percent of GDP, slightly below the yearly revised target of 4.8 percent of GDP.

Chart IV.3: Sources of Financing of Budget Deficit (BDT in billion)

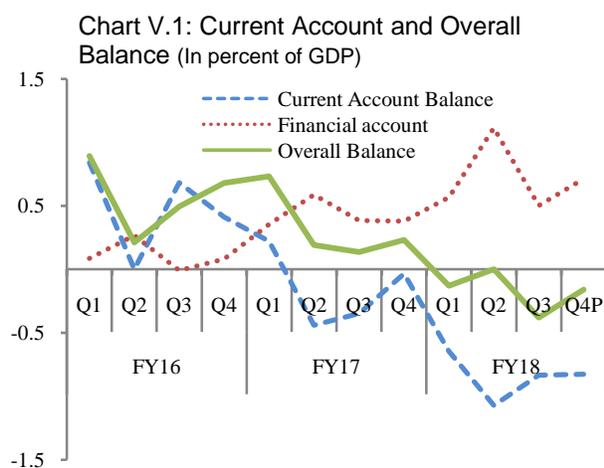


Source: Ministry of Finance; Bangladesh Bank

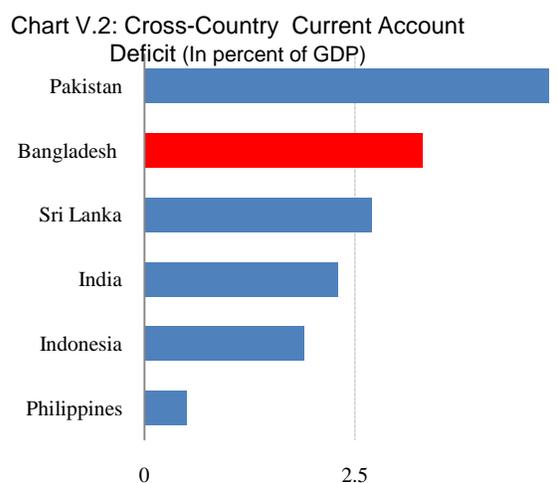
4.5 Deficit financing mostly relied on non-bank and foreign financing during the first three quarters of FY18. Bank financing moved into a positive territory in Q4FY18 from negative positions in the previous three quarters of FY18 (Chart IV.3). Of the total deficit financing, BDT 299.1 billion was met from domestic sources (1.3 percent of GDP) including BDT 201.3 billion from banks in Q4FY18, up 32.7 percent from the level of Q4FY17. In Q4FY18, the non-bank financing declined 37.3 percent to BDT 97.8 billion from the level of Q4FY17. The foreign financing amounted to BDT 157.90 billion, about 90.8 percent higher from the level of Q4FY17.

V. External Developments

5.1 Current account deficit widened and reached 3.3 percent of GDP in FY18, up from almost 1 percent in FY17 due to a widening trade deficit, driven by strong import growth (over 25 percent), despite a moderating effect from a strong growth in remittance inflows (17.9 percent). However, export growth picked up and import growth slightly moderated toward the end of FY18. Relative to some of the peer economies, the current account deficit in Bangladesh appear to be sizeable, although productive investments and favorable financing minimized external stability risks

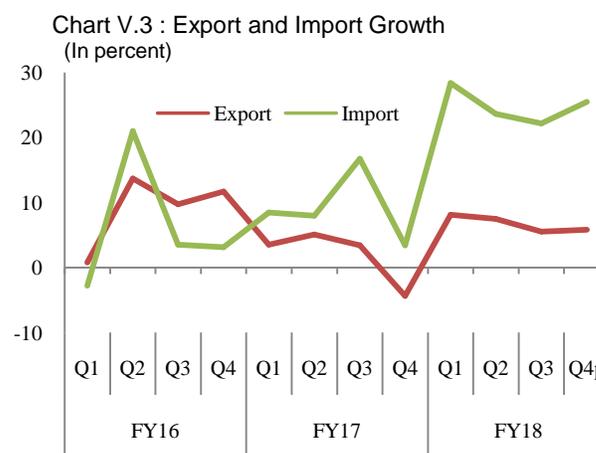


Source: Bangladesh Bank



Sources: WEO April 2018, IMF; Bangladesh Bank

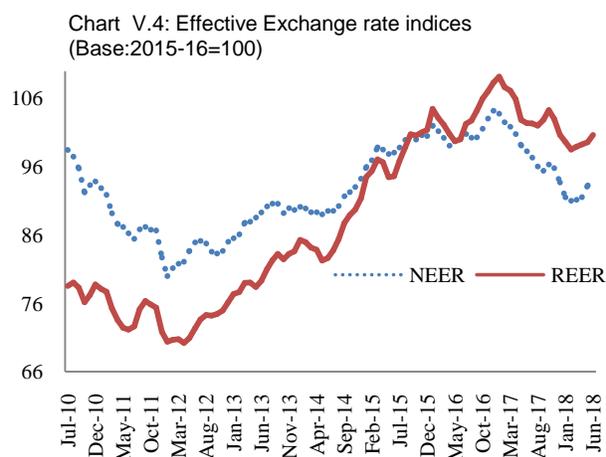
5.2 Trade deficit widened in Q4FY18 from Q3FY18 due to higher import growth compared to lower export growth. As mentioned earlier, throughout the four quarters of FY18, import growth was strong and reached 25.2 percent in FY18, up 11 percent in FY17. Export growth picked up to around 6 percent in FY18, up from 1.7 percent a year ago. However, import decomposition data show capital goods and export-related intermediate goods and one-off food import contributed to the sharp pick-up.



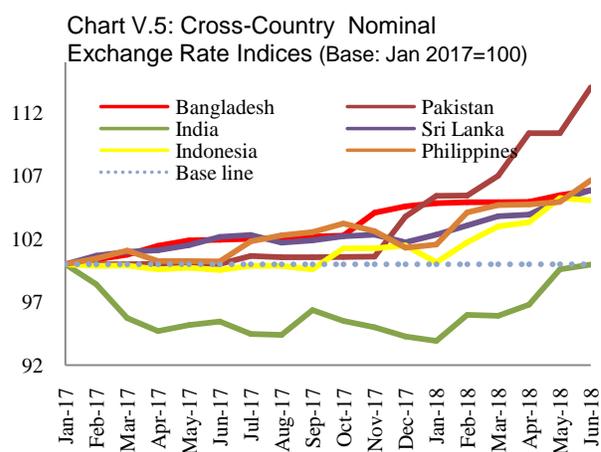
Source: Bangladesh Bank

5.3 In FY18, capital and financial inflows rose by 102 percent from a year ago, partly reflecting the lumpy nature of such flows. Higher foreign direct investment (FDI) and other investment including medium and long-term (MLT) explained the movements in capital and financial account during FY18. About 86 percent of current account balance deficit was financed by capital and financial account surplus.

5.4 Remittance growth (y/y) remained robust in Q4FY18, at 17.9 percent, reflecting a confluence of factors, including higher oil prices, some depreciation of BDT, and the policy measures to facilitate the inflows through the formal channels. By June 2018, inflows from the Middle Eastern economies contributed around 49 percent of the total remittance. Remittance inflows from the Euro area also maintained its positive growth during the quarter under review.



Source: Bangladesh Bank



Source: IFS

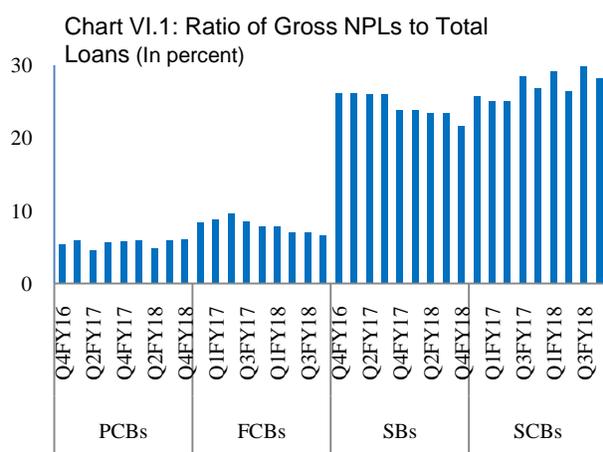
5.5 With large amount import payments, exchange rate dynamics reflected some market forces, supported by foreign exchange market intervention avoiding excessive volatility in Q4FY18. As a result, foreign exchange reserve coverage moderated to around 5-6 months of imports. Given the recent movements in Taka against US Dollar and the shifts in major currencies, NEER and REER depreciated by 4.5 percent and 1.9 percent respectively in FY18 as compared to FY17. Moreover, nominal depreciation (around 4 percent) of Taka *vis-a-vis* USD was at a moderate level in FY18, relative to the Peer economies.

5.6 Looking ahead, strong economic activities in some of the Middle Eastern economies and the Government's efforts to reduce the cost of remittance are expected to support remittance inflows, moderating current account deficit and boosting domestic demand and growth. Stronger global growth momentum can support Bangladesh's export although trade-related conflicts have clouded the short- to medium-term outlook. Import payments are expected to moderate as food and other one-off imports taper off over the coming quarters.

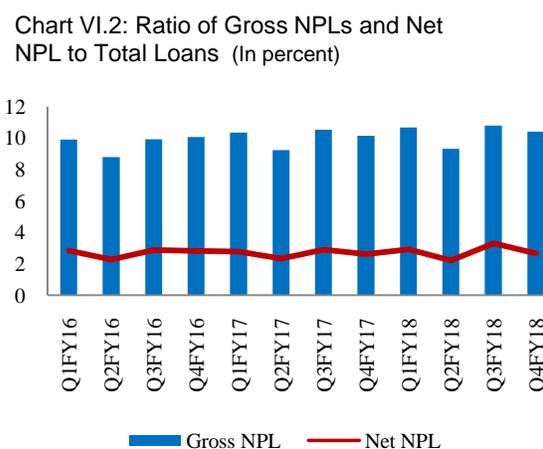
VI. Banking Sector Performance

6.1 Banking sector's performance remained mixed during Q4FY18, as reflected in non-performing loan, capital adequacy, profitability, provision shortfall position and liquidity conditions. During Q4FY18, overall NPL edged down, driven mainly by state owned commercial banks (SCBs). BB's policy actions to reduce CRR and repo rate eased liquidity tightening.

6.2 Overall NPL condition of the banking sector improved in Q4FY18. Among the banking groups, although gross NPL for SCBs is the highest, declined modestly from 29.8 percent in Q3FY18 to 28.2 percent in Q4FY18 (Table VI.1 and Chart VI.1). Gross NPL for private commercial banks (PCBs) remained the lowest and unchanged to 6.0 percent in Q4FY18, reflecting adequate provisioning (Table 6.1). The system-wide gross NPL edged down by 0.4 percentage point during this quarter to 10.4 percent (Table VI.2 and Chart VI.2).



Source: Bangladesh Bank



Source: Bangladesh Bank

6.3 Despite some softening, overall capitalization of the banking system remained stable in March 2018. CRAR for private commercial banks declined modestly from 12.5 percent in Q2FY18 to 12.1 percent at Q3FY18 and private banks remained well capitalized. Capital position of SCBs has fallen from 5.0 percent in Q2FY18 to 2.9 percent in Q3FY18 (Chart VI.3 and Table VI.3).

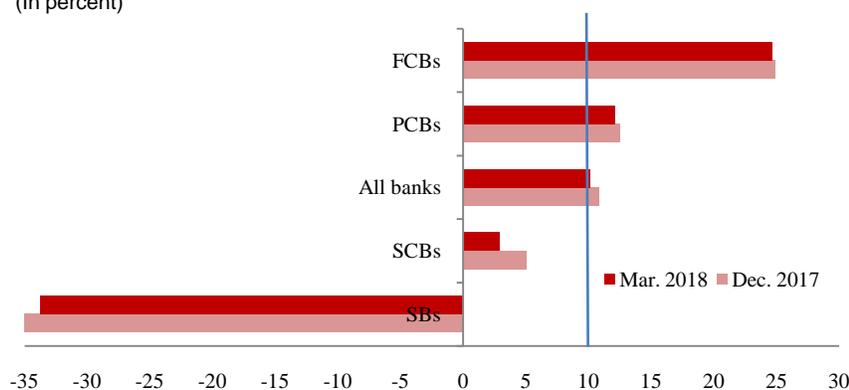
6.4 Profitability indicators of the banking sector showed an improvement in June 2018. ROE for banking system edged up to 5.43 percent in June 2018 from 4.66 percent in June 2017 due to higher profit by SCBs and PCBs. ROA also inched up to 0.36 percent in June 2018 from 0.34 percent in June 2017 in the system (Table VI.4).

Table 6.1: Comparative Position of Classified Loan and Provision Maintained

(In billion of BDT)

Quarter	Items	SCBs	SBs	PCBs	FCBs	All Banks
Q1 FY18	Total classified loan	385.2	55.2	339.7	23.0	803.1
	Required provision	220.9	27.8	197.4	16.9	463.1
	Provision maintained	145.3	28.8	208.2	17.5	399.7
	Excess(+)/shortfall(-)	-75.7	0.9	10.8	0.5	-63.4
Q2 FY18	Total classified loan	373.3	54.3	294.0	21.5	743.0
	Required provision	216.9	26.1	184.3	15.6	443.0
	Provision maintained	134.3	26.2	198.2	16.5	375.3
	Excess(+)/shortfall(-)	-82.6	0.1	13.9	0.9	-67.7
Q3 FY18	Total classified loan	436.9	54.3	372.9	21.9	885.9
	Required provision	243.1	26.1	207.5	15.7	492.4
	Provision maintained	147.8	27.6	221.0	16.4	412.8
	Excess(+)/shortfall(-)	-95.3	1.5	13.4	0.8	-79.6
Q4FY18	Total classified loan	428.5	52.4	389.8	22.7	893.4
	Required provision	252.9	25.0	234.6	16.2	528.8
	Provision maintained	162.0	27.9	242.0	17.0	448.9
	Excess(+)/shortfall(-)	-90.9	2.9	7.4	0.7	-79.9

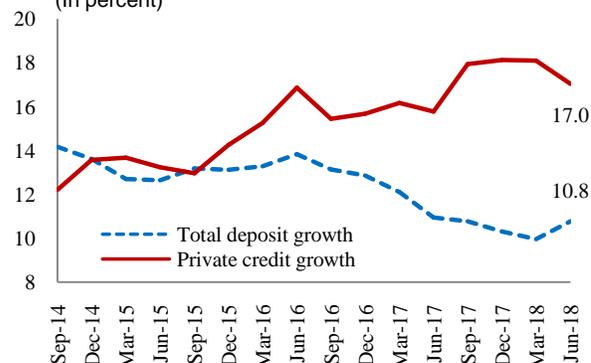
Chart VI.3: Capital to Risk Weighted Assets Ratio (CRAR)
(In percent)



Source: Bangladesh Bank

6.5 Private sector credit growth by the scheduled banks, which hovered around 18 percent for several quarters, edged down by 1 percentage point in Q4FY18 to 16.8 percent. Deposit growth (including Government deposit) rose in Q4FY18 after steadily declining since June 2016 (Chart VI.4). The gap between private sector credit growth and deposit reduced to 6.2 percentage points in Q4FY18 from 8.0 percentage points in Q3FY18. Overall advance deposit ratio (ADR) in the banking system moderated to 76.7 percent in Q4FY18 from 77.0 percent in Q3FY18, remaining below the

Chart VI.4: Private Credit and Deposit
(In percent)



Source: Bangladesh Bank

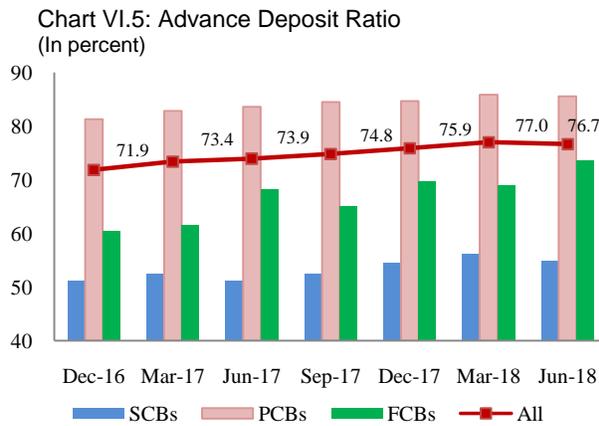
maximum regulatory ceiling (Chart VI.5 and Table 6.2).

6.6 A reduction in CRR by 1 percentage point and repo rate by 75 basis points helped improve liquidity conditions in the banking system (Table 6.3). Excess liquidity, the excess of CRR and SLR as percent of total demand and time liabilities (TDTL) increased in Q4FY18 (Chart VI.6).

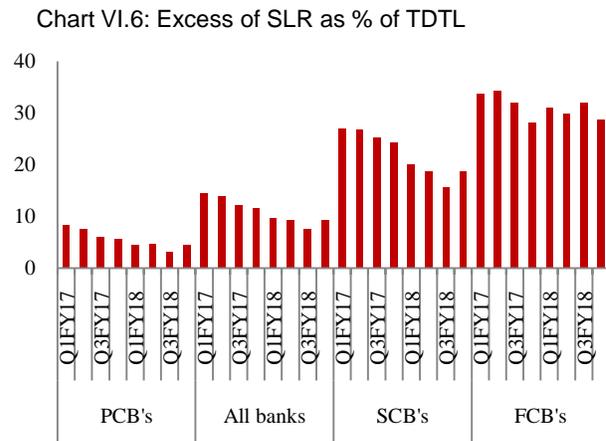
Table 6.2: Deposit and Advance Position of Scheduled Banks (In percent)

Bank groups	Year-on- year growth of deposit, % (excluding interbank)*		Year-on- year growth of advances, % (excluding interbank)		Advance Deposit Ratio (ADR)	
	Jun. 18	Mar. 18	Jun. 18	Mar. 18	Jun. 18	Mar. 18
SCBs	8.5	7.9	15.6	15.4	54.8	56.2
PCBs	12.7	12.2	17.7	18.5	73.7	69.0
FCBs	10.3	5.5	15.7	16.5	78.0	76.3
SBs	6.7	5.9	4.2	5.0	85.6	85.8
All	11.3	10.5	16.7	17.4	76.7	77.0

Source: Bangladesh Bank. *Adjusted deposits growth for ADR



Source: Bangladesh Bank



Source: Bangladesh Bank, staff's calculation

Table 6.3: Liquidity Position of the Scheduled Banks

(BDT in billion)

Bank groups	CRR			SLR		
	CRR requirement	Balance with BB in local currency	Excess(+)/shortfall (-) in reserve	SLR	SLR eligible liquid assets of banks**	Excess(+)/shortfall (-) of SLR
1	2	3	4=3-2	5	6	7=6-5
As of end-June, 2018						
SCBs	149.7	258.3	108.6	349.8	884.9	535.1
SBs*	15.0	22.7	7.8	0.0	0.0	0.0
PCBs (other than Islamic)	258.2	298.8	40.5	610.4	851.2	240.8
Private Banks (Islamic)	117.3	161.0	43.7	117.3	188.5	71.2
FCBs	23.4	30.1	6.7	53.8	181.5	127.7
All	563.6	770.9	207.4	1131.4	2106.1	974.7
As of end-March, 2018						
SCBs	173.9	175.7	1.8	344.0	765.1	421.2
SBs*	17.6	18.0	0.3	0.0	0.0	0.0
PCBs (other than Islamic)	301.0	305.4	4.5	601.9	757.1	155.2
Private Banks (Islamic)	136.1	174.4	38.2	115.2	171.3	56.2
FCBs	27.0	32.1	5.1	52.6	188.9	136.3
All	655.6	705.6	49.9	1113.6	1882.5	768.9

Source: Bangladesh Bank

* SLR does not apply to specialized banks as exempted by the Government.

**includes cash in tills, balance with BB in foreign currency, balance with Sonali Bank as an agent of BB, unencumbered approved securities and excess reserve (column 4)

Note: According to the circular No-MPD-02, 2013 with effect from February 01, 2014 SLR has been calculated separately (excluded CRR) as 13% for conventional banks and 5.5% for Islamic banks of the total demand and time liabilities.

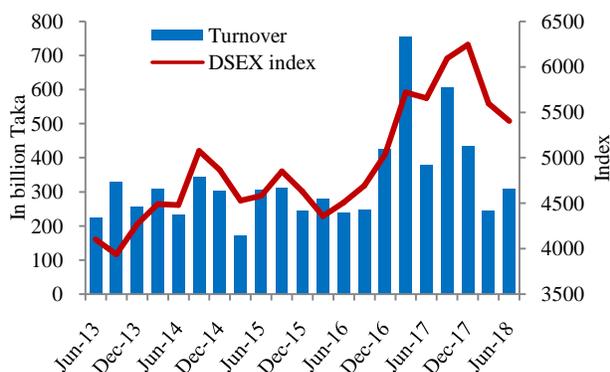
According to circular No. MPD-01, April 4, 2018, CRR revised to 5.5 percent from 6.5 percent effective from April 15, 2018

6.7 While banking sector developments reflected some liquidity mismatch and distributional concerns during Q3FY18, the reduction in CRR and repo by 100 and 75 basis points eased the liquidity conditions. The focus remains on managing the credit growth and ensuring that credit reaches productive sectors that support inclusive growth and macro-financial stability.

VII. Capital Market Developments

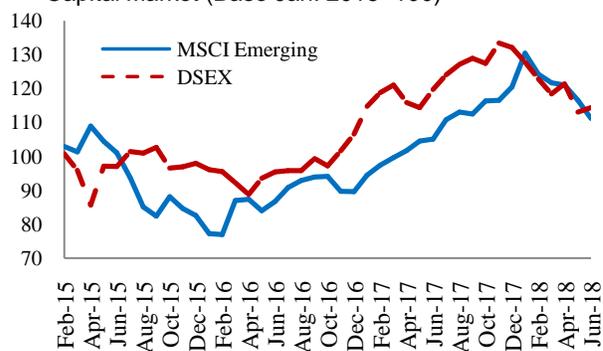
7.1 The performance of the capital market witnessed a mixed trend during Q4FY18, as reflected in price indices, market capitalization, price earnings ratio, and turnover. Although total turnover increased in Q4 after falling sharply in Q3, the movements of price indices and market capitalization were moderated during the quarter under review. The movements in the indices reflected both domestic and external market developments, including the price corrections in the global equity markets (Chart VII.2).

Chart VII.1: Trends in DSEX Index and Turnover



Source: DSE Monthly Review, Various Issues

Chart VII.2: Synchronization of DSEX and Global Capital Market (Base Jan. 2015=100)

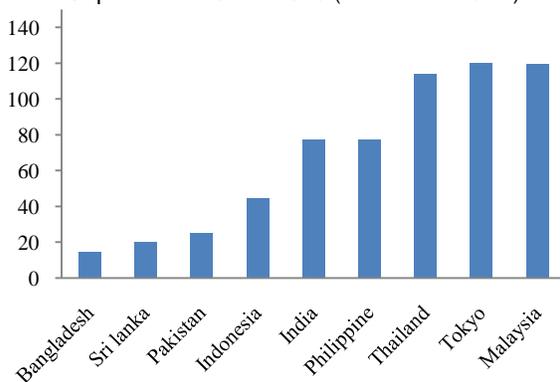


Sources: Dhaka Stock Exchange and www.msci.com

7.2 The key indicators of the capital market, the DSE broad index (DSEX) and DSE-30 index witnessed some price fluctuations in Q4FY18. The DSEX decreased by 3.4 percent and 4.4 percent from March 2018 and June 2017. The DSE-30 index also decreased by 6.9 percent and 5.9 percent from March 2018 and June 2017 respectively (Chart VII.1 and Table VII.1).

7.3 The overall price-earnings (PE) ratio of the DSE declined during Q4FY18. The average price earnings ratio edged down to 14.97 in June 2018 from 15.84 at the end of March 2017. Sector-wise PE ratio data show that banking sector's PE score was the lowest while that of the Cement sector was the highest (Chart VII.3) in Q4FY18.

Chart VII.4: Selected Countries; Stock Market Capitalization June 2018 (In Percent of GDP)



Source: DSE Monthly Review, July 2018

Table 7.1: Selected Countries: Price Earnings Ratio and Dividend Yield as of June 2018

Country	Price Earnings Ratio	Dividend Yield
Bangladesh	14.97	3.59
India	22.91	1.20
Sri Lanka	10.39	1.25
Thailand	16.57	1.86
Hong Kong	11.49	-
China	15.17	-

Source: DSE Monthly Review, June 2018

Chart VII.3 : Heat Map for Sectoral Price Earning Ratio of DSE

Sector	Share of Total M.cap Jun-18	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Dec-17	Mar-18	Jun-18
Bank	17.4	10.0	8.6	7.4	8.1	10.7	11.2	9.0	8.8
Financial Institutions	6.4	19.5	19.5	15.1	17.1	24.4	20.9	14.9	14.7
Engineering	5.8	23.7	22.5	29.5	23.0	20.7	18.7	16.5	16.8
Food & Allied	8.5	28.0	33.5	30.3	28.0	25.3	28.3	28.2	26.7
Fuel & Power	12.8	11.9	12.8	12.3	11.1	12.2	11.8	11.0	12.6
Textile	3.6	18.0	13.2	10.5	12.7	14.4	18.6	16.0	17.6
Pharmaceuticals	16.0	22.5	26.4	27.3	14.8	17.6	21.1	21.3	20.6
Service & Real Estate	0.6	22.7	42.8	34.7	29.2	31.3	20.6	17.1	16.7
Cement	3.6	19.4	34.8	27.2	26.5	21.5	25.0	21.4	34.6
IT	0.5	23.2	23.7	17.4	29.6	33.3	28.0	25.4	26.0
Tannery	0.8	16.0	20.2	24.1	24.2	21.6	18.1	17.4	15.8
Insurance	2.6	18.5	13.5	10.6	13.1	14.8	14.5	12.9	11.0
Telecommunication	16.6	16.1	33.6	18.0	20.3	25.6	28.6	28.0	19.5
Miscellaneous	2.4	17.2	46.2	32.7	27.8	21.3	21.3	20.5	16.9

Sources: DSE Monthly Review, Various Issues



7.4 Total turnover and issued capital in the DSE increased in Q4FY18, reflecting improving liquidity conditions. The value of issued equity and debt increased by 3.4 percent and two new companies were listed in the capital market in Q4FY18. Thus the number of listed securities increased to 351 at the end of Q4FY18. Total turnover value grew by 25.9 percent during Q4FY18 compared to previous quarter (Chart VII.1). Market liquidity as measured by Turnover Velocity Ratio (TVR)¹ increased to 37.7 percent in Q4FY18 from 29.1 percent in Q3FY18.

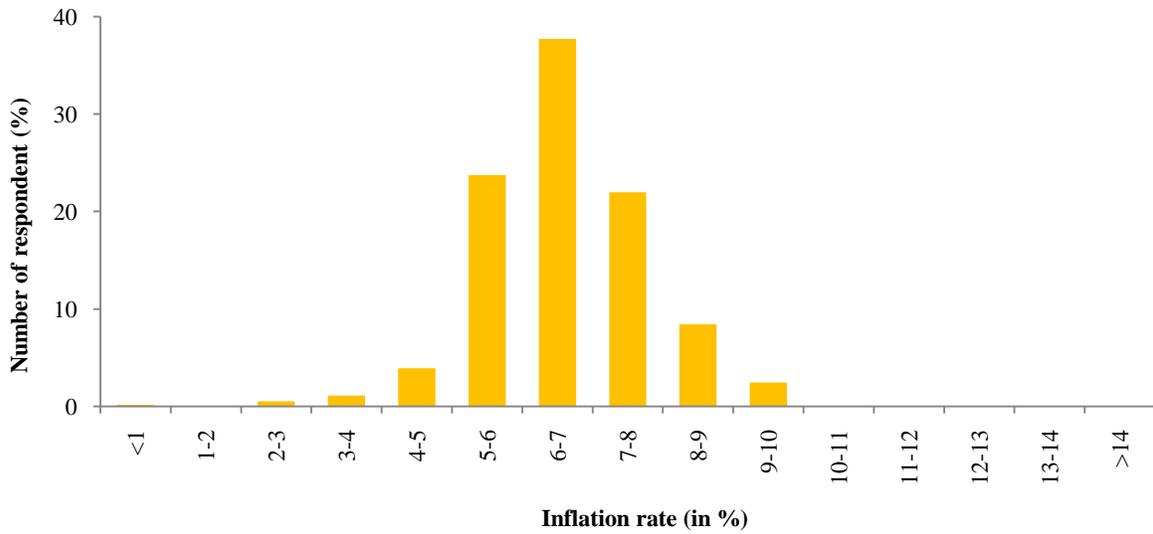
7.5 During Q4FY18, total turnover by foreign and non-resident Bangladeshi remained stable but net investment decreased as some investors locked in their profits. During Q4FY18 the investment by foreign and non-resident Bangladeshi investors declined to BDT 11.7 billion from BDT 15.2 billion in Q3FY18 while share sales increased to BDT 16.1 billion from BDT 12.7 billion in Q3FY18. As a result, net investment of foreign and non-resident Bangladeshi decreased to BDT -4.5 billion in Q4FY18 as compared to BDT 2.5 billion in Q3FY18.

7.6 Cross country data on price earnings (PE) ratios as of June 2018 show that Bangladesh has moderate PE ratio among the South and East Asian countries while dividend yield of Bangladesh is the highest (Table 7.1). Market capitalization in Bangladesh remains low at around 20 percent of GDP.

¹ TVR= (Turnover during the Quarter/Quarter-end Market capitalization)*4.

Box

Chart 2: Distribution of inflation expectations *



* One year ahead general inflation
Source: BB inflation expectation survey, July 2018

The survey findings from the latest round in July 2018 indicate that households expect inflation to rise more from the current level over the next one year (Chart 1). It also indicates that around 70 percent of the respondents expect one-year-ahead average inflation to be above 6 percent. Household's inflation expectations are mainly influenced by the movements in prices of food items, reflecting their consumption basket.

Tables

Table I.I: Macroeconomic Framework: Key Economic Indicators

Indicators	FY14	FY15	FY16	FY17	FY18
Growth in percent					
Real GDP	6.1	6.6	7.1	7.3	7.9
GDP deflator	5.7	5.8	6.8	5.3	5.6
CPI Inflation (average)	7.4	6.4	5.5	5.9	5.8
CPI Inflation (point to point)	7.0	6.3	5.9	5.4	5.5
In percent of GDP					
Gross Domestic Savings	22.1	22.1	25.0	25.3	22.8
Gross domestic investment	28.6	28.9	29.7	30.5	31.2
Total revenue	11.2	10.9	10.5	10.5	10.8
Tax	9.0	9.0	9.0	8.8	9.2
Nontax	1.9	1.5	1.2	1.4	1.3
Total expenditure	13.8	13.8	13.9	13.4	14.7
Current expenditure	7.0	8.0	7.5	6.5	6.8
Annual Development Program	4.4	4.7	5.0	5.5	6.6
Other expenditure (residual)	2.4	1.1	1.4	1.4	1.3
Overall balance (excluding grants)	-2.6	-2.9	-3.4	-2.9	-3.9
Financing (net)	2.6	2.9	3.4	2.9	3.9
Domestic financing	1.5	1.8	2.2	1.9	2.1
Banking System	0.5	-0.5	0.2	-0.9	-0.1
Non-bank	1.1	2.3	2.0	2.7	2.1
Growth in percent					
Money and credit					
Private sector credit	12.3	13.2	16.6	15.7	17.0
Broad money (M2)	16.1	12.4	16.4	10.9	9.2
Growth in percent					
External Sector					
Exports, f.o.b.	12	3.1	8.9	1.7	6.4
Imports, f.o.b.	8.9	3.0	5.9	9.0	25.2
In percent of GDP					
Current account balance	0.8	1.8	1.9	-0.6	-3.6
Overall balance	3.2	2.2	2.3	1.3	-0.3
USD in Million					
Exports, f.o.b.	29,765	30,697	33,441	34,019	36,205
Imports, f.o.b.	36,571	37,662	39,901	43,491	54,463
Gross official reserves	21,309	25,021	30,176	33,407	32,916
In terms of month of imports	5.8	6.5	7.2	6.6	5.9
Memorandum items:					
Nominal GDP (in billion Taka)	13,437	15,158	17,329	19,758	22,505

Source: Bangladesh Bank; Ministry of Finance and Bangladesh Bureau of Statistics.

Table I.2: Real GDP Growth by Sectors

Sectors	FY14	FY15	FY16	FY17	FY18
Agriculture	4.37 (16.50)	3.33 (16.00)	2.79 (15.35)	2.97 (14.74)	4.19 (14.23)
a) Agriculture and forestry	3.81	2.45	1.79	1.96	3.47
i) Crops and horticulture	3.78	1.83	0.88	0.96	3.06
ii) Animal farming	2.83	3.08	3.19	3.31	3.40
iii) Forest and related services	5.01	5.08	5.12	5.60	5.51
b) Fishing	6.36	6.38	6.11	6.23	6.37
Industry	8.16 (29.55)	9.67 (30.42)	11.09 (31.54)	10.22 (32.42)	12.06 (33.66)
a) Mining and quarrying	4.68	9.6	12.84	8.89	7.00
b) Manufacturing	8.77	10.31	11.69	10.97	13.40
i) Large & medium scale	9.32	10.7	12.26	11.2	14.26
ii) Small scale	6.33	8.54	9.06	9.82	9.25
c) Power, gas and water supply	4.54	6.22	13.33	8.46	9.19
d) Construction	8.08	8.6	8.56	8.77	9.92
Service	5.62 (53.95)	5.80 (53.58)	6.25 (53.12)	6.69 (52.85)	6.39 (52.11)
a) Wholesale and retail trade	6.73	6.35	6.50	7.37	7.45
b) Hotel and restaurants	6.70	6.83	6.98	7.13	7.28
c) Transport , storage & communications	6.05	5.96	6.08	6.76	6.58
d) Financial intermediations	7.27	7.78	7.74	9.12	7.90
e) Real estate, renting and business activity	4.25	4.40	4.47	4.80	4.98
f) Public administration and defence	6.89	9.82	11.43	9.15	8.47
g) Education	7.26	8.01	11.71	11.35	7.01
h) Health and social works	5.06	5.18	7.54	7.63	7.02
i) Community , social and personal service	3.27	3.28	3.30	3.62	3.65
GDP (at constant market price)	6.06	6.55	7.11	7.28	7.86

Source: Bangladesh Bureau of Statistics

Figures within the parentheses indicate the percentage share of total producer price GDP at constant price

Table I.3: Nominal GDP by Sectors
(In Billion Taka)

	FY14	FY15	FY16	FY17	FY18
Agriculture	2062.8	2240.8	2433.9	2650.3	2942.3
a) Agriculture and forestry	1639.7	1765.0	1903.1	2054.0	2273.5
i) Crops and horticulture	1179.0	1261.2	1343.2	1437.0	1591.7
ii) Animal framings	276.7	298.8	331.7	360.3	396.2
iii) Forest and related services	184.0	204.9	228.3	256.7	285.6
b) Fishing	423.1	475.8	530.8	596.3	668.8
Industry	3535.3	4067.1	4738.7	5483.1	6422.2
a) Mining and quarrying	210.8	238.8	285.8	341.3	388.8
b) Manufacturing	2232.2	2544.8	2951.1	3418.3	4041.4
i) Large & medium scale	1803.8	2059.9	2401.6	2792.2	3325.9
ii) Small scale	428.4	484.9	549.5	626.1	715.5
c) Power, gas and water supply	184.0	198.7	238.3	262.4	293.4
d) Construction	908.3	1084.8	1263.5	1461.1	1698.6
Service	7206.9	8142.0	9300.5	10565.9	11918.7
a) Wholesale and retail trade	1725.8	1925.9	2142.6	2439.6	2798.2
b) Hotel and restaurants	130.3	149.3	170.6	193.2	221.2
c) Transport , storage & communications	1343.2	1500.3	1691.6	1870.8	2046.3
d) Financial intermediations	485.6	557.6	636.0	732.0	837.3
e) Real estate, renting and business activity	912.3	1060.6	1237.4	1445.4	1664.2
f) Public administration and defence	447.3	506.7	667.1	784.4	902.3
g) Education	327.7	376.2	465.1	568.6	644.8
h) Health and social works	269.2	301.4	347.6	389.9	440.6
i) Community , social and personal service	1565.5	1764.0	1942.5	2142.1	2363.8
GDP at current market price	13,437	15,158	17,329	19,758	22,505

Source: Bangladesh Bureau of Statistics

Table I.4 : Crop-wise Agricultural Production

Crops	Actual for FY16		Actual for FY17		Actual / Target for FY18	
	Area	Production	Area	Production	Area	Production
	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)
Aus	10.3	24.7	9.4	21.3	10.8	27.1*
Aman	56.5	135.6	55.8	136.6	56.2	138.6
Boro	48.0	190.0	44.8	180.1	47.3	190.4
Total Rice	114.7	350.2	110.0	338.0	114.7	355.6
Wheat	4.9	13.6	4.2	13.1	4.0	12.8
Maize	3.7	25.7	4.3	35.8	4.6	38.2
Total Cereal	123.3	389.5	118.5	386.9	123.4	406.6
Jute	7.3	13.6	7.4	14.8	7.9	14.42*
Potato	5.0	103.0	5.0	102.2	5.0	100.0
Vegetables	8.3	152.6	8.5	160.4	8.7	162.6
Moong	2.1	2.3	3.2	2.1	2.3	2.5
Mosur	2.5	2.7	2.7	3.6	2.7	3.6
Gram	0.1	0.1	0.0	0.1	0.7	0.8
Mustard	5.8	7.0	5.5	7.1	5.6	7.2
Onion	2.2	21.3	2.1	21.5	2.1	21.6

Sources: Bangladesh Bureau of Statistics and Department of Agriculture Extension, Ministry of Agriculture.

* Actual production

Table I.5 : Quantum Index of Medium and Large-scale Manufacturing Industries, Mining and Electricity
(Base: 2005-06)

	FY16				FY17				FY18			
	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄ ^P
Manufacturing	252.7	244.1	273.8	290.3	268.5	283.9	302.1	321.0	325.9	345.9	352.7	355.1
Mining	182.2	186.0	187.1	185.9	182.5	188.3	185.3	185.8	187.4	186.3	184.3	186.2
Electricity	223.8	207.7	206.1	250.7	261.8	227.2	216.4	268.1	291.7	243.7	259.4	288.9

Source : Bangladesh Bureau of Statistics

P=Provisional

Tables I.6 : Quantum Index of Medium and Large-scale Manufacturing Industries by Major Industries
(Base: 2005-06)

	Weight	FY17				FY18			
		Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄
General Index	100.00	268.5	283.9	302.1	321.0	325.9	345.9	352.7	355.1
Food products	10.84	367.0	340.0	375.0	416.3	481.1	526.5	491.5	505.0
Beverage	0.34	275.6	214.7	228.7	311.4	303.7	187.8	208.3	261.8
Tobacco product	2.92	129.5	139.0	145.6	144.2	134.1	193.3	189.1	141.0
Textile	14.07	132.4	180.7	172.6	187.9	179.7	204.9	196.7	199.5
Wearing apparel	34.84	323.5	341.0	351.7	358.6	357.4	384.9	411.3	400.8
Leather and related product	4.40	152.6	167.9	206.1	249.9	274.4	286.5	299.0	309.0
Wood and product of wood and cork	0.33	317.4	324.5	328.0	331.2	334.6	337.6	341.1	344.8
Paper and paper products	0.33	183.0	183.5	183.9	184.2	184.6	185.0	185.6	186.3
Printing and reproduction of recorded media	1.83	153.5	154.9	156.6	157.5	158.7	160.5	161.9	167.7
Coke and refined petroleum product	1.25	186.6	186.0	186.1	172.3	108.9	112.4	111.3	110.9
Chemical and chemical product	3.67	94.2	100.6	112.5	108.9	109.1	106.7	97.4	90.0
Pharmaceuticals and medicinal chemical	8.23	375.3	371.9	419.0	525.0	544.0	497.7	513.0	558.5
Rubber and plastic products	1.56	365.0	346.1	361.0	367.1	388.9	413.7	420.1	425.0
Other non-metallic mineral product	7.12	272.7	330.4	386.8	377.5	342.8	381.5	395.4	407.7
Basic metal	3.15	178.9	163.7	174.2	179.4	179.5	185.9	187.8	187.9
Fabricated metal product	2.32	224.1	234.6	259.4	266.0	264.8	278.0	277.7	276.8
Computer, electronic and optical product	0.15	229.9	224.0	270.7	254.7	189.2	140.7	155.9	228.5
Electrical equipments	0.73	294.1	379.9	365.2	331.9	392.2	318.2	324.0	316.0
Machinery and equipment	0.18	344.4	370.0	454.5	456.5	503.4	528.7	575.8	586.9
Motor vehicles and trailers	0.13	715.8	679.3	346.5	496.4	202.4	281.3	254.0	536.3
Other transport equipment	0.73	477.9	550.5	633.7	578.0	565.7	616.9	624.3	610.9
Furniture	0.88	146.1	150.9	152.0	156.8	167.4	198.4	181.2	192.2

Source : Bangladesh Bureau of Statistics

Table I.7 : Cargo Handled by Chittagong Port (In Thousand Metric Tons)

	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Quantity										
Export	6,709.8	1,509.4	1,828.7	1,746.2	1,625.4	6,997.5	1,713.9	1,827.1	1,765.7	1,690.8
Import	6,6464.3	1,478.0	17,715.5	17,748.6	16,522.3	78,050.4	16,702.0	20,323.1	20,425.2	20,600.1
Total	73,174.0	15,987.4	19,544.2	19,494.8	18,147.6	85,047.9	18,415.9	22,150.2	22,190.9	22,290.9
Growth (in percent)¹										
Export	12.4	6.9	28.4	12.1	3.1	4.3	13.5	-0.1	1.1	4.0
Import	14.0	21.7	21.2	9.2	6.2	17.4	15.4	14.7	15.1	24.7
Total	13.8	20.1	21.8	9.5	5.9	16.2	15.2	13.3	13.8	22.8

Source: Chittagong Port Authority.

1/ Quarterly growth rate refers to growth over the same quarter of previous year.

Table I.8 : Trends in Private Sector Credit

Institutions	FY17				FY18			
		Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Outstanding (in billion Taka)								
Banks	7760.6	6801.4	7170.2	7386.4	7760.6	8012.3	8470.2	8714.3
Non-banks	581.7	528.6	546.2	557.6	581.7	596.0	602.3	630.3
Microfinance institutions	463.3	376.9	406.4	435.7	463.3	465.65	555.6	568.8
Total	8,805.6	7,706.9	8,122.8	8,379.7	8,805.6	9,073.9	9,628.1	9,913.4
Growth (in percent)¹								
Banks	15.9	15.3	15.6	16.1	15.9	17.8	18.1	18.0
Non-banks	9.9	16.5	13.6	11.1	9.9	12.7	10.3	13.0
Microfinance institutions	24.5	25.1	26.6	26.3	24.5	23.5	36.7	30.5
Total	15.9	15.9	15.9	16.2	15.9	17.7	18.5	18.3

Source: Bangladesh Bank; Grameen Bank, BRAC, ASA

1/ Quarterly growth rate refers growth over the same quarter of the previous year.

Table I.9. : Bank Advances (Private Sector) by Economic Purposes

Sectors	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Outstanding (in billion Taka)										
a. Agriculture	359.2	320.9	325.5	340.7	359.2	414.2	361.2	384.9	393.2	414.2
<i>Of which : Crops</i>	325.1	294.3	296.5	311.8	325.1	389.2	335.4	356.7	363.9	389.2
<i>Others</i>	34.1	26.6	29.0	28.9	34.1	25.0	25.7	28.2	29.3	25.0
b. Industry	2753.4	2368.2	2456.0	2555.3	2753.4	3376.0	2983.5	3174.6	3193.2	3376.0
<i>Term Loan</i>	1281.8	1102.2	1165.0	1207.2	1281.8	1580.4	1383.0	1473.9	1420.5	1580.4
<i>Working capital financing</i>	1471.6	1266.0	1290.9	1348.2	1471.6	1795.6	1600.5	1700.7	1772.7	1795.6
c. Construction	649.5	562.6	621.6	622.8	649.5	789.1	665.3	693.1	737.3	789.1
d. Transport	50.9	47.2	50.7	52.3	50.9	68.5	56.8	57.9	66.0	68.5
e. Trade & Commerce	2548.4	2204.1	2380.6	2425.6	2548.4	2826.3	2531.7	2615.6	2756.8	2826.3
f. Other Institutional loan	162.7	127.1	143.4	143.7	162.7	199.7	173.5	178.8	196.5	199.7
g. Consumer finance	556.7	524.7	559.7	573.7	556.7	620.9	565.6	693.0	597.2	620.9
h. Miscellaneous	50.5	49.8	52.7	53.6	50.5	47.0	31.5	26.1	39.1	47.0
Grand Total :	7130.8	6204.6	6590.2	6767.6	7130.8	8341.6	7369.1	7824.0	7979.2	8341.6
Growth (in percent)										
a. Agriculture	9.9	11.3	9.9	12.1	9.9	15.3	12.6	18.2	15.4	15.3
<i>Crops</i>	8.5	14.1	10.4	11.8	8.5	19.7	14.0	20.3	16.7	19.7
<i>Others</i>	24.9	-12.5	5.5	16.5	24.9	-26.7	-3.4	-2.8	1.4	-26.7
b. Industry	18.3	16.8	14.7	17.3	18.3	22.6	26.0	29.3	25.0	22.6
<i>Term Loan</i>	22.5	14.5	11.4	15.9	22.5	23.3	25.5	26.5	17.7	23.3
<i>Working capital financing</i>	15.0	18.8	18.0	18.6	15.0	22.0	26.4	31.7	31.5	22.0
c. Construction	20.2	17.6	28.3	14.1	20.2	21.5	18.3	11.5	18.4	21.5
d. Transport	8.1	11.6	16.0	0.8	8.1	34.6	20.3	14.2	26.2	34.6
e. Trade and Commerce	16.4	13.6	11.6	15.3	16.4	10.9	14.9	9.9	13.7	10.9
f. Other Institutional loan	27.4	30.1	37.1	18.7	27.4	22.7	36.5	24.7	36.7	22.7
g. Consumer finance	4.6	12.7	14.2	15.3	4.6	11.5	7.8	23.8	4.1	11.5
h. Miscellaneous	14.3	38.3	51.0	22.7	14.3	-6.9	-36.7	-50.5	-27.1	-6.9
Grand Total :	16.2	15.4	15.1	15.7	16.2	17.0	18.8	18.7	17.9	17.0

Source: Statistics department, Bangladesh Bank.

Table I.10: Trends in Agricultural Credit

	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Programme /Target (July-June)	175.5	175.5	175.5	175.5	175.5	204.0	204.0	204.0	204.0	204.0
Total disbursement (In billion Taka)	210.0	34.0	65.3	58.8	51.9	213.9	42.4	65.2	54.6	51.8
Crop	100.6	15.5	34.0	29.4	21.7	103.4	18.9	33.9	26.0	24.4
Irrigation	1.5	0.3	0.3	0.5	0.3	1.5	0.3	0.5	0.5	0.3
Agricultural equipment	1.5	0.2	0.7	0.3	0.4	1.2	0.3	0.6	0.2	0.1
Live-stock	30.6	6.0	7.8	8.3	8.5	30.6	7.9	9.0	7.1	6.6
Fisheries	24.3	4.1	7.5	7.1	5.6	24.6	5.6	6.6	6.5	5.9
Grain storage & marketing	1.1	0.2	0.3	0.2	0.4	1.1	0.2	0.4	0.2	0.3
Poverty alleviation	18.8	3.3	6.0	5.7	4.0	21.5	2.4	5.8	8.2	5.0
Others	31.7	5.0	8.3	7.3	11.1	30.0	6.8	8.3	5.7	9.1
Total recovery (In billion Taka)	188.4	35.4	54.5	49.7	48.8	213.9	45.6	55.7	52.6	60.0
Total overdue	67.1	62.2	64.3	64.6	67.1	72.1	65.0	65.3	68.1	72.1
Outstanding (In billion Taka)	390.5	345.5	359.0	371.3	390.5	406.0	389.5	401.5	404.2	406.0
Overdue as percent of outstanding	17.2	18.0	17.9	17.4	17.2	17.8	16.7	16.3	16.85	17.8
Growth in percent ¹										
Total disbursement	19.0	6.1	17.7	44.9	7.3	1.9	24.6	-0.2	-7.1	-0.2
Total recovery	10.5	13.6	2.7	17.8	10.5	13.5	28.8	2.2	5.8	23.0

Source: Agricultural Credit Department, Bangladesh Bank.

¹ Quarterly growth rate refers growth over the same quarter of the previous year.

Table : I.11 Microcredit Operations of Grameen Bank and Large NGOs

Institutions	FY17	FY17				FY18		
		Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
1. Total disbursement (In billion Taka)	781.6	153.9	201.1	213.2	213.4	199.1	242.7	241.6
i) Grameen Bank	208.1	41.4	53.2	56.6	56.9	54.4	66.8	65.6
ii) BRAC	266.5	55.9	68.3	71.1	71.2	68.3	82.6	84.6
iii) ASA	305	56.9	78.8	84.8	84.5	75.6	92.6	90.7
iv) Proshika	2.2	0	0.7	0.7	0.8	0.7	0.8	0.8
2. Total recovery	724.8	155.1	181.8	191.8	196.1	200.1	225.9	228.7
i) Grameen Bank	182.7	38.8	46.7	48.9	48.3	45.6	59.7	59.1
ii) BRAC	272.6	61.6	67.0	70.7	73.3	76.8	80.8	84.0
iii) ASA	267.3	54.6	67.5	71.5	73.7	76.9	84.7	84.9
iv) Proshika	2.2	0	0.7	0.7	0.8	0.8	0.8	0.8
3. Loans outstanding	463.3	376.9	406.4	435.7	463.3	465.6	555.6	568.8
4. Loans overdue	7.0	5.9	5.9	6.4	7.0	8.0	25.7	28.2
5. Overdue as percent of outstanding	1.5	1.6	1.5	1.5	1.5	1.7	4.6	5.0

Sources: Grameen Bank, BRAC, ASA and Proshika.

Table I.12 : Term Lending by Banks and NBFIs
(Taka in billion)

Lender	FY17				FY18			
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Disbursement								
SOBs	38.5	6.9	10.3	16.6	4.7	10.1	5.5	5.9
PCBs	465.3	96.0	141.1	114.9	113.3	119.3	140.5	193.6
Foreign banks	13.5	3.7	5.2	2.6	2.0	2.2	6.0	37.7
Specialized banks	10.8	0.1	4.3	3.6	2.8	2.9	1.4	1.7
Non-bank financial institutions	93.4	23.7	34.8	20.1	14.7	23.2	25.4	11.8
Total	621.6	130.4	195.8	157.8	137.5	157.7	178.8	250.8
Recovery								
SOBs	40.4	8.4	9.9	8.7	13.4	7.3	13.2	5.8
PCBs	391.4	92.9	100.3	112.4	85.7	126.0	148.4	147.1
Foreign banks	11.7	2.2	3.9	3.3	2.4	3.0	4.6	36.0
Specialized banks	9.1	0.3	2.3	5.1	1.3	2.3	2.3	2.2
Non-bank financial institutions	68.3	20.3	20.4	15.9	11.6	16.5	17.9	8.8
Total	520.9	124.2	136.8	145.5	114.5	155.1	186.4	199.9
Outstanding								
SOBs	331.1	314.7	273.8	276.4	331.1	343.5	364.1	51.6
PCBs	112.2	928.8	978.6	1034.6	112.2	1154.0	1201.2	289.8
Foreign banks	22.7	22.5	23.7	22.8	22.7	22.8	24.4	18.8
Specialized banks	15.2	14.4	71.0	70.2	15.2	15.9	15.2	2.1
Non-bank financial institutions	218.5	196.7	207.9	208.3	218.5	222.3	245.2	31.3
Total :	1709.9	1477.2	1555.0	1612.3	1709.9	1758.5	1850.2	393.5
Growth in Percent¹								
Disbursement								
SOBs	29.0	-5.6	16.8	162.6	-31.1	46.7	-47.2	-64.1
PCBs	-6.3	6.5	5.4	-22.6	-8.8	24.3	-0.4	68.5
Foreign banks	-38.5	-20.9	-21.0	-49.1	-64.1	-42.1	16.1	1327.4
Specialized banks	51.8	-97.1	83.4	259.8	160.4	3037.2	-67.1	-52.4
Non-bank financial institutions	-6.3	9.5	30.9	-6.9	-50.7	-2.2	-27.0	-41.5
All Banks and NBFIs	-5.2	2.7	9.9	-13.6	-79.0	20.9	-8.7	58.9
Recovery								
SOBs	52.2	33.6	37.2	103.6	-46.9	-12.8	33.5	-33.2
PCBs	10.7	8.2	11.0	27.3	-75.8	35.6	47.9	30.8
Foreign banks	-47.9	-57.5	-13.3	-53.9	-89.3	35.5	20.6	994.7
Specialized banks	-36.5	-82.0	-9.5	-1.9	-92.6	584.8	-3.5	-57.9
Non-bank financial institutions	7.4	77.4	37.6	-18.1	-81.7	-19.0	-12.4	-44.4
All Banks and NBFIs	8.0	12.2	14.5	17.0	-76.3	24.9	36.3	37.4
Outstanding								
SOBs	30.7	40.9	16.5	11.0	30.7	9.1	33.0	-81.3
PCBs	-87.8	22.8	18.8	17.8	-87.8	24.2	22.8	-72.0
Foreign banks	-26.1	-18.9	18.5	-24.6	-26.1	1.3	3.0	-17.7
Specialized banks	-76.9	-72.2	-6.5	-3.0	-76.9	10.2	-78.6	-97.0
Non-bank financial institutions	12.5	11.9	10.1	8.8	12.5	13.0	18.0	-85.0
All Banks and NBFIs	17.0	19.6	15.7	13.4	17.0	19.0	19.0	-75.6

Source: SME & Special Programmes Department Bangladesh Bank

1/ Quarterly growth rate refers growth over the same quarter of the previous year. 2/ BDBL, BKB, RAKUB

Table II.1 : Trend in Inflation

(Base : 2005-06=100)

Period	12 Month point to point			12 Month Average		
	General	Food	Non-food	General	Food	Non-food
2016						
July	5.40	4.35	6.98	5.84	4.76	7.48
August	5.37	4.30	7.00	5.77	4.62	7.53
September	5.53	5.10	6.19	5.71	4.56	7.48
October	5.57	5.56	5.58	5.66	4.53	7.38
November	5.38	5.41	5.33	5.60	4.51	7.27
December	5.03	5.38	4.49	5.51	4.51	7.05
2017						
January	5.15	6.53	3.10	5.44	4.70	6.57
February	5.31	6.84	3.07	5.41	4.95	6.11
March	5.39	6.89	3.18	5.39	5.20	5.67
April	5.47	6.94	3.30	5.38	5.46	5.25
May	5.76	7.37	3.44	5.41	5.75	4.89
June	5.94	7.51	3.67	5.44	6.02	4.58
July	5.57	6.95	3.53	5.45	6.23	4.29
August	5.89	7.32	3.75	5.50	6.48	4.03
September	6.12	7.87	3.44	5.55	6.72	3.81
October	6.04	7.62	3.61	5.59	6.89	3.65
November	5.91	7.09	4.1	5.64	7.03	3.56
December	5.83	7.13	3.85	5.70	7.17	3.50
2018						
January	5.9	7.4	3.13	5.68	7.17	3.00
February	5.64	6.94	3.25	5.72	7.19	3.07
March	5.63	6.77	3.52	5.76	7.19	3.16
April	5.63	7.03	3.49	5.83	7.32	3.58
May	5.57	6.56	4.08	5.82	7.25	3.63
June	5.54	5.98	4.87	5.78	7.13	3.74

Source: Bangladesh Bureau of Statistics (BBS)

Note: Food includes food, beverage & tobacco.

Table II.2 : International Commodity Prices

	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Rice (US\$/M.T)	384.0	413.7	369.0	371.3	419.7	422.0	404.0	400.7	432.3	451.00
Thailand (Milled,5% broken)										
Wheat (US\$/M.T)	172.2	161.1	164.3	177.0	176.8	188.1	183.8	175.1	189.3	204.37
Soybean oil (US\$/M.T)	845.4	810.3	881.7	839.7	815.0	846.3	857.3	871.3	846.7	810
Sugar (US cents/pound)	0.4	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.27
World										
Crude Petroleum(Dubai)(US\$/Barrel)	50.2	43.4	47.9	52.9	49.7	61.2	50.6	59.2	64.0	71.045

Source : World Bank

Table II.3 : Inflation in South Asian Countries

Country	(Point to Point)									
	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Bangladesh	5.94	5.50	5.03	5.39	5.94	5.54	6.12	5.83	5.68	5.54
India(CPI NS)	1.50	4.40	3.40	3.90	1.50	4.90	3.30	5.20	4.28	4.9
Pakistan	3.90	3.90	3.70	4.90	3.90	5.20	3.90	4.60	3.20	5.2
Sri Lanka (NCPI)	6.30	4.70	4.20	8.60	6.30	6.30	8.60	7.30	6.70	6.3

Source: Central banks and Statistics Departments of respective countries

Table III.1 : Movements in Reserve Money
(Taka in billion)

	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Outstanding										
1. Net foreign assets of BB	2513	2331	2355	2424	2513	2532	2508	2535	2529	2532
2. Net domestic assets of BB	-267	-433	-440	-498	-267	-195	-356	-365	-407	-195
a) Claims on public sector	151	30	68	16	151	249	89	114	123	249
i) Claims on govt. (net)	130	10	49	-2	130	226	67	92	101	226
ii) Claims on other public sector	22	20	19	19	22	24	22	22	22	24
b) Claim on private sector	50	48	49	49	50	52	48	50	50	52
c) Claims on banks	51	52	49	51	51	56	53	49	51	56
d) Other items (net)	-518	-563	-607	-614	-518	-552	-545	-578	-630	-552
3. Currency issued	1513	1283	1234	1245	1513	1549	1441	1407	1402	1549
i) Currency outside banks	1375	1181	1132	1141	1375	1409	1328	1291	1281	1409
ii) Cash in tills	137	101	102	104	137	140	113	116	120	140
4. Deposits of banks with BB	734	616	681	681	734	788	711	763	721	788
5. Reserve money (RM)	2247	1898	1915	1926	2247	2337	2153	2170	2123	2337
6. Money multiplier (M2/RM)	4.5	4.9	5.0	5.0	4.5	4.7	4.8	4.9	5.0	4.7
Growth (in percent)										
1. Net foreign assets of BB	14.8	21.6	19.9	16.9	14.8	0.8	7.6	7.6	4.3	0.8
2. Net domestic assets of BB	3.8	49.4	-21.3	-9.3	3.8	-26.9	17.8	17.1	18.3	26.9
a) Claims on public sector	-1.7	-207.1	661.2	-75.9	-1.7	64.8	195.8	67.7	653.2	64.8
i) Claims on govt. (net)	-2.9	-120.3	246.7	-104.7	-2.9	73.9	566.5	89.6	4701.6	73.9
ii) Claims on other public sector	6.8	-6.6	-8.5	-8.9	6.8	9.7	8.4	12.1	19.7	9.7
b) i) Claim on private sector	0.2	2.8	0.6	1.3	0.2	3.7	0.3	1.3	1.9	3.7
ii) Claims on Banks	-16.0	-13.4	-17.8	-3.9	-16.0	10.7	0.9	0.7	-1.4	10.7
3. Currency issued	14.3	14.1	21.8	18.5	14.3	6.5	12.4	14.0	12.6	2.4
4. Deposits of banks with BB	20.5	22.5	15.7	19.9	20.5	2.4	15.6	12.0	5.8	7.4
5. Reserve money (RM)	16.3	16.7	19.5	19.0	16.3	2.5	13.4	13.3	10.2	4.0
6. Money multiplier (M2/RM)	-4.7	-3.0	-4.4	-5.1	-4.7	2.1	-2.0	-2.0	0.0	4.0

Source: Statistics Department, Bangladesh Bank.

Table III.2 : Movements in Broad Money
(Taka in billion)

	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Outstanding										
1. Net foreign assets	2660	2468	2473	2542	2660	2644	2631	2640	2630	2644
2. Net domestic assets	7501	6848	7068	7107	7501	8456	7657	7920	7910	8456
a) Domestic credit	8907	8097	8320	8452	8907	10217	9133	9525	9642	10217
i) Credit to public sector	1146	1296	1150	1066	1146	1141	1121	1055	928	1141
Credit to govt. (net)	973	1137	986	903	973	949	944	873	746	949
Credit to other public sector	173	159	164	163	173	192	177	183	182	192
ii) Credit to private sector	7761	6801	7170	7386	7761	9076	8012	8470	8714	9076
b) Other items (net)	-1406	-1249	-1252	-1346	-1406	-1761	-1477	-1606	-1732	-1761
3. Narrow Money	2401	2014	2045	2026	2401	2549	2313	2338	2253	2549
a) Currency outside banks	1375	1181	1132	1141	1375	1409	1328	1291	1281	1409
b) Demand deposits	1026	833	913	885	1026	1140	985	1046	971	1140
4. Time deposits	7760	7301	7496	7622	7760	8551	7974	8222	8288	8551
5. Broad money	10161	9315	9541	9648	10161	11100	10287	10560	10541	11100
Growth (in percent)										
1. Net foreign assets	14.1	21.1	18.1	15.4	14.1	-0.6	6.6	6.8	3.5	-0.6
2. Net domestic assets	9.8	10.9	12.4	12.3	9.7	12.7	11.8	12.1	11.3	12.7
Domestic credit	11.2	11.9	12.3	12.2	11.2	14.7	12.8	14.5	14.1	14.7
a) Credit to public sector	-12.0	-3.3	-4.3	-8.9	-12.0	-0.5	-13.5	-8.3	-13.0	-0.5
Credit to govt. (net)	-14.8	-3.8	-4.7	-9.5	-14.8	-2.5	-16.9	-11.5	-17.4	-2.5
Credit to other public sector	7.7	0.8	-1.6	-5.7	7.7	11.2	11.1	11.4	11.7	11.2
b) Credit to private sector	15.7	15.3	15.6	16.1	15.7	17.0	17.8	18.1	18.0	17.0
3. Narrow money	13.0	16.6	21.5	18.1	13.0	25.3	14.9	14.3	11.2	6.2
4. Time deposits	10.2	12.5	11.9	11.8	10.2	6.2	9.2	9.7	8.7	10.2
5. Broad money	10.9	13.4	13.8	13.1	10.9	2.5	10.4	10.7	9.3	9.2

Source: Statistics Department, Bangladesh Bank.

Table III.3: Interest Rates Developments

Instruments	Jun. 17	Sep.17	Dec.17	Mar. 18	Jun. 18
T - Bills					
91 - day	3.65	3.85	3.38	3.23	3.67
182 - day	4.11	4.01	3.86	3.63	4.20
364 - day	4.37	4.25	4.35	4.00	4.27
BGTB					
2 - year	4.9	4.82	5.03	5.26	4.71
5 - year	5.68	5.68	5.9	5.82	5.98
10 - year	6.74	6.91	7.17	7.32	7.41
15-year	7.66	7.71	7.93	8.08	7.99
20-year	8.00	8.02	8.25	8.45	8.82
Repo					
1-3 day	6.75	6.75	6.75	6.75	6.00
Reverse Repo					
1-3 day	4.75	4.75	4.75	4.75	4.75
Bangladesh Banks Bills					
07-Day	2.98	2.98	2.98	2.98	0.17
14-Day	2.98	2.98	2.98	2.98	0.17
30-Day	2.96	2.97	2.97	2.97	...
Call Money Rate	3.93	3.91	3.92	4.40	3.41
Lending Rate					
All Banks	9.56	9.45	9.35	9.70	9.95
SOBs	8.66	8.47	8.38	7.99	7.80
SPBs	9.10	8.69	8.72	8.85	8.91
PCBs	9.79	9.78	9.67	10.2	10.56
FCBs	7.86	7.99	8.19	8.66	9.12
Deposits Rate					
All Banks	4.84	4.9	4.91	5.30	5.50
SOBs	4.47	4.46	4.36	4.34	4.23
SPBs	5.98	5.95	5.9	5.55	5.67
PCBs	4.94	5.25	5.29	5.90	6.23
FCBs	1.66	1.66	1.67	1.92	2.05
NSD Certificate					
3 - year	11.04	11.04	11.04	11.04	11.04
5 - year	11.76	11.76	11.76	11.76	11.76

Source: Monetary Policy Department and Statistics Department, Bangladesh Bank

Table III.4: Outstanding Stocks of Treasury Bills, Bonds and NSD Certificates
(Taka in billion)

Instruments	Jun. 17	Sep.17	Dec.17	Mar. 18	Jun. 18
Bangladesh Banks Bills					
07-Day	48.4	109.7	92.7	125.5	80.5
14-Day	129.7	90.3	72.3	39.6	7.5
30-Day	4.7	12.1	11.0	20.4	0.0
T - Bills					
91 - day	79.3	70.0	63.0	63.0	123.0
182 - day	78.5	89.0	57.0	57.0	71.0
364 - day	87.7	90.0	83.0	83.0	75.0
BGTB					
2 - year	89.5	88.0	88.0	92.5	100.5
5 - year	312.7	313.2	306.7	294.2	287.7
10 - year	498.5	506.5	512.5	507.5	518.5
15-year	208.7	213.7	221.7	224.7	238.7
20-year	181.9	186.9	192.9	195.9	208.9
Sub Total	1536.8	1557.2	1524.7	1453.7	1623.2
NSD Certificate	1912.4	2039.3	2150.6	2279.5	2377.7
Total	3449.2	3596.5	3675.3	3733.2	4000.9

Source: Monetary Policy Department, Bangladesh Bank and National Savings Directorates.

Table IV.1 : Government Fiscal Operations
(Taka in billion)

	FY17	FY17				FY18	Budget	Revised Budget	FY18			
		Q1 ^E	Q2 ^E	Q3 ^E	Q4 ^E				Q1 ^E	Q2 ^E	Q3 ^E	Q4 ^E
Revenue	2046.4	445	507	531	564	2435	2880	2595	538	585	602	711
a) NBR Tax revenue	1716.8	355	412	455	495	2072	2482	2250	436	487	512	638
i) VAT	638.5	136	160	167	176	773	912	827	172	188	192	221
ii) Customs duties	210.7	44	52	56	58	245	318	282	56	63	62	64
iii) Income tax	527.6	101	115	138	174	645	852	777	116	137	151	240
iv) Others	340.1	74	85	94	87	410	401	363	92	99	107	112
b) Non- NBR tax revenue	62.8	13	14	16	20	74	83	72	22	16	16	20
c) Non- tax revenue	266.8	77	80	60	50	288	315	273	79	82	74	53
Expenditure	2617.3	566	546	634	872	3310	4003	3715	681	767	694	1168
a) Current	1268.4	403	248	353	265	1541	2091	1938	444	414	355	327
b) ADP	1070.8	108	228	203	532	1482	1533	1484	168	276	276	763
c) Others	278.0	55	70	78	75	288	378	293	70	77	63	78
Budget Deficit	-570.8	-121	-39	-103	-308	-875	-1068	-1076	-144	-182	-92	-457
Financing	570.8	121	39	103	308	875	1068	1076	144	182	92	457
a) Domestic financing	362.2	99	-8	46	225	464	604	660	97	64	3	299
i) Bank financing	-174.7	-20	-132	-92	69	-11	282	199	-38	-49	-126	201
ii) Non-bank financing	536.9	119	124	138	156	475	321	461	135	114	128	98
b) Foreign financing*	208.6	22	47	57	83	412	464	416	47	118	89	158
As Percentage of Annual GDP												
Revenue	10.5	2.3	2.6	2.7	2.9	10.8	12.8	11.5	2.4	2.6	2.7	3.2
a) NBR Tax revenue	8.8	1.8	2.1	2.3	2.5	9.2	11.0	10.0	1.9	2.2	2.3	2.8
i) VAT	3.3	0.7	0.8	0.9	0.9	3.4	4.1	3.7	0.8	0.8	0.9	1.0
ii) Customs duties	1.1	0.2	0.3	0.3	0.3	1.1	1.4	1.3	0.3	0.3	0.3	0.3
iii) Income tax	2.7	0.5	0.6	0.7	0.9	2.9	3.8	3.5	0.5	0.6	0.7	1.1
iv) Others	1.7	0.4	0.4	0.5	0.4	1.8	1.8	1.6	0.4	0.4	0.5	0.5
b) Non-NBR tax revenue	0.3	0.1	0.1	0.1	0.1	0.3	0.4	0.3	0.1	0.1	0.1	0.1
c) Non tax revenue	1.4	0.4	0.4	0.3	0.3	1.3	1.4	1.2	0.4	0.4	0.3	0.2
Expenditure	13.4	2.9	2.8	3.2	4.5	14.7	17.8	16.5	3.0	3.4	3.1	5.2
a) Current	6.5	2.1	1.3	1.8	1.4	6.8	9.3	8.6	2.0	1.8	1.6	1.5
b) ADP	5.5	0.6	1.2	1.0	2.7	6.6	6.8	6.6	0.7	1.2	1.2	3.4
c) Others	1.4	0.3	0.4	0.4	0.4	1.3	1.7	1.3	0.3	0.3	0.3	0.3
Budget Deficit	-2.9	-0.6	-0.2	-0.5	-1.6	-3.9	-4.7	-4.8	-0.6	-0.8	-0.4	-2.0
Financing	2.9	0.6	0.2	0.5	1.6	3.9	4.7	4.8	0.6	0.8	0.4	2.0
a) Domestic financing	1.9	0.5	0.0	0.2	1.2	2.1	2.7	2.9	0.4	0.3	0.0	1.3
i) Bank financing	-0.9	-0.1	-0.7	-0.5	0.4	-0.1	1.3	0.9	-0.2	-0.2	-0.6	0.9
ii) Non-bank financing	2.7	0.6	0.6	0.7	0.8	2.1	1.4	2.0	0.6	0.5	0.6	0.4
b) Foreign financing	1.1	0.1	0.2	0.3	0.4	1.8	2.1	1.8	0.2	0.5	0.4	0.7
Memorandum item												
GDP at current market price	19561	19561	19561	19561	19561	22505	22505	22505	22505	22505	22505	22505

Sources: Budget Summary , Ministry of Finance; NBR; Bangladesh Bank; BBS

* = include grants, E=Estimates

Table V.1: Balance of Payments
(USD in million)

	FY17 ^P					FY18 ^P				
	FY17 ^P	Q ₁ ^R	Q ₂ ^R	Q ₃ ^R	Q ₄ ^P	FY18 ^P	Q ₁ ^R	Q ₂ ^P	Q ₃ ^R	Q ₄ ^P
Current Account Balance	-1331	539	-1082	-829	41	-9780	-1756	-2989	-2341	-2694
Trade balance	-9472	-1564	-2947	-2528	-2433	-18258	-3650	-4978	-4574	-5056
Export f.o.b.	34019	7938	8471	8921	8689	36205	8549	9137	9412	9107
Import f.o.b.	43491	9502	11418	11449	11122	54463	12199	14115	13986	14163
Services	-3288	-761	-803	-904	-820	-4574	-991	-1276	-1069	-1238
Credit	3621	866	939	913	903	4539	1008	1051	1153	1327
Debit	6909	1627	1742	1817	1723	9113	1999	2327	2222	2565
Primary Income	-1870	-540	-405	-503	-422	-2392	-555	-443	-611	-783
Credit	82	16	13	22	31	113	25	26	25	37
Debit	2089	556	418	557	558	2505	580	469	636	820
Secondary Income	13299	3404	3073	3106	3716	15444	3440	3708	3913	4383
Official Transfers	59	13	14	12	20	49	12	27	5	5
Private Transfers	13240	3391	3059	3094	3696	15395	3428	3681	3908	4378
Of which : workers' remittances	12769	3193	2880	2983	3713	14982	3307	3484	3752	4439
Capital & Financial Account	4647	928	1553	910	1256	9368	1728	3044	1512	3084
Capital account	400	60	117	75	148	292	64	98	67	63
Capital transfers	400	60	117	75	148	292	64	98	67	63
Financial account	4247	868	1436	835	1108	9076	1664	2946	1445	3021
Foreign direct investment (Gross Inflows)	3038	706	1035	653	644	2798	745	1010	495	548
Of which: FDI net inflow*	1653	439	574	404	236	1583	494	536	346	207
Portfolio investment	457	5	179	128	145	365	150	59	111	45
Of which : workers' remittances	179	53	41	45	40	279	81	60	77	61
Other investment	2137	424	683	303	727	7128	1020	2351	988	2769
Medium and long-term (MLT) loans	3218	428	692	899	1199	5785	781	1636	1309	2059
MLT amortization payments	895	220	227	237	211	1113	279	253	333	248
Other long term loans	-153	-78	-81	14	-8	155	31	11	129	-16
Other short term loans	1030	431	296	44	259	1947	417	239	427	864
Trade credit	-1185	-52	-254	-410	-469	-1270	-250	0	-1070	50
DMBs and NBDCs	122	-85	257	-7	-43	1624	320	718	526	60
Assets	178	-118	-257	66	487	-260	-43	-310	-242	335
Liabilities	300	-203	0	59	444	1364	277	408	284	395
Net Errors & Omissions	-147	330	-3	252	-726	-473	-332	-49	82	-174
Overall Balance	3169	1797	468	333	571	-885	-360	6	-747	216
Reserve Assets	-3169	-1797	-468	-333	-571	885	360	-6	747	-216
Bangladesh Bank	-3169	-1797	-468	-333	-571	885	360	-6	747	-216
Assets	3208	1213	1048	-68	1015	-661	-824	393	-1035	805
Liabilities	39	-584	580	-401	444	224	-464	387	-288	589
Memorandum Items										
Gross official reserves	33493	31386	32092	32369	33493	32916	32817	33227	33109	32916
In months of imports of goods & services	8.0	8.5	7.3	7.3	7.8	5.9	6.9	6.1	6.1	5.9
In months of prospective imports	6.6	8.9	9.1	9.2	9.4	4.4	6.5	6.3	5.2	4.4
Export growth (in percent) ¹	1.7	3.9	4.7	3.4	-4.4	6.4	7.7	7.9	5.5	4.8
Import growth (in percent) ¹	9.0	8.4	8.0	16.7	3.4	25.2	28.4	23.6	22.2	27.3
Remittances growth (in percent) ¹	-13.3	-17.5	-17.8	-15.3	-7.7	17.9	4.4	21.3	26.5	19.9

Source: Statistics Department, Bangladesh Bank.

R=Revised, P=Provisional.

Table V.2: Trends in the Commodity Composition of Exports
(USD in million)

Items	FY17 ^P					FY18 ^P				
	FY17 ^R	Q1 ^R	Q2 ^R	Q3 ^R	Q4 ^R	FY18p	Q1 ^R	Q2 ^P	Q3 ^P	Q4 ^P
1. Raw jute	167.8	49.6	53.6	39.2	25.4	155.7	32.2	50.6	39.3	33.6
2. Jute goods	794.6	154.9	214.4	219.3	206.0	869.9	204.0	287.3	204.7	173.86
3. Tea	4.4	0.6	0.8	2.1	0.9	2.8	0.7	1.1	0.7	0.34
4. Leather	232.7	67.1	68.1	65.9	31.6	183.1	46.5	51.1	41.4	44.14
5. Frozen shrimps and fish	489.9	131.3	147.4	137.7	73.5	467.0	163.5	135.5	60.2	107.89
6. Woven garments	14392.6	3265.1	3631.0	3889.2	3607.3	15426.2	3397.2	3780.4	4335.8	3912.9
7. Knitwear products	13757.4	3400.8	3412.8	3330.0	3613.8	15188.5	3747.0	3848.3	3725.9	3867.4
8. Fertilizer	5.6	0.0	0.0	0.0	5.6	0.0	0.0	0.0	0.0	0
9. Terry towels	44.3	8.8	11.7	12.1	11.7	42.4	9.0	12.1	12.1	9.12
10. Others	4766.7	1000.6	1179.5	1452.5	1134.1	4332.6	1062.9	1086.9	1115.4	1067.3
Total exports	34655.9	8078.8	8719.3	9147.9	8709.9	36668.2	8662.7	9253.3	9535.5	9216.6
Of which: exports from EPZ	5213.6	1158.6	1285.1	1367.7	1402.2	5785.3	1379.2	1438.0	1471.4	1496.62
Total exports (adjusted)	34019.0	7938.0	8471.0	8921.0	8689.0	36205.0	8549.0	9137.0	9412	9107

Source : Export Promotion Bureau, Bangladesh

R=Revised, P= Provisional data

Table V.3 : Trends in the Commodity Composition of Imports
(USD in million)

Items	FY17 ^P					FY18 ^P				
	FY17 ^P	Q ₁ ^R	Q ₂ ^R	Q ₃ ^R	Q ₄ ^P	FY18 ^p	Q ₁ ^P	Q ₂ ^P	Q ₃ ^P	Q ₄ ^P
A. Food Grains	1286	269	348	320	350	3099	730	1071	808	489
1. Rice	89	3	9	25	53	1605	447	538	437	183
2. Wheat	1197	265	339	295	298	1494	283	533	372	306
B. Other Food Items	3808	718	897	1072	1122	3814	984	945	815	1071
3. Milk & cream	254	48	61	68	77	322	56	81	89	95
4. Spices	269	62	61	73	74	282	75	59	64	85
5. Edible oil	1626	282	414	455	475	1863	439	458	457	510
6. Pulses (all sorts)	671	87	155	195	234	434	70	69	125	171
7. Sugar	989	240	206	281	262	913	344	279	80	210
C. Consumer & Intermediate Goods	25563	5784	6418	6717	6644	30605	6804	7757	7678	8367
8. Clinker	644	121	151	179	193	766	143	156	218	249
9. Crude petroleum	478	122	108	143	105	365	67	141	58	99
10. POL	2898	695	806	659	738	3652	739	865	969	1079
11. Oil seeds	432	78	69	113	173	571	168	134	61	208
12. Chemicals	1976	460	495	521	500	2315	560	578	610	567
13. Pharmaceutical products	246	51	62	67	65	253	47	81	61	64
14. Fertilizer	694	241	247	113	93	1006	207	417	264	118
15. Dyeing and tanning materials	607	148	147	157	155	695	171	171	176	178
16. Plastics and rubber articles thereof	2220	487	543	601	589	2525	583	629	628	684
17. Raw cotton	2529	455	481	843	750	3235	821	683	795	937
18. Yarn	1972	465	422	524	562	2351	542	481	638	691
19. Textile and articles thereof	6038	1315	1643	1475	1604	6860	1479	1860	1701	1820
20. Staple fibre	1017	222	266	264	265	1180	243	313	332	291
21. Iron, steel & other base metals	3771	926	980	1013	852	4832	1034	1247	1167	1384
D. Capital Goods & Others	10945	2393	3132	2810	2611	14556	3267	3326	4219	3744
22. Capital machinery	3817	893	947	1049	928	5462	1289	1148	1730	1295
23. Others Capital goods	7129	1500	2185	1761	1683	9094	1978	2178	2489	2449
E. Others n.i.e	5402	1106	1546	1455	1295	6791	1400	2158	1597	1636
Grand Total c.i.f.(A+B+C+D+E)	47005	10269	12340	12374	12022	58865	13184	15257	15117	15308
Of which Import by EPZ	3191	696	794	864	838	3756	832	949	1017	958
Grand Total f.o.b.(adjusted)	43491	9502	11418	11448	11123	54463	12199	14115	13986	14163

Source : Compiled by Statistics Department of Bangladesh Bank using the data of National Board of Revenue(NBR)
R=Revised, P= Provisional.

Table V.4: Country-wise Workers' Remittances
(USD in million)

Countries	FY17 ^P					FY18 ^P				
	FY17 ^P	Q ₁ ^R	Q ₂ ^P	Q ₃ ^P	Q ₄ ^P	FY18 ^P	Q ₁ ^P	Q ₂ ^P	Q ₃ ^P	Q ₄ ^P
Gulf Region	7304.8	1852.0	1703.5	1699.9	2049.4	8565.1	1874.9	2032.2	2166.2	2491.8
1. Saudi Arabia	2267.2	603.6	541.0	515.1	607.5	2591.6	592.0	609.4	653.4	736.8
2. UAE	2093.5	554.7	468.9	474.2	595.7	2430.0	514.7	623.5	570.9	720.9
3. Qatar	576.0	134.3	135.9	137.3	168.5	844.1	164.1	174.7	234.7	270.6
4. Oman	897.7	229.6	201.9	215.2	251.0	958.2	229.8	221.2	237.8	269.4
5. Kuwait	1033.3	245.8	259.0	243.3	285.2	1199.7	250.7	276.3	322.9	349.8
6. Bahrain	437.1	84.0	96.8	114.8	141.5	541.6	123.7	127.1	146.5	144.3
Euro Region	840.0	175.2	167.1	257.4	240.3	1146.2	266.0	250.9	326.4	302.9
7. UK	808.2	168.9	159.7	250.3	229.3	1106.0	258.0	240.7	316.2	291.1
8. Germany	31.8	6.3	7.4	7.1	11.0	40.2	8.1	10.2	10.2	11.7
Asia Pacific Region	1427.5	414.8	348.4	303.7	360.6	1468.8	318.8	345.1	404.1	400.8
9. Singapore	301.0	87.5	74.5	65.6	73.4	330.2	73.2	72.6	90.0	94.3
10. Japan	22.9	5.8	4.5	5.8	6.8	31.4	6.4	7.3	9.2	8.6
11. Malaysia	1103.6	321.5	269.4	232.3	280.4	1107.2	239.2	265.2	304.9	297.9
Rest of the World	3197.2	802.8	702.0	766.7	925.7	3801.6	931.3	913.1	931.9	1025.3
12. USA	1688.9	430.1	379.6	389.2	490.1	1998.0	481.1	481.0	463.3	572.5
13. Others n.i.e.	1508.3	372.7	322.5	377.5	435.6	1803.6	450.2	432.0	468.6	452.8
Total	12769.6	3244.8	2921.1	3027.7	3576.0	14982	3391.0	3541.3	3828.6	4220.7

Source: Statistics Department, Bangladesh Bank.

P= Provisional. R=Revised

Table V.5: Major Destination-wise RMG Related Exports
(USD in million)

	FY17					FY18 ^P				
	FY17	Q1 ^R	Q2 ^P	Q3 ^P	Q4 ^P	FY18 ^P	Q1 ^P	Q2 ^R	Q3 ^P	Q4 ^P
Exports of RMG	28149.9	6665.9	7043.8	7219.2	7221.0	30614.8	7144.1	7628.7	8061.7	7780.3
European Countries	18735.3	4394.2	4740.6	4808.2	4792.3	20491.3	4753.8	5206.5	5867.1	4663.9
USA	5204.0	1263.2	1294.1	1280.6	1366.1	5352.1	1306.4	1293.9	1329.2	1422.6
Other Countries	4210.6	1008.5	1009.1	1130.4	1062.6	4771.6	1084.0	1128.4	865.4	1693.8
Woven Garments	14392.6	3265.1	3631.0	3889.2	3607.3	15426.4	3397.2	3780.4	4335.8	3913
European Countries	8410.4	1853.0	2131.3	2347.8	2078.3	9025.7	1944.8	2250.8	2797.9	2032.2
USA	3901.9	921.6	983.2	993.7	1003.4	3977.7	938.9	944.0	1032.6	1062.2
Other Countries	2080.5	490.5	516.7	547.7	525.6	2423.0	513.5	585.6	505.3	818.6
Knitwear Products	13757.3	3400.8	3412.8	3330.0	3613.7	15188.5	3747.0	3848.3	3725.9	3867.3
European Countries	10325.1	2541.2	2609.5	2460.4	2714.0	11465.6	2809.0	2955.7	3069.2	2631.7
USA	1302.1	341.6	310.9	286.9	362.7	1374.4	367.5	349.9	296.6	360.4
Other Countries	2130.1	518.0	492.4	582.7	537.0	2348.6	570.5	542.8	360.1	875.2
Growth (in percent)¹										
Exports of RMG	0.20	3.52	5.19	-1.17	-5.66	8.76	7.17	8.30	11.67	7.75
European Countries	3.44	10.89	10.21	0.44	-5.31	9.37	8.18	9.83	22.02	-2.68
USA	-7.48	-12.05	-6.05	-4.29	-7.28	2.85	3.42	-0.02	3.80	4.14
Other Countries	-3.36	-3.07	-0.83	-4.14	-5.13	13.32	7.49	11.82	-23.44	59.40
Woven Garments	-2.35	2.38	3.32	-4.26	-9.20	7.18	4.05	4.11	11.48	8.47
European Countries	1.49	12.67	10.50	-2.52	-9.83	7.32	4.95	5.62	19.17	-2.22
USA	-7.73	-9.52	-7.55	-4.41	-9.36	1.94	1.88	-3.99	3.91	5.86
Other Countries	-6.42	-6.73	-1.05	-10.81	-6.33	16.46	4.69	13.33	-7.74	55.75
Knitwear Products	3.01	4.64	7.26	2.70	-1.83	10.40	10.18	12.76	11.89	7.02
European Countries	5.09	9.63	9.98	3.43	-1.52	11.05	10.54	13.27	24.74	-3.03
USA	-6.75	-18.20	-0.96	-3.89	-0.98	5.55	7.58	12.54	3.38	-0.63
Other Countries	-0.17	0.68	-0.59	3.11	-3.92	10.26	10.14	10.24	-38.20	62.98

Source: Compiled by Statistics Department of Bangladesh Bank using the data of EPB
P= Provisional. R=Revised

Table V.6: Export Performance for July-June FY 2017-18

(USD in million)

	Export target for 2017-18	Export performance for July -June 2017-18	% Change of export performance over export target	Export performance for July-June 2016-17	% Change of export performance July-June 2017-18 Over July-June 2016-17
All Products (A+B)	37500.00	36668.2	-2.22	34655.9	5.81
A. Primary Commodities:	1111.00	1182.13	6.40	1079.62	9.50
Frozen Food	535.00	508.43	-4.97	526.45	-3.42
Agricultural Products	576.00	673.70	16.96	553.17	21.79
B. Manufactured Commodities:	36389.00	35486.0	-2.48	33576.3	5.69
Cement salt stone etc.	11.50	12.59	9.48	10.79	16.68
Ores, Slag and Ash	6.00	4.61	-23.17	5.70	-19.12
Petroleum bi Products	250.00	33.70	-86.52	243.77	-86.18
Chemical products	157.00	150.72	-4.00	139.99	7.66
Plastic, Melamine Products	147.00	98.48	-33.01	116.95	-15.79
Rubber	35.00	25.84	-26.17	28.46	-9.21
Leather & Leather products (including leather footwear)	1380.00	1085.51	-21.34	1234.00	-12.03
Wood and Wood Products	6.80	4.74	-30.29	5.77	-17.85
Handicrafts	16.00	16.69	4.31	14.48	15.26
Pulp	0.01	0.02	100.00	0.00	0.00
Paper and Paper Products	60.00	75.76	26.27	56.87	33.22
Printed Materials	0.90	0.67	-25.56	0.92	-27.17
Silk	0.01	0.00	0.00	0.01	100.00
Wool and woollen Products	0.40	0.04	-90.00	0.32	-87.50
Cotton and Cotton Products	123.00	124.85	1.50	109.49	14.03
Jute and Jute Goods	1055.00	1025.55	-2.79	962.42	6.56
Man Made Filaments and Staple Fibers	103.00	101.08	-1.86	100.02	1.06
Carpet	18.00	17.00	-5.56	17.50	-2.86
Specialized Textiles	110.00	110.04	0.04	106.14	3.67
Knitwear	15100.00	15188.51	0.59	13757.25	10.40
Woven Garments	15060.00	15426.25	2.43	14392.59	7.18
Home Textile	880.00	878.68	-0.15	799.14	9.95
Other Footwear (excluding leather footwear)	270.00	244.09	-9.60	240.88	1.33
Headgear/Cap	224.10	184.80	-17.54	187.10	-1.23
Umbrella Waking Sticks	0.04	0.01	-75.00	0.04	-75.00
Wigs and Human Hair	22.44	23.02	2.58	19.57	17.63
Building Materials	0.80	1.97	146.25	0.59	233.90
Ceramic Products	43.00	51.94	20.79	39.14	32.70
Glass and Glass ware	3.00	1.25	-58.33	2.12	-41.04
Engineering Products	876.00	355.96	-59.37	688.84	-48.32
Ships, boats & floating structures	130.00	30.05	-76.88	65.61	-54.20
Other Manufactured Products	299.00	211.62	-29.22	229.81	-7.92

Source: Export Promotion Bureau, Bangladesh.

Table V.7 Exchange Rate Movements
(Taka per Currencies)

Period	US Dollar		U.K. Pound Sterling		EURO		Japanese Yen	
	Period Average	End Period	Period Average	End Period	Period Average	End Period	Period Average	End Period
2016-17	79.13	80.60	100.38	104.82	86.26	92.21	0.73	0.72
July	78.40	78.40	103.18	103.73	86.75	87.60	0.75	0.77
August	78.40	78.40	102.71	102.57	87.84	87.36	0.77	0.76
September	78.40	78.40	103.10	101.68	87.87	87.98	0.77	0.78
October	78.40	78.42	97.03	95.55	86.56	86.15	0.76	0.75
November	78.54	78.72	97.69	98.32	84.84	83.83	0.73	0.70
December	78.80	78.70	98.37	97.11	83.10	82.76	0.68	0.67
January	78.86	79.07	97.34	98.72	83.77	84.56	0.69	0.69
February	79.24	79.37	98.97	98.76	84.40	84.03	0.70	0.70
March	79.54	79.67	98.16	99.99	85.01	84.86	0.70	0.72
April	79.84	80.23	100.80	103.90	85.48	87.43	0.73	0.72
May	80.49	80.56	104.05	103.59	88.97	90.11	0.72	0.73
June	80.59	80.60	103.12	104.82	90.51	92.21	0.73	0.72
2017-18								
July	80.63	80.66	104.80	105.95	92.83	94.79	0.72	0.73
August	80.69	80.70	104.69	104.31	95.37	95.90	0.73	0.73
September	80.74	80.80	107.21	108.17	96.14	94.90	0.73	0.72
October	80.82	80.86	106.82	106.82	95.10	94.21	0.72	0.71
November	81.26	82.30	107.45	110.35	95.33	97.50	0.72	0.74
December	82.55	82.70	110.59	111.76	97.69	99.22	0.73	0.73
January	82.82	82.90	114.21	117.27	100.81	102.81	0.75	0.76
February	82.92	82.96	115.89	115.39	102.40	101.48	0.77	0.77
March	82.96	82.96	115.87	116.79	102.32	102.11	0.78	0.78
April	82.97	82.98	116.81	114.35	101.97	100.65	0.77	0.76
May	83.38	83.70	112.28	111.25	98.51	97.62	0.76	0.77
June	83.70	83.73	111.30	109.50	97.79	96.86	0.76	0.76

Source: Statistics Department, Bangladesh Bank.

Table V.8 Trends in Foreign Aid
(USD in million)

	FY17 ^P	FY17 ^P				FY18 ^p	FY18 ^P			
		Q1 ^R	Q2 ^R	Q3 ^P	Q4 ^P		Q1 ^P	Q2 ^R	Q3 ^P	Q4 ^P
a. Grants (i+ii)	459.3	73.3	131.1	23.4	231.5	340.1	76.4	123.9	71.9	67.91
i) Food Aid	28.8	8.4	5.3	0.0	15.1	26.5	7.2	19.3	0.0	0.04
ii) Project Aid	430.5	64.9	125.8	23.4	216.4	313.6	69.2	104.7	71.89	67.87
b. Loans (MLT)	3217.9	472.6	647.2	899.4	1198.7	5785.4	780.7	1636.2	1309.27	2059.15
A. Total (a+b)	3677.2	545.9	778.3	922.8	1430.2	6125.5	857.1	1760.2	1381.2	2127.1
B. Amortization(1+2)	1123.3	276.9	273.4	305.5	267.5	1391.7	355.9	313.9	427.8	294.1
1) Principal	894.1	220.2	226.9	236.5	210.5	1096.8	278.9	253.4	332.9	231.6
2) Interest	229.2	56.7	46.5	69.0	57.0	294.9	77.0	60.5	94.9	62.5
C. Net Foreign Financing (A-1)	2783.1	325.7	551.4	686.3	1219.7	5028.7	578.2	1506.8	1048.3	1895.5

Source: ERD, MOF, Statistics Department, Bangladesh Bank
R=Revised, P=Provisional

Table V.9 Sector-wise comparative statement of the Opening and Settlement of Import LCs
(USD in million)

	FY18 ^P							
	Q1		Q2		Q3		Q4	
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement
Consumer goods	2862.5	1721.2	1907.2	2111.2	1994.5	2185.3	1023.6	1245.2
Industrial raw materials	4404.9	4214.4	4872.1	4467.4	5110.3	4743.2	3771.5	3389.2
Intermediate goods	1116.9	899.2	1154.9	1016.0	1445.4	1067.5	769.6	875.2
Petroleum and petroleum products	1024.1	597.8	586.8	793.4	1042.3	848.8	816.0	728.1
Capital machinery	1320.9	1287.0	1974.0	1246.2	1893.9	1456.7	1004.1	820.1
Machinery for misc. industries	1750.9	1219.6	1571.9	1250.6	1278.1	1295.3	908.4	836.4
Others	2223.1	1887.6	13464.4	1949.1	2508.5	2150.4	1604.1	1484.3
Total	14703.2	11826.6	25531.3	12833.9	15722.9	13747.2	9447.3	9378.4
<i>of which back to back</i>	2021.4	1870.0	2107.1	1846.1	2314.8	2056.7	1455.5	1349.0
	Growth in percent (y-o-y)							
Consumer goods	98.6	82.8	18.5	46.0	42.8	52.6	-37.2	3.5
Industrial raw materials	16.1	4.4	14.3	11.5	2.3	14.2	-19.3	-15.8
Intermediate goods	35.3	17.4	-2.6	-4.6	40.9	6.3	-17.9	-1.3
Petroleum and petroleum products	71.0	20.0	-11.5	20.4	53.9	15.3	28.8	15.8
Capital machinery	27.4	-28.8	39.9	17.6	29.5	50.9	-28.2	-19.7
Machinery for misc. industries	41.0	-3.0	25.2	14.9	10.5	18.7	-29.9	-29.1
Others	21.3	-18.1	622.9	17.9	29.6	29.1	-15.0	-12.3
Total	36.5	1.9	108.4	16.9	24.3	24.4	-24.2	-11.8
<i>of which back to back</i>	4.1	-2.7	16.1	9.4	8.8	18.3	-18.6	-19.0

Source: Foreign Exchange Operation Department, Bangladesh Bank
P= Provisional

Table VI.1 : Gross NPL Ratios by Type of Banks

(In percent)

Type of Banks	2017				2018	
	Mar.	June	Sep.	Dec.	Mar.	June
State Owned Commercial Banks	28.56	26.84	29.25	26.52	29.84	28.24
Specialized Banks	26.02	23.79	23.79	23.39	23.39	21.68
Private Commercial Banks	5.68	5.77	5.97	4.87	6.00	6.01
Foreign Commercial Banks	8.57	7.89	7.89	7.04	7.01	6.66
All Banks	10.53	10.13	10.67	9.31	10.78	10.41

Source: Banking Regulation and Policy Department, Bangladesh Bank.

Table VI.2 : Net NPL Ratios by Type of Banks

(In percent)

Type of Banks	2017				2018	
	Mar.	June	Sep.	Dec.	Mar.	June
State Owned Commercial Banks	13.17	11.56	13.16	11.15	14.38	11.69
Specialized Banks	10.48	8.75	8.57	9.69	9.06	7.39
Private Commercial Banks	0.58	0.66	0.77	0.20	0.99	0.79
Foreign Commercial Banks	1.21	0.90	0.91	0.71	0.82	0.84
All Banks	2.90	2.62	2.92	2.20	3.31	2.66

Source: Banking Regulation and Policy Department, Bangladesh Bank.

Table VI.3: Capital to Risk Weighted Asset Ratios by Types of Banks

(In percent)

Type of Banks	2016		2017				2018
	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.
State Owned Commercial Banks	5.62	5.86	5.92	6.99	5.56	5.04	2.90
Specialized banks	-32.90	-33.67	-35.23	-32.76	-33.49	-35.45	-33.72
Private Commercial Banks	11.83	12.36	12.22	12.18	12.20	12.52	12.12
Foreign Commercial Banks	24.15	25.37	23.91	23.34	24.03	24.90	24.62
All Banks	10.31	10.80	10.68	10.86	10.65	10.83	10.11

Source : Department of Off- site supervision, Bangladesh Bank

* Indicates end December data.

Table VI.4 : Profitability Ratios by Type of Banks

(In percent)

Type of Banks	Return on Asset (ROA)			Return on Equity (ROE)		
	2016	2017	2018 ^P	2016	2017	2018 ^P
State Owned Commercial Banks	-0.16	0.21	-0.68	-6.02	3.45	-12.29
Specialised Banks	-2.80	-3.49	-1.62	-6.94	-17.19	-8.44
Private Commercial Banks	1.03	0.89	0.67	11.09	12.01	9.6
Foreign Commercial Banks	2.56	2.24	2.75	13.08	11.31	13.65
All Banks	0.68	0.67	0.36	9.42	9.60	5.43

Source: Department of Off- site supervision, Bangladesh Bank.

P= Provisional.

Table VII.1 : Indicators of Capital Market Developments

	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Number of listed securities	342.0	338.0	339.0	341.0	342.0	351.0	343.0	348.0	349.0	351.0
Issued equity and debt (billion Taka)	616.9	582.8	596.7	604.0	616.9	671.1	629.5	645.6	648.8	671.1
Market capitalization (billion Taka)	3240.0	2708.7	2856.1	3246.4	3240.0	3263.7	3517.4	3670.2	3366.8	3263.7
Turnover (billion Taka)	1805.1	248.9	424.9	754.1	377.2	1590.8	604.6	433.5	244.7	308.0
DSE broad index	5656.1	4695.2	5036.1	5719.6	5656.1	5405.5	6092.8	6244.5	5597.4	5405.5
DSE -30 index	2083.8	1778.7	1810.9	2090.8	2083.8	1960.0	2177.6	2283.2	2106.0	1960.0
	Growth (in percent)									
Number of listed securities	1.18	0.90	0.30	0.59	1.18	2.63	1.48	2.65	2.35	2.63
Issued equity and debt	6.62	6.31	7.03	7.28	6.62	8.78	8.01	8.19	7.43	8.78
Market capitalization	23.90	-3.37	9.50	30.91	23.90	0.73	29.86	28.50	3.71	0.73
Turnover	58.59	-20.05	74.58	169.44	58.59	-11.87	142.92	2.02	-67.56	-18.35
DSE broad index	25.48	-3.23	8.78	31.26	25.48	-4.43	29.77	24.00	-2.14	-4.43
DSE -30 index	17.67	-3.75	3.45	26.79	17.67	-5.94	22.43	26.08	0.73	-5.94

Source: Dhaka Stock Exchange

Table VII.2 Group-wise Market Capitalization of Dhaka Stock Exchange
(Taka in billion)

Name of Group	FY17					FY18				
	FY17	Q ₁	Q ₂	Q ₃	Q ₄	FY18	Q ₁	Q ₂	Q ₃	Q ₄
Banks	560.60	441.80	484.10	594.10	560.60	566.93	723.73	752.55	609.53	566.9
Financial Institutions	233.80	153.20	161.00	251.60	233.80	210.15	252.20	244.02	200.35	210.2
Mutual Funds	42.50	31.20	35.10	40.90	42.50	40.81	43.00	42.31	41.81	40.8
Engineering	190.62	172.31	179.10	197.50	190.62	190.59	199.87	208.10	183.39	190.6
Food & Allied Product	247.19	226.30	234.10	224.80	247.19	276.14	255.65	285.60	284.43	276.1
Fuel and Power	404.90	361.90	360.30	388.90	404.90	397.53	385.01	372.84	346.05	397.5
Jute Industry	1.50	1.10	1.00	1.20	1.50	1.95	1.75	1.90	1.7	1.9
Textile Industry	126.30	87.00	104.90	122.60	126.30	116.58	119.93	121.70	107.98	116.6
Pharmaceuticals and Chemicals	501.80	426.80	433.70	485.94	501.80	522.12	512.12	530.70	536.37	522.1
Paper and Printing	1.90	1.60	1.60	1.60	1.90	2.16	2.40	1.90	1.8	2.2
Services and Real Estate	25.30	18.80	22.70	26.80	25.30	19.12	24.32	23.50	19.66	19.1
Cement Industry	131.44	151.29	157.00	147.20	131.44	117.55	128.06	138.50	118.8	117.5
Insurance	86.50	74.80	84.60	92.30	86.50	85.59	92.92	94.30	89.3	85.6
Telecommunication	484.80	384.80	403.20	468.60	484.80	542.10	579.67	652.70	638.9	542.1
Miscellaneous	194.30	169.20	187.20	195.80	194.30	170.90	190.30	192.10	183.1	170.9
Corporate Bond	6.00	6.00	5.90	6.00	6.00	2.89	5.92	6.00	2.9	2.9
Total Market Capitalization	3239	2708	2856	3246	3239	3263	3517	3669	3366	3263
Growth Rate	23.91	-3.37	9.50	30.92	23.91	0.73	29.86	28.48	3.70	0.70

Source: Dhaka Stock Exchange.

Annexure

Chronology of Major Policy Announcements: April-June, 2018

<p>MPD Circular No. 01 03 April, 2018 Maintenance of Cash Reserve Requirement (CRR) with Bangladesh Bank.</p>	<p>All scheduled banks in Bangladesh (including Shariah based banks) are required to maintain 5.5 percent CRR with Bangladesh Bank on bi-weekly average basis with a provision of minimum 5.0 percent on daily basis of their average total demand and time liabilities effective from 15 April, 2018.</p>
<p>MPD Circular No. 02 03 April, 2018 Re-fixation of Repo interest rate of Bangladesh Bank.</p>	<p>The existing Repo rate of Bangladesh Bank has been re-fixed at 6.00 percent from 6.75 percent while Reverse Repo Rate remains unchanged at 4.75 percent effective from 15 April, 2018.</p>
<p>SFD Circular No. 02 05 April, 2018 Master Circular: Refinance scheme for Islami shariah based banks and financial institutions to invest in eco-friendly goods/entrepreneurship.</p>	<p>An integrated and comprehensive policy has been announced for refinance scheme for Islamic Shariah based banks and financial institutions to invest in eco-friendly goods/ entrepreneurship.</p>
<p>FEPD Circular No. 10 15 April, 2018 Use of balances held in single pool for 30 days.</p>	<p>To bring further ease in utilization of the fund retained for 30 days, it has been decided that unencumbered balances held in the pool shall, at the request of exporters within the stipulated time, be useable to meet import payments of exporters' subsidiaries/ sister concerns, subject to observance of the instructions contained in paragraph 28(A) (ii) chapter 13 of guidelines for Foreign Exchange Transactions 2018, volume-I.</p>
<p>BRPD Circular letter No. 05 17 April, 2018 Deposit of fund received from government under Annual Development Program (ADP) and own fund of Government, Semi-Government organizations and Autonomous Semi-autonomous bodies.</p>	<p>Maximum 50% of the fund received from government under Annual Development Program(ADP) for implementing projects of Autonomous and Semi-autonomous bodies and own fund of government, Semi-government, Autonomous and Semi-autonomous bodies can be deposited to both private commercial banks in Bangladesh and Non-bank Financial Institutions(NBFIs) designated by financial Institution Division, Ministry of Finance effective from March 31, 2018.</p>
<p>DFIM Circular letter No. 02</p>	<p>Block Account generated by banks and financial institutions</p>

<p>24 April, 2018</p> <p>Provide facility for long term economic development by reducing high interest rate against capital invested for Bangladesh Shipbuilding Industry and allowing long-term repayment facility.</p>	<p>of the shipyards engaged in shipbuilding for exporting shall be treated as interest bearing account. Interest rate should be simple/flexible to facilitate long term economic development with reducing high interest rate against capital invested for Bangladesh Shipbuilding Industry and allowing them long-term repayment facility.</p>
<p>BRPD Circular No. 05</p> <p>30 May, 2018</p> <p>Avoid tendency of sudden uprising changes in the interest rate of existing loan accounts.</p>	<p>To ensure discipline in loan disbursement and to avoid the risk of further loan default, the following instructions for the commercial banks has been announced:</p> <p>1. When interest rate is mentioned as 'Fixed interest rate' in any loan sanction paper, the interest rate will remain unchanged during the tenure of the loan. Only when interest rate is mentioned as Flexible/variable/ floating rate, the interest rate for the loan can be refixed as:</p> <p>(a) Interest rate of a loan can't be increased for more than once a year.</p> <p>(b) Respective customer should be noticed at least 3 months prior to increase interest rate.</p> <p>(c) Revised interest rate of term loan can be increased up to 0.50 percent and for working capital/ other loans, it can be increased up to 1.00 percent in case of every change.</p>
<p>BRPD Circular letter No. 09</p> <p>30 May, 2018</p> <p>Rationalizing interest rate on deposit and lending</p>	<p>To rationalize interest rate against lending in different sectors along with productive sector, difference between deposit rate and lending rate or weighted average intermediation spread has to keep within the limit to 4 percent in case of other sectors except for credit card and consumer credit.</p>
<p>DMD Circular Letter No. 0106</p> <p>June, 2018</p> <p>Use of Treasury Bill for Repo and Crediting SGL A/C instead of script for Treasury Bill and short term investment of excess liquidity with Bangladesh Bank: Reverse Repo mechanism.</p>	<p>Repo transaction will be conducted through auctions held on all working days for overnight, 7-day, 14-day and 28-day tenure. For intervening holidays the tenor of Repo will be automatically extended by the number of holidays involved. For example, for overnight repos issued on Thursday, the tenor will be (Thursday +Friday +Saturday)=3 days.</p> <p>For Overnight (1 day tenor) Repo, bid shall have to be submitted in advance at 6% fixed interest rate annually. For 7, 14 and 28 day tenors Repo interest rate, bid shall have to be submitted at a higher interest rate than 1 day tenor rate. Auction committee will be taken decision about interest rate</p>

	and amount for the received Bills of such tenors in every auction.
<p>FEPD Circular No. 16</p> <p>10 June, 2018</p> <p>Providing export subsidy on Active Pharmaceuticals Ingredients(API).</p>	<p>To encourage export, Government of Bangladesh has decided to provide export subsidy against domestically produced Active Pharmaceuticals Ingredients(API). This incentive will be applicable for goods on board from FY2017-18.</p>
<p>FEPD Circular No. 14</p> <p>10 June, 2018</p> <p>Renewal of Money Changer License.</p>	<p>For the renewal of money changer license, certificate of VAT payment also has to submit along with the documents stated in Para II, Section II, chapter 2 of Guidelines for Foreign Exchange Transaction 2018, Vol-1.</p>
<p>FEPD Circular No. 15</p> <p>10 June, 2018</p> <p>Remittance on account of head office expenses by branches of foreign banking companies operating in Bangladesh.</p>	<p>To facilitate smooth operations of branches of foreign banking companies in Bangladesh, Authorized Dealers (ADs) may remit expenses incurred on account of general management administration and strategy of the whole company including its foreign branches expenses, without prior approval from Bangladesh Bank subject to observance of some selected instructions.</p>
<p>FEPD Circular No. 17</p> <p>11 June, 2018</p> <p>Business-to-Consumer export through sales orders received on internet.</p>	<p>In order to promote Business-to-Consumer export by hosting goods on e-Commerce website accessible through internet to foreign buyers, it has been decided that Authorized dealers(ADs) may provide acquiring services to eligible exporters for repatriation of export proceeds against sales orders of exportable goods received on e-Commerce website with observing some operational procedure stated in the circular.</p>
<p>BRPD Circular letter No. 11</p> <p>12 June, 2018</p> <p>Clarification about determination of the difference between weighted average interest rate of deposit and loan or intermediation spread for inclusion of the SME loan.</p>	<p>In calculating interest rate of SME loans along with other loans excepting consumer credit and credit card, the deference between weighted average interest rate of deposit and advance or intermediation spread has to keep within the limit of 4 percent.</p>
<p>FEPD Circular No. 18</p>	<p>Authorized Dealers(ADs) are permitted to issue guarantee, bid bond or performance bond or performance bond in foreign</p>

<p>28 June, 2018</p> <p>Issuance of guarantee on behalf of foreign owned/controlled companies in favor of residents against foreign back to back guarantee.</p>	<p>currency or in local currency on behalf of non-resident firm/ company favoring residents in Bangladesh provided they hold a back to back guarantee covering the guaranteed amount from an overseas correspondent or other overseas bank. ADs may, also on behalf of Foreign owned controlled companies operating in Bangladesh, issue guarantee in taka or equivalent convertible Foreign currency favoring concerned authority in Bangladesh against foreign back to back guarantee acceptable to them, subject to observance of some instructions. s</p>
<p>FEPD Circular No. 20</p> <p>28 June, 2018</p> <p>Validity of LCAF for importation of HR Coil, Scrap, Pig iron and Sponge iron under deferred payment basis.</p>	<p>LCAFs issued for the import of HR Coil, Scrap, Pig iron and Sponge iron for manufacturing of flat and long steel for being used in own factories of steel industries under 360 days deferred payment basis shall remain valid for remittances for 18 months following the month of issuance.</p>