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Economic and Financial Developments

Executive Summary

After remaining buoyant in the first-three quarters of FY20, economic activities drastically shattered, in the fourth quarter, particularly in the industry and service sectors, disrupted by an unprecedented lockdown measures to limit the outbreak of COVID-19 pandemic. During this period, industrial production dropped significantly, driven mostly by a precipitous fall in manufacturing output, while the service sector activities stalled by the partial and often complete shutdown of transportation, trade, and hospitality industries. But the agriculture sector maintained firm growth during this period, aided by supportive government initiatives. Nonetheless, the preliminary estimates by Bangladesh Bureau of Statistics (BBS) suggest that real GDP growth slid to 5.24 percent in FY20 from 8.15 percent in FY19.

The headline CPI inflation (point-to-point) increased to 6.02 percent in Q4FY20 from 5.48 percent in Q3FY20 amid some volatility, driven by a rise in food prices that emanated mostly from pandemic-induced global and domestic supply chain disruptions. Though food inflation witnessed a notable rise during the quarter, non-food inflation moderated because of subdued demand of elastic items. Accordingly, 12-month average inflation rose to 5.65 percent in FY20 from the target of 5.50 percent for FY20.

During this quarter, government borrowings from the banking system increased with sliding government revenues caused by the economic fallout of the pandemic along with an uptick in net foreign asset that lead to a broad money (M2) growth of 12.64 percent, close to the target growth for FY20. Credit growth to the private sector further moderated to 8.61 percent which was far below the target for FY20. Interest rates in the interbank and retail markets witnessed downward movement during the quarter because of reductions in both the repo rate and cash reserve ratio (CRR) by 50 basis points and 100 basis points, respectively. Among other indicators related to banking sector, the ratio of gross non-performing loans edged up to 9.16 percent in Q4FY20 compared to the level of Q3FY20.

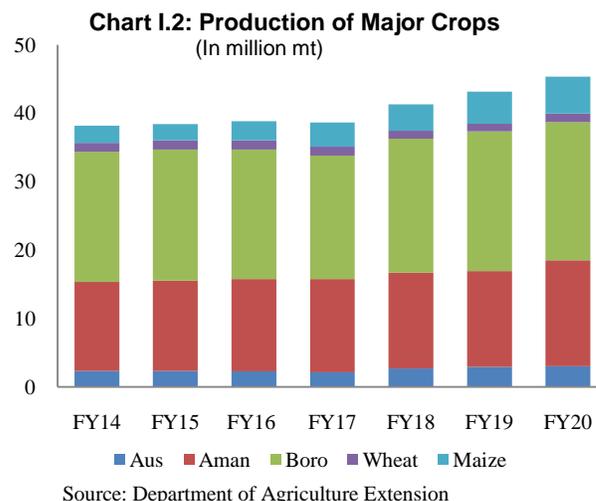
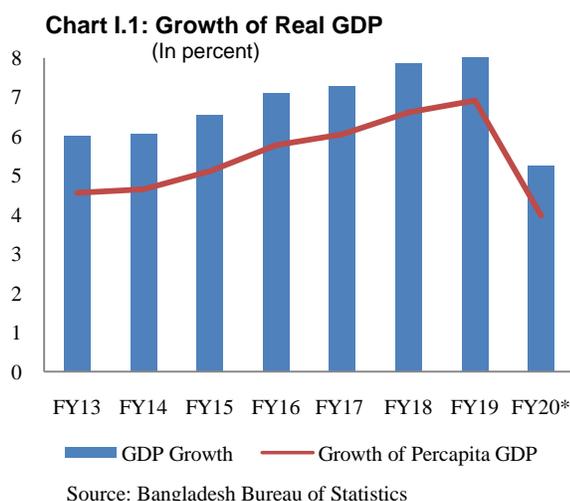
Current account deficit (CAD) widened to an eight-quarter high of USD 2439 million in Q4FY20, resulted from a sharper fall of exports than imports triggered by the pandemic. Nevertheless, the overall balance of balance of payment (BOP) witnessed a surplus of USD 3310 million during this period bolstered by record high quarterly financial inflows (USD 5216 million). Nominal exchange rate of BDT against USD remained broadly stable owing to net purchase of USD from the foreign exchange market by Bangladesh Bank.

On the fiscal side, budget deficit rose significantly in Q4FY20 and about 70 percent of deficit financing was met from domestic sources (banks and non-bank) during the quarter under review.

Looking ahead, growth outlook is positive due to lockdown measures being lifted in the domestic economy as well as advanced and emerging market economies. Moreover, a range of expansionary fiscal and monetary policy is likely to boost economic activities in full swing in near future. But, extraordinary easy financing conditions may pose upside risks for price stability in the coming quarters. Active vigilance and policy tuning are required for balancing between growth recovery and price stability.

Real Economy

1.1 After staying buoyant in the first three quarters of FY20, economic activities slowed down remarkably in Q4FY20 as the outbreak of the COVID-19 pandemic called for unprecedented policy measures, e.g., lockdown, in order to prevent the spread of the coronavirus. Consequently, both the domestic and global supply chains were disrupted and the economy stalled during the quarter. Among supply-side related indicators, the Quantum of Industrial Production show a large decline in industrial production led by the contraction of output in large and medium scale manufacturing industries. The pandemic-induced lockdown measures severely battered the service sector activities in Q4FY20 by causing partial or complete shutdown of hotel, tourism, transportation, logistics and hospitality industries. But, the agriculture sector maintained firm growth during this period and aided by supportive government initiative for *boro* crop harvesting and supply chains which largely mitigated food security risks in the country. On the other hand, demand-side indicators for this quarter exhibited noticeable contractions in both domestic and external demand as reflected in the sharp decline in the growth of imports (-20.7 percent) and exports (-51.5 percent) in Q4FY20 compared to the corresponding quarter of the previous year. Nonetheless, the preliminary estimates by Bangladesh Bureau of Statistics (BBS) suggest that real GDP grew by 5.24 percent in FY20 compared to 8.15 percent growth in FY19.

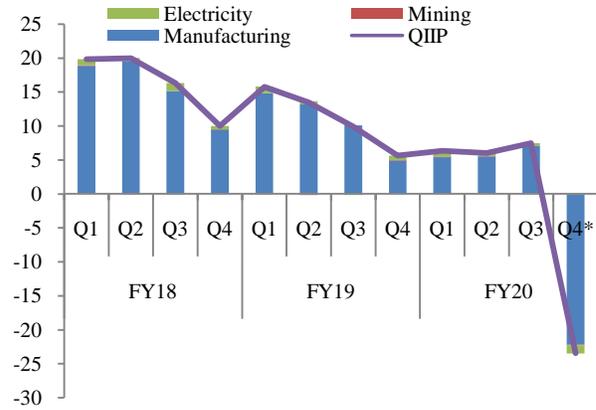


1.2 The agricultural sector, the least affected by the pandemic, maintained its robust growth momentum in Q4FY20 on the back of healthy production of *boro* rice and strong growth in the production of maize, wheat and vegetables. The production of the *boro* rice amounted to 20.20 million metric tons (mmt), remaining close to the target set for FY20. At the same time, the production of maize and *wheat* increased by 14.9 percent and 9.0 percent respectively from the production of the previous year. Timely availability of inputs, benign weather conditions during cultivation and harvesting periods favoured satisfactory crop production. Meanwhile, the stimulus packages announced by the government

to disburse credit at low cost among the affected farmers for mitigating the repercussion of the pandemic would likely to cushion the agriculture sector from further spill-over effects.

1.3 The industry sector, severely affected by the pandemic, experienced a noticeable downturn in Q4FY20 compared to the last three quarters. Available data for April 2020 showed that Industrial Production declined by 23.47 percent (y/y) driven mostly by a precipitous fall in manufacturing output. The production of large and medium-scale manufacturing output witnessed 24.48 percent drop, resulted largely from a plunge in the production of wearing apparel by 84.27 percent. As economic activities in the industry sector drastically contracted, owing to the spread of COVID-19 pandemic and preventive measures, electricity demand plummeted and consequently electricity production declined by 17.38 percent during this period.

Chart I.3: Growth Decomposition of Quantum Index of Industrial Production (In percent)



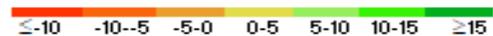
* Based on April 2020

Source: BB Staff's calculation based on BBS data

Chart I.4: Heat Map for Large and Medium Scale Manufacturing Output Growth

(In percent)

	Weight	FY18		FY19				FY20			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4*	
General Index of Manufacturing	100	10.6	16.5	13.4	11.0	10.2	6.0	6.9	7.7	-24.5	
Food products	10.8	21	4	7	8	10	17	11	17	16	
Beverage	0.3	-16	4	-16	3	54	6	45	18	-57	
Tobacco product	2.9	-2	0	-28	-26	0	5	2	1	-3	
Textile	14.1	6	2	-2	2	7	16	22	17	14	
Wearing apparel	34.8	12	19	20	12	7	-1	-9	-8	-84	
Leather and related product	4.4	24	19	40	14	6	2	-5	2	-4	
Wood and product of wood and cork	0.3	4	4	5	5	6	7	8	5	3	
Paper and paper products	0.3	1	1	1	1	1	1	8	5	1	
Printing and recorded media	1.8	7	9	9	12	11	11	15	14	14	
Coke and refined petroleum product	1.3	-36	0	-2	-1	-1	6	-41	-51	-69	
Chemical and chemical product	3.7	-17	41	27	34	29	-27	-4	-4	9	
Pharmaceuticals products	8.2	6	38	17	27	26	12	52	36	33	
Rubber and plastic products	1.6	16	12	6	6	6	6	6	2	4	
Non-metallic mineral product	7.1	8	21	10	10	12	11	19	27	-6	
Basic metal	3.2	5	4	1	-1	-1	1	4	4	-49	
Fabricated metal product	2.3	4	10	7	8	9	2	6	6	6	
Computer and electronic products	0.2	-10	3	36	72	44	93	70	10	-97	
Electrical equipments	0.7	-5	-37	20	-11	34	-1	-26	-8	-34	
Machinery and equipments	0.2	29	19	18	11	19	25	20	24	9	
Motor vehicles and trailers	0.1	8	237	215	119	-38	-36	-67	-51	-22	
Transport equipment	0.7	6	-1	-5	-2	1	11	22	4	4	
Furniture	0.9	23	15	0	5	0	1	-3	-1	-1	

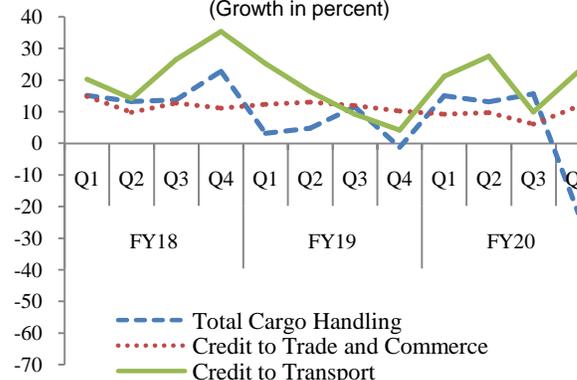


*Based on April 2020

Source: BB staff's calculation based on BBS data

1.4 It appears that most of the service sector related activities, such as hotel and restaurant businesses, and transport and communication services were hit hard by the outbreak of the pandemic and related lockdown measures. But, some indirect indicators, such as credit growth, spuriously depicted normal performance of this sector. Despite the shutdown, credit (outstanding) to trade and commerce, and transport (22.7 percent) increased by 11.7 percent 22.7 percent, respectively. This might be a consequence of temporary stoppage of loan repayment by Bangladesh Bank which led the outstanding credit to rise. However, the volume of cargo handled through Chattogram port nosed-dived by a whopping (-)22.1 percent as both exports and imports contracted in Q4FY20.

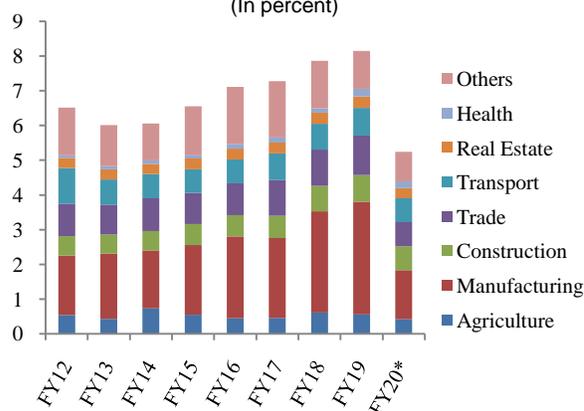
Chart I.5: Total Cargo Handled, Credit to Trade and Commerce and Transport
(Growth in percent)



Sources: Bangladesh Bank; Chattogram Port Authority

1.5 As economic activities operated on a limited scale in Q4FY20 restricted by the outbreak of pandemic and preventive responses such as lockdown, economic forecasts indicated that GDP growth of Bangladesh would be significantly lower in FY20 than in FY19. According to BBS’s provisional estimate, real GDP grew by 5.24 percent in FY20, which was notably lower than 8.15 percent in FY19, the lowest in a one and half decades. This contraction was caused mainly by the deceleration in the growth of the service and the industry sector, particularly in manufacturing growth. In 5.42 percent of total GVA growth, the industry sector accounts for 2.27 percentage points, while the service sector, comprising more than half of GVA, represents 2.73 percentage points. But, the agriculture sector contributed only 0.42 percentage points to GVA. Among the subsectors, the contribution of manufacturing sector to GVA growth decreased by more than 50 percent compared to previous year while the trade and commerce contributed 38.60 percent lower.

Chart I.6: Decomposition of GVA Growth
(In percent)

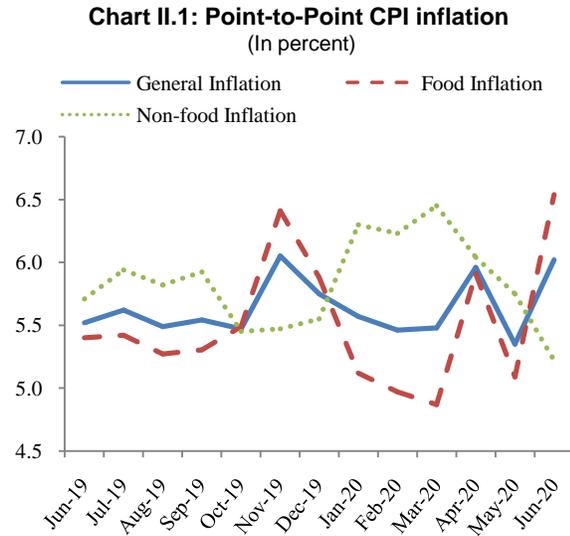


Source: BB staff’s calculation based on BBS data

II. Price

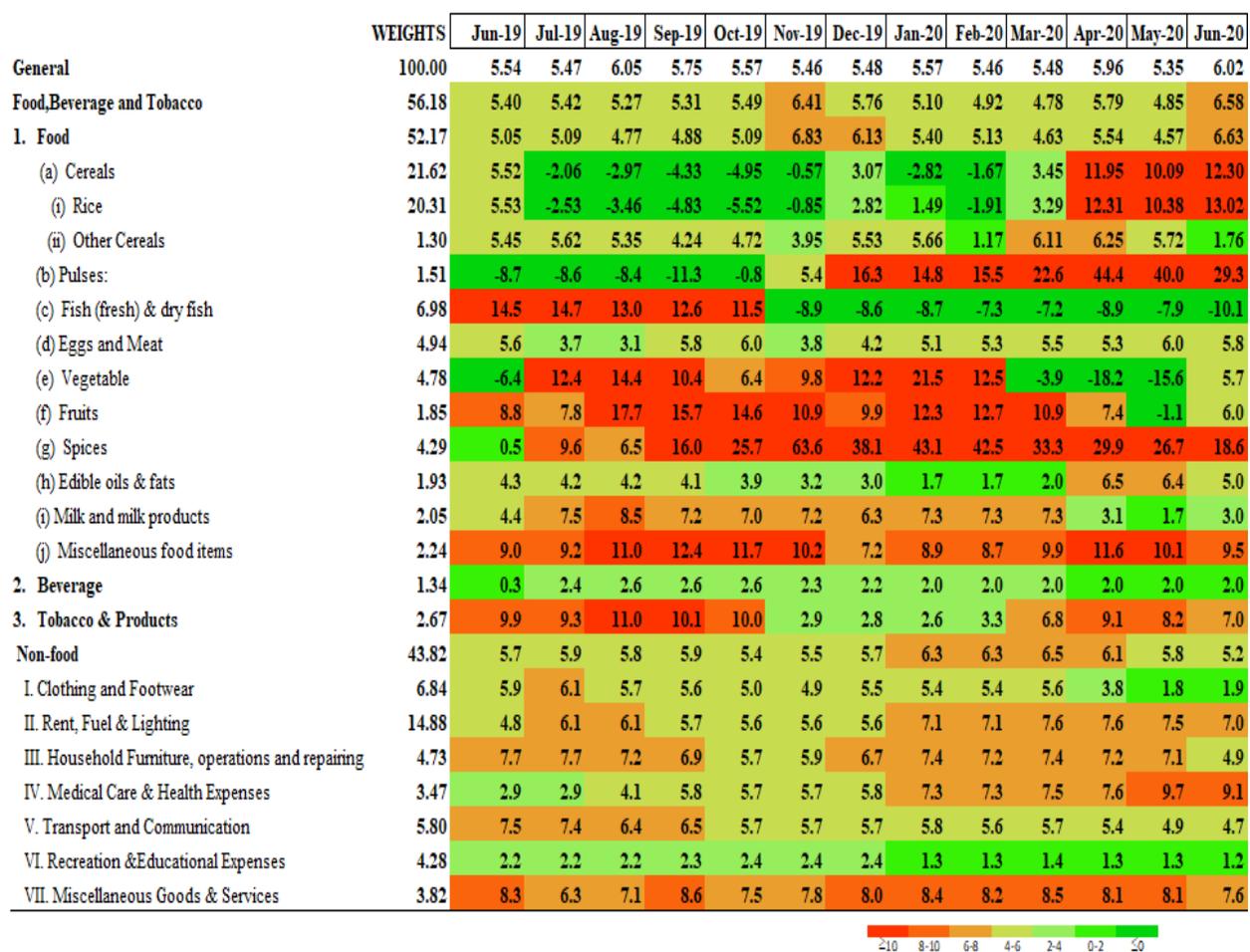
2.1 With some volatility headline CPI inflation (point-to-point) increased to 6.02 percent in Q4FY 20, a six month high, from 5.48 percent in Q3FY20 and 5.52 percent in Q4FY19. (Chart II.1). This rise in CPI inflation was largely a reflection of food price changes due to supply disruption resulted from the COVID-19 pandemic. Food inflation rose to 6.54 percent in Q4 FY20 from 4.87 percent in Q3FY20 and 5.40 percent in Q4FY19. Rice prices, however, remained the single largest contributor to food inflation throughout the quarter. Again, pulses and spices price hike contributed much to food inflation. However, non-food inflation eased down to 5.22

percent at the end of this quarter from 6.45 percent in Q3FY20 and 5.71 percent in Q4FY19. A drop in the price of clothing and footwear, household furniture, operation and repairing, transport and communication, recreation, and educational expenses reflected the subdued demand due to two months nation-wide lockdown in Q4FY20. But a medical care and health expenses elevated sharply during the quarter under review (Chart II.2).



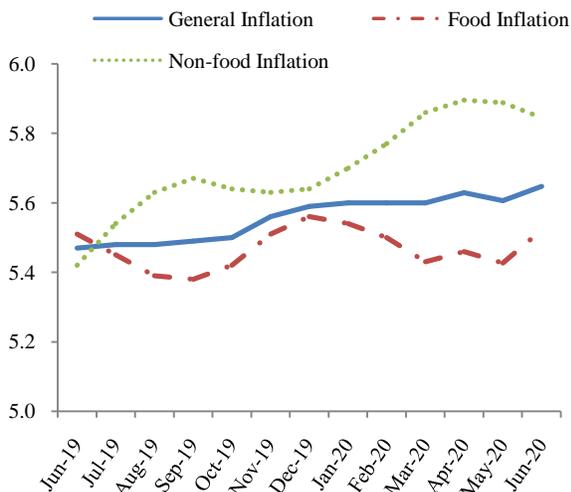
2.2 Headline CPI (12-month average) inflation has been creeping up since April 2019. In Q4FY20, average headline inflation reached 5.65 percent from 5.60 percent in Q3FY20 and 5.47 percent in Q4FY19. Average food inflation slightly increased to 5.52 percent in June 2020 from 5.43 in March 2020 whereas average non-food inflation remained virtually unchanged at 5.8 percent during the quarter under review (Chart II.3). The decomposition of headline inflation shows that out of 5.65 percent inflation in Q4FY20, about three-fifths came from food inflation and the remaining two-fifths percent arose from non-food inflation (Chart II.4).

Chart II.2: Inflation Heat Map (In percent)



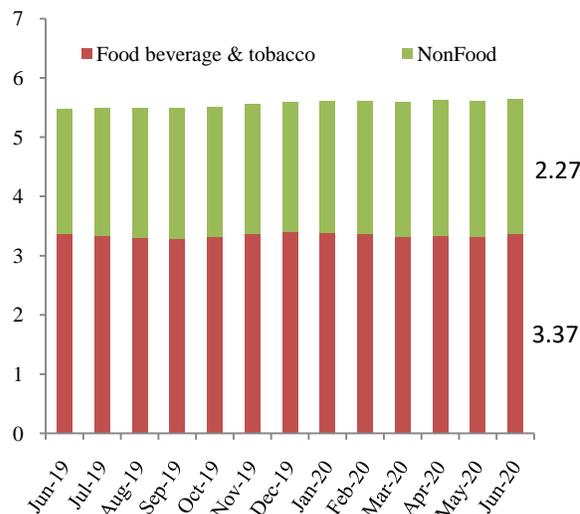
Source: BB staff's calculation based on BBS data

Chart II.3 CPI Inflation
(12- month average; in percent)



Source: Bangladesh Bureau of Statistics

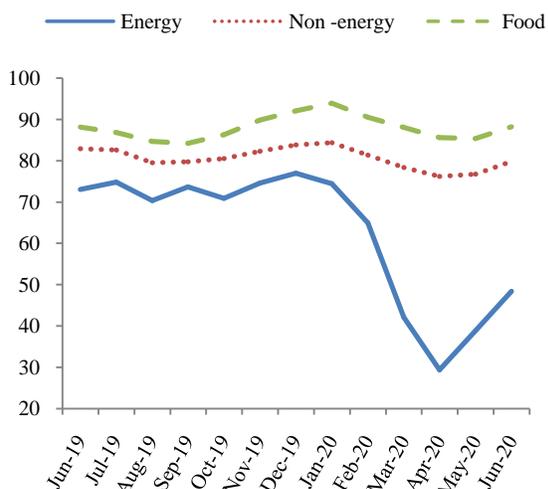
Chart II.4: Decomposition of Average Inflation



Source: BB Staff's calculation based on BBS data

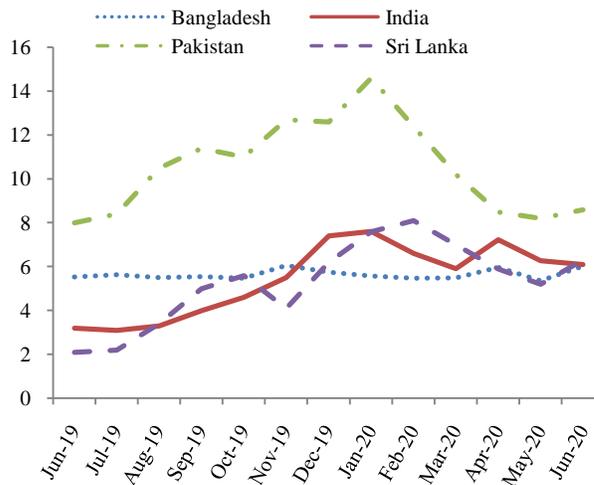
2.3 The commodity, food and non-food, prices in the global market, especially energy prices, showed some recovery in Q4FY20 from the pandemic driven dip in the previous quarter. Led by oil prices, energy prices rose by 15.04 percent in June 2020 compared to March 2020 amid phased reopening of global lockdowns. Moreover, global non-energy and food prices increased in this quarter.

Chart II.5 Global Commodity Price Indices
(2010 = 100)



Source: World Bank

Chart II.6: Inflation in South Asian Countries
(In percent)



Sources: Central Banks and Statistics Department of respective countries

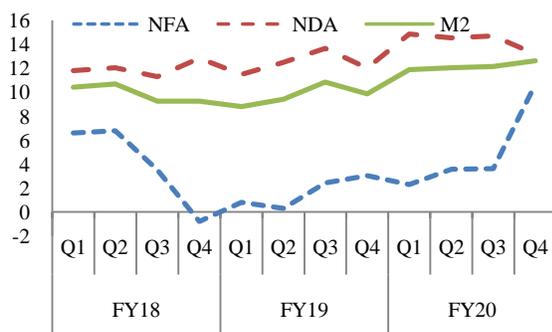
2.4 Inflation in selected South Asian Countries followed a mixed trend in Q4 FY20. Inflation in Pakistan and Sri Lanka decreased to 8.6 percent and 6.3 percent in Q4FY20 from 10.2 percent and 7.0 percent in Q3FY20 respectively, while inflation in India increased to 6.1 percent in Q4FY20 from 5.9 percent in Q3FY20 (Chart II.6).

2.5 Looking ahead, upside risk to headline inflation in the near term may arise from the slowdown in economic activities resulted from supply and demand disruption caused by the pandemic driven mitigation measures. Again, further inflationary pressure may create from recent crop loss due to cyclone ‘Amphan’ and recent prolonged flood in the northern and middle parts of the country. Moreover, policy response of the food-exporting countries regarding restrictions on food export is likely to affect food inflation in the near future.

III. Money and Credit Market

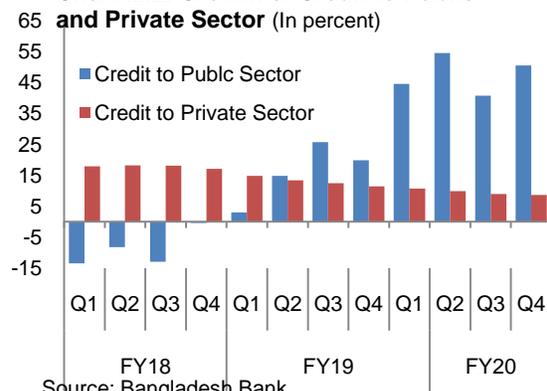
3.1 Amid the pandemic induced economic slowdown, a strong growth in government borrowings from the banking system and a pickup in the net foreign asset (NFA) growth led to 12.64 percent growth in broad money (M2) at the end of Q4FY20, keeping in line with the target of 13.0 percent for FY20, while private sector credit growth continued moderating. To support the financing of government’s proposed stimulus package aiming at faster recovery of growth, downward revision of repo rate and cash reserve ratio (CRR) in Q4FY20 resulted in a significant rise in the liquidity in the banking system. Consequently, interest rates in the interbank market and in the retail market witnessed downward movement during this period.

Chart III.1: Growth of M2, NDA, and NFA
(In percent)



Source: Bangladesh Bank

Chart III.2: Growth of Credit to Public and Private Sector
(In percent)



Source: Bangladesh Bank

3.2 Broad money (M2) increased by 12.64 percent at the end of Q4FY20, remaining close to the target of 13 percent for FY20 driven largely by government borrowings from the banking system. Government borrowings from banking system rose by 55.51 percent in Q4FY20 in the face of a large fall in government’s revenue collection on account of pandemic driven growth slowdown, while the growth of credit to the private sector moderated further to 8.61 percent against the target of 14.8 percent for FY20. The deceleration of private credit growth originated mainly from the moderation of domestic demand owing to the first two-month nationwide lockdown in the quarter and external demand amid the global outbreak of COVID-19. On the other hand, despite a downturn in export earnings, NFA growth picked up to a 12-quarter high of 10.61 percent during this period because of lower import payments and large inflow of external borrowings. In Q4FY20, reserve money grew by 15.56 percent while the precautionary cash holdings surged to a growth of 24.52 percent during the nationwide lockdown in response to the pandemic.

3.3 Given weak revenue collection, it is presumable that the banking system will have to play a key role in the financing of government’s proposed stimulus package aiming at faster recovery of growth. To improved liquidity in the banking system and reduce the cost of fund, Bangladesh Bank cut its repo rate by 50 basis points (5.75 percent to 5.25 percent) and CRR by 100 basis points (5 percent to 4 percent) during this period, which led to a significant rise in the liquidity in the banking system, despite a falling deposit growth. The ratio of total liquid asset and liquid asset excess of SLR to total demand and time liabilities (TDTL) increased to 25.7 percent in June 2020 from 23.5 percent in March 2020 and 10.7 percent in June 2020 from 6.9 percent in March 2020, respectively (Chart III.3). Consequently, interest rate in the call money market and interbank repo rate declined to 5.02 percent and 4.82 percent in June 2020 from 5.44 and 5.96 percent in March 2020, respectively. However, the retail market rates witnessed a significant decline at a varying speed. The weighted-average interest rate on deposit and lending declined to 5.02 and 8.03 percent in June 2020 from 5.44 and 9.5 percent in March 2020, respectively. The spread between the interest rates on lending and deposit narrowed considerable, as the interest rates on lending fell at a faster pace.

Chart III. 3: Liquidity as a % of TDTL

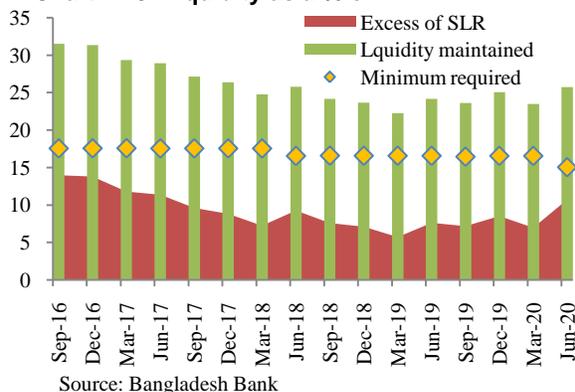
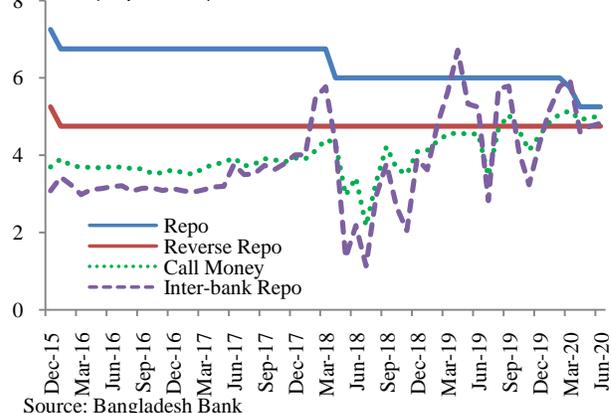
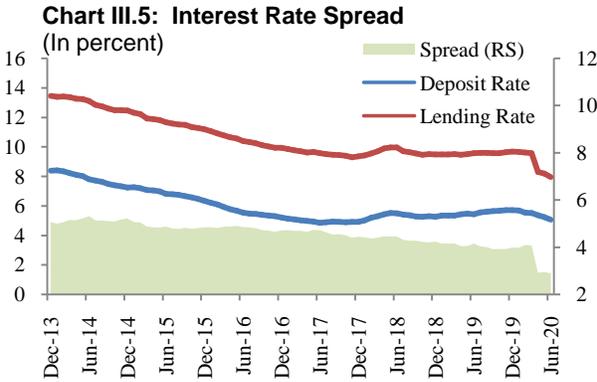
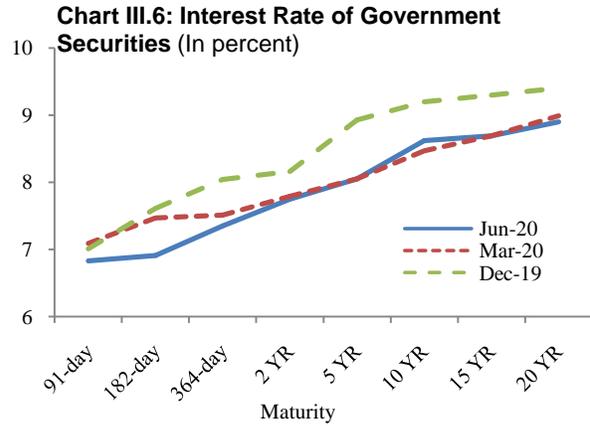


Chart III.4: Movements in Policy and Money Market Rates (In percent)





Source: Bangladesh Bank



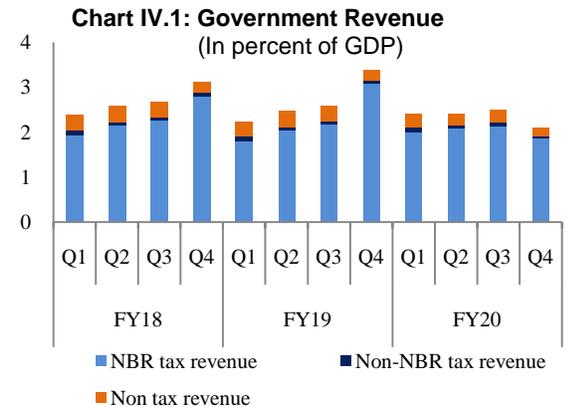
Source: Bangladesh Bank

3.4 The rise of liquidity in the banking system contributed to a decrease in the interest rates on most of the treasury bills (T-bill) and bonds of different maturities. The interest rates on 91-day, 182-day, 364-day T-bill, and 2-year T-bond dropped to 6.83 percent, 6.91 percent, 7.35 percent, and 7.75 percent in June 2020 from 7.09 percent, 7.47 percent, 7.51 percent, and 7.79 percent in March 2020, respectively, while the interest rates on longer term bonds remained mostly unchanged (Chart III.6).

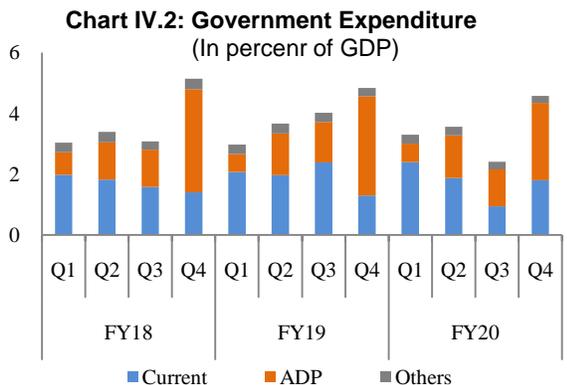
IV. Fiscal Sector

4.1 The fiscal position markedly slipped from its normal trend during Q4FY20 compared to Q4FY19 owing to COVID-19 related economic slowdown triggered by a government declared lockdown for two months that shut down economic activities across all sectors of the economy. The weak revenue collection and additional expenditure for health and cash transfer for coping with COVID-19 pandemic increased fiscal deficit. About 70 percent of deficit financing was met from domestic sources during the quarter under review. A preliminary estimate shows that budget deficit, as percent of GDP, rose to 4.9 percent in FY20 from 4.5 percent in FY19 because of slower revenue collection against higher expenditure, below the revised budget target of 5.5 percent of GDP.

4.2 Despite economic slowdown, total revenue collection amounted to BDT 587.9 billion (2.1 percent of GDP) in Q4FY20 declined from BDT 782.9 billion in Q4FY19 (3.1 percent of GDP). In Q4FY20, NBR tax revenue collection declined by 25.8 percent to BDT 522.9 billion from Q4FY19. A significant part of



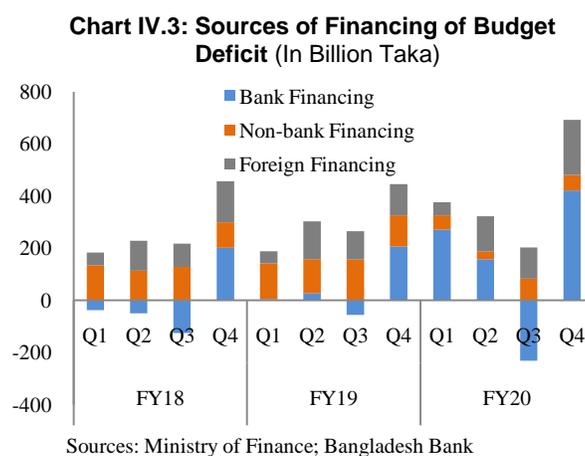
Sources: National Board of Revenue; Office of the Controller General of Accounts



Sources: Ministry of Finance; Ministry of Planning; Bangladesh Bank

this decline in revenue collection may be attributed to government declared lockdown and economic slowdown in a bid to contain the spread of COVID-19 pandemic. Within total NBR tax, the value added tax declined by 23.1 percent, income tax by 23.3 percent and customs duty by 26.0 percent. During FY20, total revenue collection decreased by 2.4 percent (y/y) to BDT 2512.0 billion (9.0 percent of GDP) and 72.2 percent of annual revised budget target for FY20.

4.3 In Q4FY20, fiscal expenditure surged as a result of additional expenditure for health and cash transfer to low-income people and stimulus packages to withstand the repercussions of the COVID-19 pandemic (Chart IV.2). Total expenditure increased by 4.2 percent (y/y) to BDT 1280.5 billion in Q4FY20. Of the total expenditure, current spending rose by 52.8 percent to BDT 502.7 billion and Annual Development Expenditure (ADP) decreased by 14.5 percent to BDT 711.5 billion. In FY20, total expenditure rose by 4.3 percent (y/y) to BDT 3876.4 billion (13.9 percent of GDP) and 77.3 percent of the annual revised budget target for FY20.



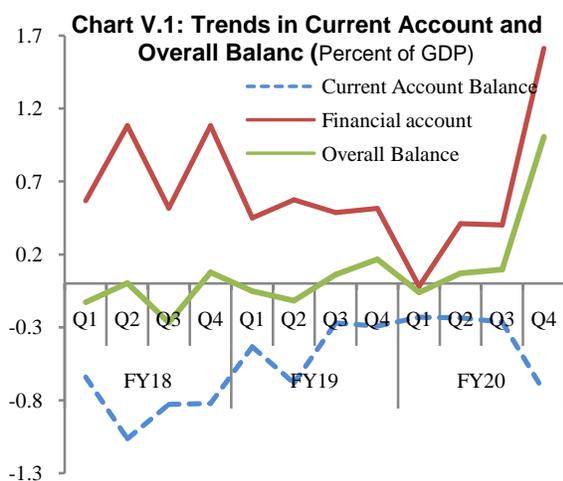
4.4 The lower revenue collection and higher spending caused by COVID-19 stimulus packages led to an increase in the overall fiscal deficit to 2.5 percent of GDP in Q4FY20. The fiscal deficit reached BDT 692.6 billion in Q4FY20, an increase of 55.3 percent from that in Q4FY19. In FY20, total budget deficit amounted to BDT 1365.5 billion (4.9 percent of GDP) compared to BDT 1143.1 billion (4.5 percent of GDP) in FY19, which accounted for about 89.0 percent of the revised budget target for FY20.

4.5 The financing arrangement shows that about 70 percent of deficit financing was met from domestic sources in Q4FY20 (Chart IV.3). The domestic financing amounted to BDT 481.9 billion (1.7 percent of GDP), which was mostly financed by banking sector while non-bank finance fell in Q4FY20 compared to that in the previous quarter. Of the domestic financing, bank financing amounted to BDT 421.5 billion and non-bank financing amounted to BDT 60.4 billion in Q4FY20. The foreign financing amounted to BDT 210.7 billion (0.8 percent of GDP) in Q4FY20. In FY20, about 60 percent deficit financing was met from domestic sources which mostly came from the banking sector.

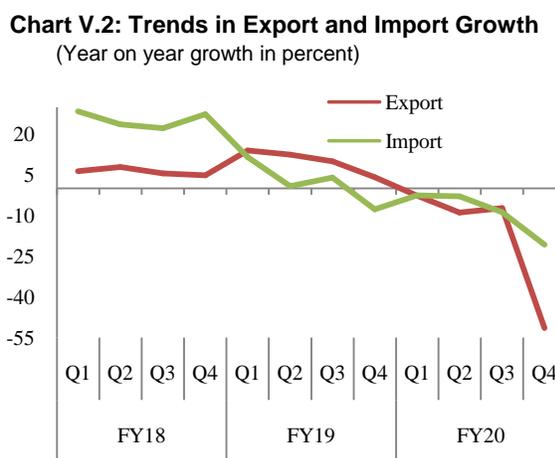
V. External Sector

5.1 Current account deficit (CAD) significantly widened to USD 2439 million (the highest CAD in the last eight quarters) in Q4FY20 from USD 871 million registered in Q3FY20 as both export earnings from ready-made garments (RMG) and remittances from Bangladeshi migrant workers continued to fall during the quarter of the COVID-19 pandemic. As the pandemic that gained a foothold in the previous quarter entrenched it further in Q4FY20, both the source and destination economies for the flows of

goods and services and manpower suffered. But, the overall balance of payments (BOP) registered a surplus of USD 3310 million at the end of Q4FY20, supported by strong financial inflows (1.61 percent of GDP). In FY20, however, the current account deficit narrowed to USD 4,849 million from USD 5,102 million in FY19 and significantly reduced from USD 9,567 million in FY18. The improvement in CAD and strong inflow in financial account led to the overall BOP surplus of USD 3655 million in FY20 which was remarkably higher than USD 179 million in FY19 and the deficit of USD 857 million in FY18.



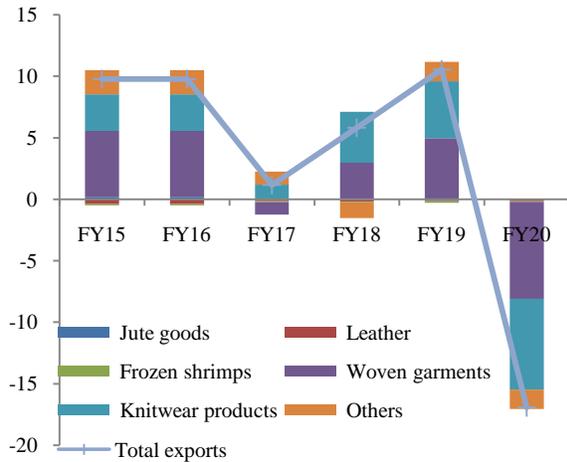
Source: Bangladesh Bank



Source: Bangladesh Bank

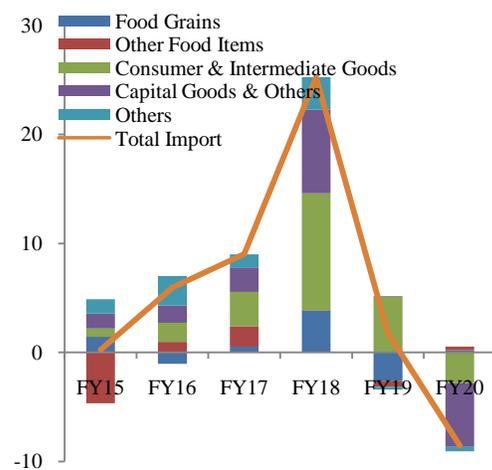
5.2 The falling trend in both exports and imports continued in Q4FY20. Imports fell by 20.74 percent in Q4FY20 from the level of Q3FY19 whereas exports drastically dropped by 51.5 percent during the quarter over the same quarter of previous year. Although there were modest declines in exports and imports in the previous two-quarters of FY20, the record fall in export growth was mostly due to a decline in the exports of readymade-garments, with a drastic fall of almost 53 percent (exports of RMG constitute more than 80 percent share of the total export) during the quarter under report. A weak demand from the European countries and the USA correlated with economic slowdown owing to lockdown and stay-at-home measures for preventing the transmission of the coronavirus. The RMG exports to the European countries and the USA dropped by 53.6 percent and 49.6 percent respectively in Q4FY20 compared to Q3FY19. Moreover, the overall export growth nosedived posting a negative growth of 16.9 percent in FY20 from positive growth of 9.2 percent in FY19. The decomposition of exports for FY20 by categories showed that the export of manufactured commodities fell by 17.3 percent (which accounts for 96.5 percent of total export) caused by a drastic decline in the export of knitwear and woven garments. Recently, export orders rebounded which is likely to boost up the export earnings in the upcoming quarters due to resuming economic activities in the advanced and emerging market economies.

Chart V.3: Decomposition of Export Growth



Source: BB staff's Calculation based on EPB data

Chart V.4: Decomposition of Import Growth

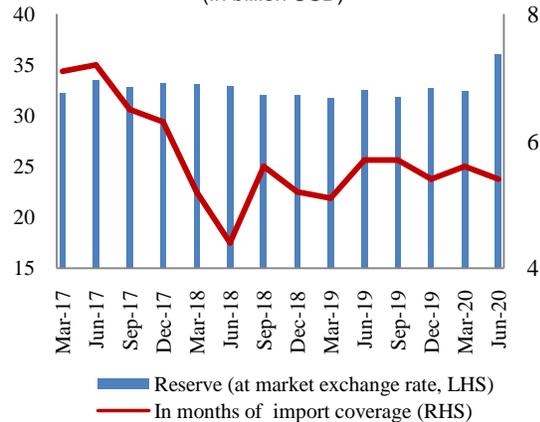


Source: BB staff's Calculation based on NBR data

5.3 Imports posted negative growth during the last three-quarters of FY20 so much so that Q4FY20, posted a negative import growth of 20.7 (the record lowest growth in the last two decades) over the corresponding quarter of FY19. The negative import growth mainly originated from a drastic fall in imports of consumer & intermediate goods (-11.77 percent) and capital machinery (-48.83 percent) during the quarter under report. Moreover, most of the development projects were postponed because of a nationwide lockdown for more than two months in an attempt to prevent the spread of the COVID-19. Consequently, the overall import growth went down to -8.56 percent in FY20 from 1.8 percent in FY19.

5.4 The growth of remittance inflows modestly improved and reached 10.87 percent (y/y) in FY20 compared to 9.6 percent growth (y/y) in FY19 due to higher inflow in the last quarter although it witnessed negative growth for the last two quarters in FY20 due to the COVID-19 outbreak. Nevertheless, the growth of remittance inflows improved from -4.77 percent in Q3FY20 to -1.37 percent in Q4FY20. The improvement in remittance inflows was partly due to higher remittances received from Saudi Arabia (31.62 percent in Q4FY20). Saudi Arabia alone constitutes more than one-fourth of the total remittance inflows in Bangladesh. The growth of remittance inflows from the USA also rose from 30.50 percent in Q3FY20 to 35.57 percent in Q4FY20

Chart V.5 : International Reserve
(In billion USD)

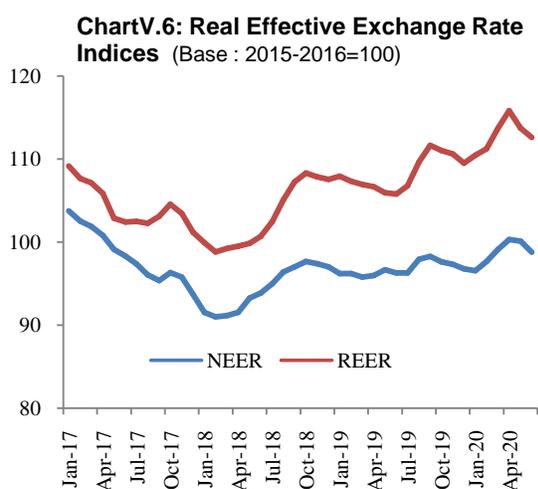


Source: Bangladesh Bank

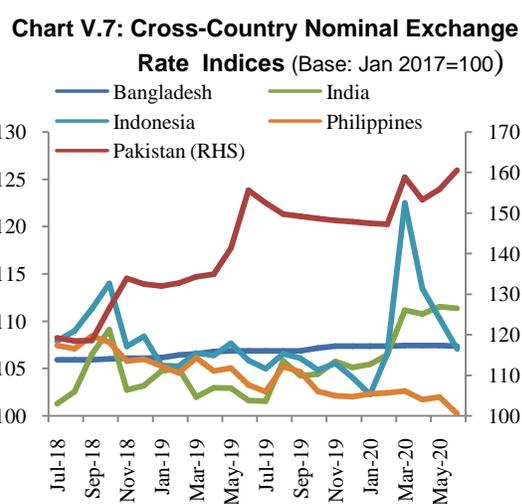
(share of remittances from the USA is almost 16 percent). Remittances from Euro areas and Asia Pacific Region continued a further decline because of economic slowdown induced by the COVID-19 pandemic.

5.5 Financial account expanded substantially at the end of Q4FY20 which is mainly attributable to a significant increase in medium and long-term (MLT) loans and trade credit. Financial account registered an increase of around USD 4 billion in Q4FY20 from the previous quarter. Although the net inflow of FDI showed a positive growth rate in Q4FY20 (12.7 percent), a significant decline was noticeable for the whole fiscal year of FY20 (-13.1 percent). Moreover, the inflows in the financial account went up by 42.7 percent in FY20 from -34.4 percent in FY19 which helped to increase the surplus in BoP in FY20.

5.6 Strong financial inflows along with negative growth in import payments exerted downward pressure on the exchange rate. Bangladesh Bank (BB) intervened in the foreign exchange market by net buying of USD 266 billion in Q4FY20 to offset some downward pressure on the exchange rate. The intervention of BB has lessened downward pressure on exchange rate to some extent; however, the nominal exchange rate of Bangladeshi taka (BDT) per US dollar slightly appreciated from 84.95 in Q3FY20 to 84.90 in Q4FY20. Along with that of Bangladesh, the nominal exchange rate of Indonesia and the Philippines also appreciated at the end of June 2020 compared to that of March in 2020 with the exception of India and Pakistan (Chart V.7). The official reserves of BB reached the highest ever of USD 36.04 billion at the end of FY20 maintaining an import coverage of 5.4 months. The recent movements in the Bangladesh Taka (BDT) against the US Dollar (USD) and the shifts in major currencies caused the nominal effective exchange rate (NEER), and real effective exchange rate (REER) to appreciate by 0.32 percent and 0.98 percent respectively at the end of June 2020 compared to at the end of March 2020 indicating a fall in the country’s export competitiveness.



Source: Bangladesh Bank



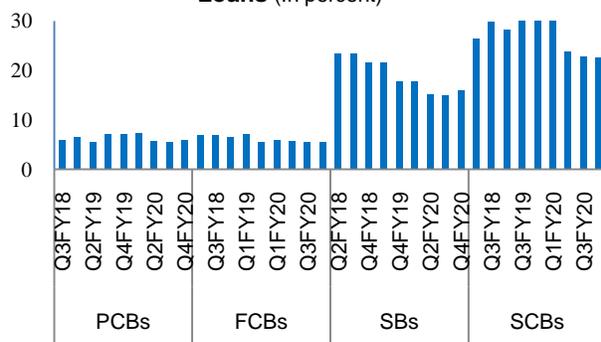
Source: IFS

5.7 Global economies are showing some signs of recovery as economies are opening up and businesses are rebounding with the gradual ebbing of the prevalence and incidence of the COVID-19 pandemic. It is anticipated that export in ready-made garments and remittance inflows will also bounce back in the coming quarters. The uncertainty in global growth recovery and geopolitical tension regarding trade are major downside risks for maintaining a favorable external sector.

VI. Banking Sector

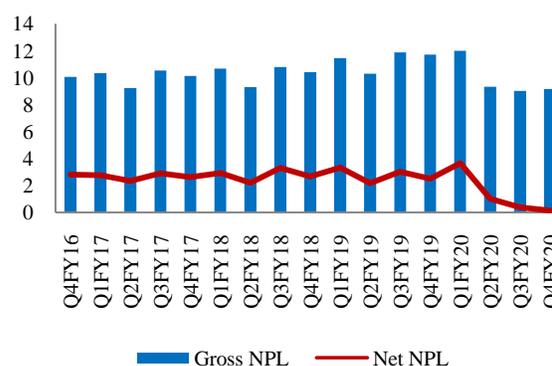
6.1 The indicators of the banking sector exhibited a mixed performance at the end of Q4FY20, as reflected by the rising non-performing loans (NPLs), the improvement of liquidity conditions, stable capital adequacy, and moderating provision maintaining. During Q4FY20, overall NPL modestly went up, driven mainly by increasing NPL of the private commercial banks (PCBs).

Chart VI.1: Ratio of Gross NPLs to Total Loans (In percent)



Source: Bangladesh Bank

Chart VI.2: Ratio of Gross NPLs and Net NPL to Total Loans (In percent)



Source: Bangladesh Bank

6.2 The overall NPL of the banking industry marginally increased to 9.16 percent in Q4FY20 from 9.03 percent in Q3FY20. Gross NPL for PCBs grew to 5.86 percent in Q4FY20 from 5.63 percent in Q3FY20. However, gross NPL for SCBs narrowly moderated to 22.73 percent in Q4FY20 from that of 22.82 percent in Q3FY20. Although overall provisioning against classified loans increased (BDT 609.0 billion in Q4FY20 from BDT 568.8 billion in Q3FY20), shortfall condition widened in Q4FY20 (Table 6.1, Table VI.1, and Chart VI.1). In the meantime, the system-wide net NPLs of the banking industry declined to 0.15 percent in Q4FY20 from 0.39 percent in Q3FY20 (Table VI.2 and Chart VI.2).

6.3 Overall capitalization of the banking sector remained stable in Q4FY20. The capital to risk-weighted asset ratio (CRAR) improved to 11.63 percent in Q4FY20 from 11.35 percent in Q3FY20 driven mainly by the state-owned commercial banks (SCBs). The CRAR of SCBs rose to 6.93 percent in Q4FY20 from 4.59 percent in Q3FY20. However, the CRAR of PCBs fell to 13.31 percent in Q4FY20

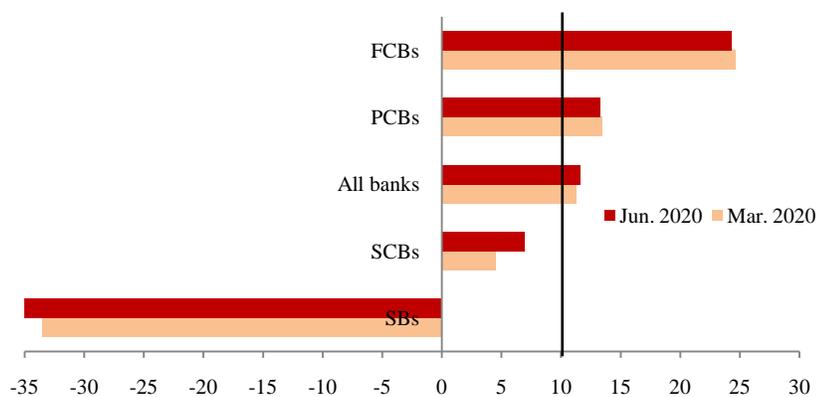
from 13.49 percent in Q3FY20. The CRAR of FCBs also moderated to 24.35 percent in Q4FY20 from that of 24.66 percent in Q3FY20.

Table 6.1: Comparative Position of Classified Loan and Provision Maintained

(In billion of BDT)

Quarter	Items	SCBs	SBs	PCBs	FCBs	All Banks
Q4 FY19	Total classified loan	537.45	519.24	20.58	46.99	1124.25
	Required provision	353.03	321.21	15.84	22.35	712.43
	Provision maintained	284.52	293.06	17.28	25.38	620.23
	Excess(+)/shortfall(-)	-68.51	-28.15	1.43	3.03	-92.20
Q1 FY20	Total classified loan	549.2	47	545.7	20.9	1162.9
	Required provision	255.8	22.4	330.8	15.7	624.6
	Provision maintained	191.4	25.4	309.3	17.3	543.3
	Excess(+)/shortfall(-)	-64.4	3	-21.5	1.6	-81.3
Q2 FY20	Total classified loan	439.9	40.6	441.7	21.0	943.3
	Required provision	275.5	21.1	300.6	16.0	613.2
	Provision maintained	197.4	22.5	309.3	17.5	546.6
	Excess(+)/shortfall(-)	-78.1	1.4	8.7	1.5	-66.6
Q3FY20	Total classified loan	428.7	40.5	435.1	20.8	925.1
	Required provision	262.7	21.1	305.2	16.0	604.9
	Provision maintained	202.1	22.5	326.3	17.9	568.8
	Excess(+)/shortfall(-)	-60.6	1.4	21.1	1.9	-36.2
Q4FY20	Total classified loan	429.4	45.2	465.9	20.6	961.2
	Required provision	276.9	23.9	337.5	15.7	654.0
	Provision maintained	216.9	25.3	347.8	19.0	609.0
	Excess(+)/shortfall(-)	-59.9	1.4	10.2	3.3	-45.0

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



Source: Bangladesh Bank

6.4 Banking industry's profitability (annualized) improved at the end of June, 2020 compared to that of June, 2019. At the end of Q4FY20, both return on asset (ROA) and return on equity (ROE) of the banking sector slightly increased to 0.42 percent and 6.68 percent from 0.30 percent and 4.68 percent

respectively in Q4FY19. The profitability of SCBs witnessed a marginal improvement, both ROA and ROE increased to 0.04 percent and 0.81 percent in Q4FY20 from that of -0.81 percent and -16.57 percent respectively a year ago. However, ROA and ROE for PCBs observed a fall from 0.65 percent and 9.54 percent in Q4FY19 to 0.58 percent and 8.48 percent in Q4FY20 respectively (Table VI.4).

6.5 The growth of bank deposits decelerated to 10.5 percent (BDT 13,055 billion) at the end of Q4FY20 from 11.2 percent (BDT 12,457 billion) at the end of Q3FY20. The growth of advances also compressed to 9.0 percent (BDT 10,647 billion) at the end of Q4FY20 from that of 9.7 percent (BDT 10,278 billion) in Q3FY20. As a result, the overall advanced deposit ratio declined to 76.2 percent in Q4FY20 from 77.8 in Q3FY20. The slower growth in bank deposits and advances is mainly due to increasing currency holding by the household during the COVID-19 pandemic induced economic slowdown (Chart VI.5 and Table 6.2).

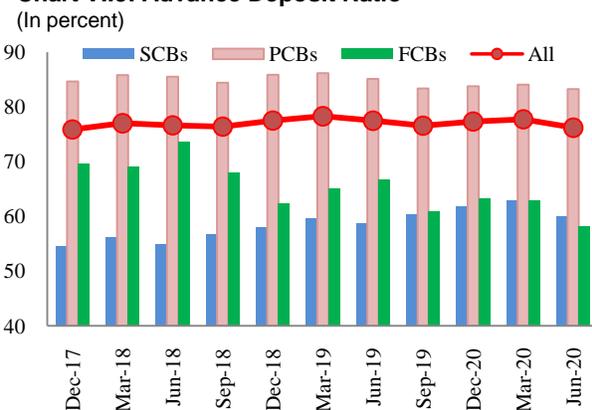
6.6 The liquidity conditions in the banking sector witnessed an improvement and remained adequate at the end of Q4FY20 partly because of reducing the repo rate by 50 basis points (5.75 percent to 5.25 percent) and CRR by 100 basis points (5.0 percent to 4.0 percent). Consequently, excess liquidity, the excess of CRR and SLR as a percent of total demand and time liabilities (TDTL), notably surged to 10.7 percent in Q4FY20 from 7.0 percent in Q3FY20 (Table 6.3).

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. 20	Mar. 20	Jun. 20	Mar. 20	Jun.20	Mar. 20
SCBs	8.2	6.0	10.6	11.7	60.1	62.9
PCBs	11.2	13.6	9.0	9.6	83.3	84.1
FCBs	13.5	5.8	0.3	2.8	58.2	62.9
SBs	7.5	10.7	7.8	8.5	77.4	75.7
All	10.5	11.2	9.0	9.7	76.2	77.8

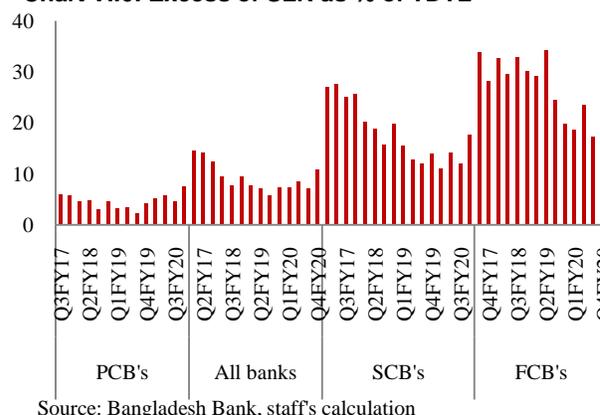
Source: Bangladesh Bank. *Adjusted deposits growth for ADR

Chart VI.5: Advance Deposit Ratio



Source: Bangladesh Bank

Chart VI.6: Excess of SLR as % of TDTL



Source: Bangladesh Bank, staff's calculation

Table 6.3: Liquidity Position of the Scheduled Banks

(In billion of BDT)

Bank groups	CRR			SLR		
	Required Reserves	Balance with BB in local currency	Excess(+)/shortfall (-) in reserve	Required Liquidity	SLR eligible liquid assets of banks**	Excess(+)/shortfall (-) of SLR
1	2	3	4	5	6	7
As of end- June, 2020						
SCBs	123.8	213.4	89.6	398.2	944.9	546.7
SBs*	12.7	13.4	0.8	0.0	0.0	0.0
PCBs (other than Islamic)	242.7	279.5	38.7	788.9	1343.9	555.0
Private Banks (Islamic)	110.8	178.8	68.1	152.3	247.7	95.4
FCBs	31.5	71.0	40.1	101.5	300.2	198.7
All	521.5	756.2	237.2	1440.9	2836.6	1395.8
As of end- March, 2020						
SCBs	170.7	188.7	18.0	399.4	767.5	368.2
SBs*	17.2	17.8	0.6	0.0	0.0	0.0
PCBs (other than Islamic)	331.9	377.4	47.1	784.4	1123.4	338.9
Private Banks (Islamic)	150.6	172.5	21.9	150.6	213.5	63.0
FCBs	41.3	44.0	9.2	96.2	225.5	129.3
All	711.6	800.3	96.7	1430.6	2329.9	899.4

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)

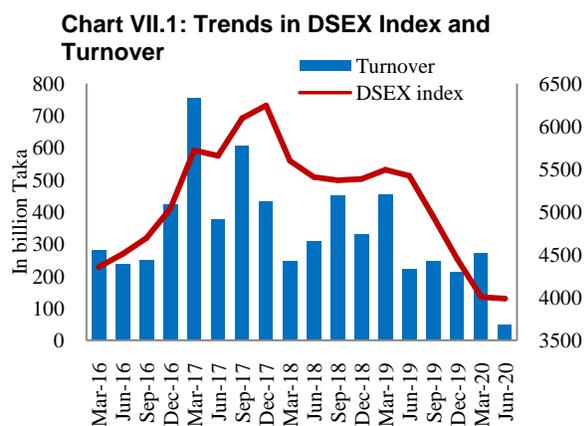
Note: According to the circular No-MPD-02, 2013 with effect from February 01, 2014 SLR has been calculated separately (excluded CRR) as 13% for conventional banks and 5.5% for Islamic banks of the total demand and time liabilities.

According to circular No. MPD-03, April 09, 2020, CRR revised to 4.0 percent from 5.0 percent effective from April 15, 2020

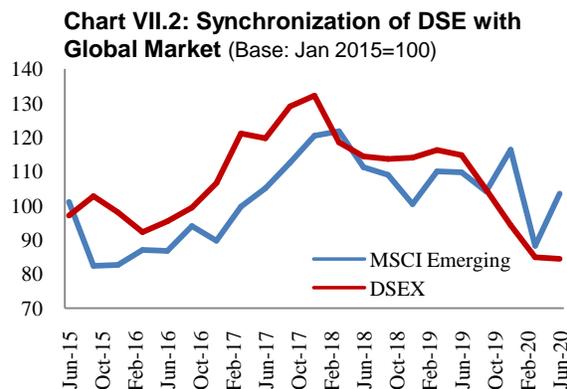
6.7 In view of economic activities and growth recovery, banks have started channeling funds of stimulus package to large industry, CMSME, and agriculture sector and it is expected that it will scale up gradually in near future. Reducing the bank's earning and increasing the stressed asset are the main challenges of the banking sector. However, to avoid further vulnerability in the sector in terms of NPL and to channel funds for growth recovery, constant supervision and vigilance are required for ensuring growth momentum and macroeconomic stability in the coming years.

VII. Capital Market

7.1 In Q4FY20, the DSE broad index sank to the lowest level (3989.1) of FY20 although the activities in the capital market were mostly normal throughout the last three quarters. The capital markets were shut down during the first two months of the quarter due to the CCOVID-19 pandemic outbreak in the country. Thus the overall activities of capital market were underperformed during Q4FY20, as reflected in price indices, market capitalization, and turn over. The synchronized movements between the global equity market and DSE were observed for the last several years due to increasing trade and financial integration and increasing global portfolio participation in DSE somewhat detangled in Q4FY20. In response to the Covid-19 pandemic outbreak, central banks including Bangladesh Bank across the countries adopt unprecedented easy monetary and prudential financial policies. As a results, the global market started to recover during Q4FY20 (Chart VII.2). Market capitalization shrank by 25.0 percent to BDT 2576.3 billion in Q4FY20 from Q4FY19.



Source: DSE Monthly Review, Various Issues



Sources: Dhaka Stock Exchange and www.msci.com

7.2 The DSE broad index (DSEX) and DSE-30 index, the key indicators of the capital market development, dropped significantly in Q4FY20 compared to the level of Q4FY19 but it stayed almost at the same level of Q3FY20. The DSEX index fell by 26.4 percent in Q4FY20 from Q4FY19. Though the DSE-30 index slightly increases by 0.8 percent from March 2020, it dropped by 32.3 percent (y/y) in Q4FY20 (Chart VII.1 and Table VII.1). Sector-wise indices¹ show that Telecommunication's index reached the highest (2222.7) while Textile sector's index remained at the lowest level (133.1) in Q4FY20 (Chart-VII.4).

7.3 The overall price-earnings (PE) ratio of the DSE inched up in Q4FY20 from the level of Q3FY20. The average price earnings ratios rose to 10.78 in Q4FY20 from 10.58 in Q3FY20. Sector-wise PE data show that banking sector's PE score occupied the lowest position while that of the cement sector the highest position in Q4FY20 (Chart VII.3).

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

Sector	Share of Total M.cap Jun-20	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Bank	17.4	9.0	8.8	8.8	9.1	9.3	8.3	8.2	7.8	6.6	6.7
Financial Institutions	4.9	14.9	14.7	13.6	14.0	15.4	14.7	13.2	17.3	14.8	15.9
Engineering	5.5	16.5	16.8	17.9	15.5	14.4	14.6	12.8	11.3	10.2	10.1
Food & Allied	8.0	28.2	26.7	25.7	26.7	32.9	25.1	21.2	17.5	16.4	17.4
Fuel & Power	14.3	11.0	12.6	14.3	14.9	15.4	14.7	13.0	10.6	9.5	9.5
Textile	4.0	16.0	17.6	18.0	18.0	16.8	16.8	12.8	12.8	12.2	11.7
Pharmaceuticals	17.1	21.3	20.6	19.2	18.6	19.4	19.1	18.5	15.3	14.6	15.2
Service & Real Estate	0.4	17.1	16.7	16.7	15.6	15.6	15.4	13.2	13.0	12.6	12.6
Cement	3.0	21.4	34.6	33.7	35.9	35.5	28.6	24.9	21.0	22.5	20.8
IT	0.7	25.4	26.0	27.4	23.8	23.1	24.4	22.5	22.6	19.2	19.2
Tannery	0.7	17.4	15.8	17.0	19.0	19.0	20.3	17.2	14.0	12.7	12.7
Insurance	3.7	12.9	11.0	11.9	11.7	13.9	14.4	15.4	15.2	12.1	12.2
Telecommunication	13.4	28.0	19.5	18.5	18.6	21.0	14.6	14.1	11.2	9.4	9.6
Miscellaneous	6.7	20.5	16.9	27.8	25.8	30.7	27.1	25.1	19.9	18.9	18.9

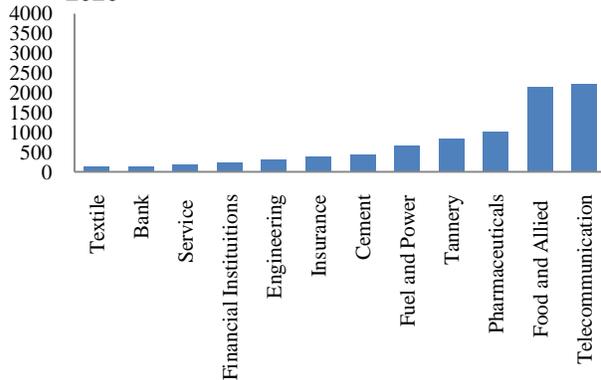
Sources: DSE Monthly Review, Various Issues



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

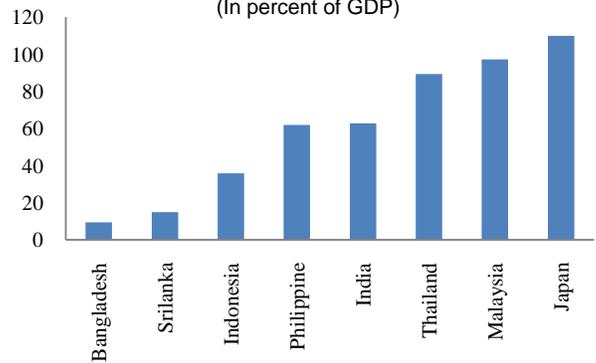
7.4 In Q4FY20, the issued capital in the DSE continued to expand though the turnover declined. The value of issued equity and debt increased by 4.3 percent (y/y) in Q4FY20 and no new companies were listed in the capital market during the quarters under review. The daily average turnover dropped to BDT 2.1 billion in Q4FY20 from BDT 4.5 billion in Q3FY20. Market liquidity as measured by the Turnover Velocity Ratio (TVR)² decreased to 22.9 percent in Q4FY20 from 42.2 percent in Q3FY20.

Chart VII.4: Index of Major Sector, June 2020



Source: DSE Monthly Review, June 2020

Chart VII.5: Selected Countries; Stock Market Capitalization, June 2020 (In percent of GDP)



Source : DSE Monthly Review, June 2020

7.5 The total turnover by foreign and non-resident Bangladeshi rose in FY20 compared to FY19. In FY20 investment by foreign and non-resident Bangladeshi investors increased to BDT 41.4 billion from BDT 40.2 billion in FY19. In FY20, the value of shares sold by foreign and non-resident Bangladeshi rose to BDT 55.4 billion from BDT 42.0 billion in FY19. Thus the net investment by foreign and non-resident Bangladeshi investors stood at BDT (-) 14.0 billion in FY20 against BDT (-) 1.8 billion in FY19. However, the total turnover by foreign and non-resident Bangladeshi expanded to BDT 96.9 billion in FY20 from BDT 82.2 billion in FY19.

Table 7.1: Selected Countries: Price Earnings Ratio, Dividend Yield and Market Cap. to GDP ratio of June 2020

Country	Price Earnings Ratio	Dividend Yield	M. Cap to GDP
Bangladesh	10.75	4.39	9.21
India	21.13	1.21	62.75
Sri Lanka	8.92	3.81	14.92
Thailand	18.87	4.04	89.29
Hong Kong	13.60		1311.14
China	15.52		37.23

Source: DSE monthly Review, June 2020

7.6 Cross-country data on price earnings (PE) ratios as of June 2020 shows that Bangladesh has moderate PE ratio among the South and East Asian countries while dividend yield of Bangladesh is the highest among these countries (Table 7.1). Market capitalization, as percent of GDP, in Bangladesh dropped significantly to 9.21 percent in FY20 from 15.76 in FY19.

Policy Note: PN2001

A Brief on the Policy Responses to Economic Fallout of the COVID-19 in Bangladesh³

The economic growth of Bangladesh decelerated to 5.24 percent in FY20 from 8.15 percent in FY19 in the aftermath of the economic slowdown caused by a government-declared lockdown for around two months in the first half of FY20 to prevent the contagion of COVID-19 pandemic. The domestic demand, which comprised of consumption and investment, moderated to 4.23 percent and 6.71 percent respectively in FY20 from 4.33 percent and 8.44 percent respectively in FY19 but the external demand (exports) drastically contracted in FY20 as a consequence of unprecedented, negative growth of the global economy. Unfortunately, the economic growth of the European Union and the USA turned from positive in 2019 to negative in 2020 owing to severely restricted economic activities and diminished demand caused by the rampant spread of the pandemic through these regions to which Bangladesh tended to export more than 80 percent of its ready-made garments RMG (Table 1).

In the first half of 2020, global economic activities suffered a faster and deeper contraction than in the financial crisis of 2007-09 as the pandemic stalled almost all sectors of the economy because of the rapid contagion of the COVID-19 pandemic. So deep is the plunge in global output that the global economic growth is projected to contract by 4.9 percent in 2020 and revive by 5.4 percent in 2021 (IMF, WEO 2020) (Table 1). The pandemic severely weakened global trade, consumption, services, and the labor market in both developed and emerging markets. Global trade contracted by nearly 3.5 percent (year over year) in the first quarter, reflecting weak demand, collapse in cross-border tourism, supply chain disruptions, and supply dislocations triggered by shutdowns across the world.

Bangladesh's government and Bangladesh Bank (BB) undertook a range of coordinated fiscal, monetary, and macro-prudential policy actions which included stimulus packages and easy credit availability in order to cushion the Bangladesh's economy from the fallout from the pandemic. The overriding objectives of these policy measures are to minimize the negative impacts of the pandemic and to bring economic activities back to the pre-COVID-19 level. These policy measures are expected to make financing conditions easy for investors, entrepreneurs, and corporate bodies who now can access more favorable financing sources to resume their business in full swing. It is likely that the economy will recuperate from lost investment and consumption and bounce back to the economic growth momentum observed in the last decade.

The government has announced a series of stimulus packages worth of Tk. 1.03 trillion (about 3.6 percent of GDP) for increasing public spending that are expected to create job and loan facilities for the affected industries and business so that they can revive, and expanding the coverage of government's

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social safety net programs to protect the extreme poor. A summary of those stimulus packages is listed in table 2.

Considering the adverse consequences of the pandemic, the government adopted an expansionary fiscal policy for FY21 to ensure a smooth recovery of economic growth (8.2 percent for FY21), employment generation, and poverty reduction. The overall expenditure framework was revised to make sufficient allocations available to mitigate the adverse impacts of the COVID-19. Moreover, with a view to mitigate increased risks of poverty and inequality, meet the basic needs of people of the country, enhance business activities and create employment and establish an equitable and just society, fiscal policies incorporated social safety nets, cash transfers, employment generation programs under annual development programs (ADP), various types of tax exemption or tax benefit in income tax, customs and value-added tax (VAT) in the revenue management framework. The fiscal deficit is projected to increase slightly to 6 percent in FY21 from 5.5 percent in the revised budget for FY20 (Budget Speech, 2020-21, Ministry of Finance).

Table 1: Real GDP Growth Forecast by Developing Partners

	IMF			World Bank			ADB		
	2019	2020(f)	2021(f)	2019	2020(f)	2021(f)	2019	2020(f)	2021(f)
World	2.9	-4.9	5.4	2.4	-5.2	4.2	-	-	-
Advanced Economies	1.7	-8.0	4.8	1.6	-7.0	3.9	1.7	-5.8	4.1
<i>USA</i>	2.3	-8.0	4.5	2.3	-6.1	4.0	2.3	-5.3	3.8
<i>Euro Area</i>	1.3	-10.2	6.0	1.2	-9.1	4.5	1.2	-7.0	5.5
EMDE¹	3.7	-3.0	5.9	3.5	-2.5	4.6	-	-	-
<i>India</i>	4.2	-4.5	6.0	4.2	-3.2	3.1	4.2	-4.0	5.0
<i>China</i>	6.1	1.0	8.2	6.1	1.0	6.9	6.1	1.8	7.4
<i>Bangladesh</i>	5.5	1.0	8.5	8.2	1.6	1.0	8.2	4.5	7.5
<i>Sri Lanka</i>	2.3	-0.5	4.2	2.3	-3.2	0.0	2.3	-6.1	4.1

Sources: World Economic Outlook Update, June 2020; Global Economic Prospects, June 2020; Asian Development Outlook Supplement, June 2020. ¹Emerging Market and Developing Economies

Bangladesh Bank has adopted an expansionary monetary policy for FY21 with the objectives of achieving the recovery of the economy from the adversity of the COVID-19 pandemic, resumption of production capacity, restoration of the normal livelihood of the people while maintaining dual goals of price stability and sustainable economic growth. Policy measures and strategies are designed to make adequate financing supports available to all priority sectors like agriculture, cottage, micro, small and medium enterprises (CMSMEs), manufacturing industries, and the service sector with built-in options for necessary adjustment to match the demand of the specific sectors where essential (MPS 2020-21, BB). Bangladesh Bank has allocated about BDT 552.50 billion refinance scheme for large, CMSMEs, agriculture and exports sector (Table-3).

A pragmatic agricultural and rural credit policy has been adopted by relaxing terms and conditions for inclusive loan disbursement. In view of the importance of the agriculture sector in terms of

employment generation, food security, and poverty reduction in the country, the target disbursement of agricultural credit is set at BDT 262.92 billion for FY21 which is about 9 percent higher than that of FY19. To realize this goal, banks are instructed to disbursing credit to women, marginal and tenant farmers. In FY19, banks disbursed BDT 227.50 billion agricultural and rural credit to 3.07 million farmers. Out of them, about 1.51 million women farmers received loans amounting to about BDT 83.60 billion through the channel between banks and MFIs (Agricultural and Rural Credit Policy and Program for the FY21, BB).

To increase financial flow to the CMSMEs sector, a credit grantee scheme has been undertaken so that banks can disburse more credit to the sector and minimize their risks. In 2019, the total industrial loan disbursed was BDT 7578.96 billion, and out of this amount, about BDT 1679.70 billion was disbursed to 0.77 million CMSMEs which was 22.16 percent higher than that of 2018. During January-June, 2020, BDT 1659.19 billion industrial loans (including 83 percent of working capital) were disbursed. The latest SME data show that about 0.32 million CMSMEs received about BDT 658.26 billion loans during the first two quarters of 2020.

Table 2: Summary of Stimulus Packages by the government

Broad Area	Stimulus Package
Export Sector (including RMG)	The government has created a fund amounting TK 5,000 crore for the export oriented industries so that about 5 million workers can continue their livings and get salaries and allowances.
Working Capital Loan Facility for Large Industries and CMSMEs	To support affected enterprises in the industrial sector, the government has introduced a working capital loan facility of TK 30,000 crore at a subsidized interest rate for large industries. In addition, the government has created another working capital loan facility of Tk 20,000 crore at a subsidized interest rate for the Cottage, Micro, Small and Medium Enterprises (CMSMEs)
Import Sector	To facilitate the import of raw materials under the Back-to-back Letter of Credit facility, the government has increased the size of Export Development Fund (EDF) from USD 3.5 billion to USD 5 billion, at a reduced interest rate.
Pre-shipment Credit Refinance Scheme	To improve the export competitiveness, a new Pre-Shipment Credit Refinance Scheme of Tk. 5,000 crore has been initiated through Bangladesh Bank.
Healthcare Professional	The government has declared a special honorarium equal to the basic pay of two months for the doctors, nurses and other healthcare workers who are providing critical healthcare services to COVID-19 patients.
Frontline Public Servants	The government has taken special arrangements to compensate frontline public servants (officials from field administration, law enforcing agencies and armed forces and other employees of public service) who directly engaged in enforcing initiatives

	and might get infected, and in the unfortunate event of deaths, to the family members of the deceased employees.
Food Aid	A humanitarian aid including food aid has introduced by the government to support those who affected by sudden unemployment due to the coronavirus outbreak. A total of 4 lakh metric tons of rice and 1 lakh metric ton of wheat have already distributed among the poor free of cost.
Social Safety Net Programs	The government has provided direct cash transfers of Tk. 2,500 each to 50 lakh selected ultra-poor families nationwide. Alongside, the coverage of the Old Age Allowances and the Allowances for Destitute Women have been widened to include all qualified persons in the poorest 100 upazilas in the country. The total number of new beneficiaries due to expansion of the Allowances for Diasabled Persons and these two programs is 10 lakh 70 thousand. Besides, Tk. 2,130 crore has also been allocated to construct houses for the homeless population.
Agricultural Sector	In order to keep the momentum of the agricultural production, the government has increased subsidies in the agriculture sector to TK 9,500 crore. Moreover, Tk. 200 crore has been allocated as incentives for farm mechanisation. The government is going to form an agriculture refinance scheme of Tk. 5,000 crore to provide required agricultural credit to farmers. Another refinancing scheme of Tk. 3,000 crore has been announced for small income farmers and traders in the agriculture sector.
Low-interest Credit to Poor Farmers	Tk. 2,000 crore will be distributed with low interest rate to poor farmers through three specialised banks and Palli Karma Sahayak Foundation (PKSF), with each receiving Tk. 500 crore.

Source: Budget Speech, 2020-21, Ministry of Finance

Table 3: Summary of Stimulus Packages and Monetary & Exchange Rate Policy

Policy Responses	Broad Area
	Monetary , Exchange Rate and Bank Liquidity
CRR	Cash Reserve Ratio (CRR) requirement has been reduced from 5.5% to 4.0%
Repo	Repo interest rate has been also cut gradually from 6.0% to 4.75%
Reverse Repo	Reverse Repo rate has been slashed from 4.75 percent to 4.0 percent
Bank Rate	Bank rate has been reduced from 5.0 percent to 4.0 percent
Security Buy Back	BB announces to buy back government securities from the secondary market as some banks and FIs act as primary dealers of such securities to ease their liquidity.
ADR	The advance deposit ratio (ADR) has been extended from 85.0% to 87.0%. Similarly, The investment deposit ratio (IDR) has also been extended from 90.0% to 92.0%

Term repo	Long term REPO facility (360 days) to banks and non-bank FIs' from BB has been made available
LC for Export and Import	Banks permitted to extend LC usance (payment) periods for the import of raw materials, agricultural implements and chemical fertilizers (from 180 days to 360 days) and of life-saving drugs (from 90 days to 180 days).
	Banks may, without repayment guarantee, advance credit up to USD 0.5m for import of corona virus-related life-saving drugs, medical kits/equipment and other essential medical items.
EDF	The size of export development fund (EDF) has been enhanced to USD 5.0 billion. To facilitate export trade interest rates on EDF loans to ADs will be charged by BB at 1.00% pa, while ADs will charge interest to manufacturer-exporters at 2.00% pa
	ADs may seek financing facilities from Export Development Fund (EDF) for settlement of import payments against back to back LCs under supplier's/buyer's credit
	BB has decided that bullet repayment will be permissible (earlier permissible only for import of raw materials upto USD 0.5m with usance period between 6 months to 1 year) for other usance imports under supplier's/buyer's credit, usance period can be below 6 months or above 1 year.
	ADs are permitted to settle their payment against inland LCs in foreign exchange through their nostro accounts.
	Usance period has been extended for import of agricultural implements and chemical fertilizers from 180 days to 360 days
	BB is permitting foreign owned/controlled companies operating in Bangladesh to take short term working capital loans from their parent companies/shareholders for funding payments of 3-month salaries. The facility is not applicable for those companies availing loan from BDT 50bn stimulus package.
Loan of EDF	Loan limit from EDF fund has been enhanced. Now ADs may borrow maximum USD 30.0 million. Previously it was USD 25.0 million.
	Agriculture Sector
Refinance scheme	Refinance scheme of BDT 5000 crore has been created to provide working capital from BB's own source. BB will charge interest 1% from banks and banks will charge 4% interest (max). Affected customers will be able to avail up to 20% extra of the existing loan facility under the scheme. The loan will be repayable within 18 months including 6 months grace period.
Interest rate	BB instructed banks to provide agricultural loan at 4% interest from banks' own funds. Bank's can claim from BB at 5% interest rate as subsidy in the crop sector to mitigate the crisis due to the novel corona virus
	CSMEs
Working capital	Financial incentive package of BDT 20,000 crore to provide special working capital facility for CMSME sector. These loans will carry interest rate of 9%, 5% to be borne by Govt as a subsidy.

Refinance	Revolving refinance scheme of BDT 10,000 crore for CMSME sector to provide working capital facility to the entrepreneurs. Bank can borrow 50% of loan disbursed from BB at 4% interest rate.
	Large Industry and service sector
Working capital	Government to provide BDT 300billion fund for banks to provide working capital loan facilities to the affected industries. These loans will carry interest at rate of 9%, half to be borne by borrower and half by Government as a subsidy
Refinance	BB has established Revolving Refinance Scheme of BDT 150billion to ensure financing by banks. Banks can borrow 50% of loan disbursed from BB at 4% interest rate.
Loan facility of export Industry	Government announced BDT 50billion (approx. USD595m) stimulus package for export-oriented industries. This includes assistance towards salaries and funding of 2 year loans to factory owners at 2% interest (service charge).
	Sustainable Finance
Refinance	The amount of refinance scheme has been enhanced to Tk. 4 billion from Tk. 2 billion against term loan for Green Products / Initiatives / Projects.
	Low income professionals, farmers and micro businessmen
Refinance	Refinance scheme of BDT 3000 crore has been formed by BB's own fund. BB will charge 1% interest to banks, banks will charge 3.5% interest to Micro Credit Financing Institutions (MCFIs) and MCFIs will charge 9% interest to customer. Customers will repay loan within 1 to 2 years including grace period.
	Others
Cash Transfer to 5 million vulnerable families by Govt.	Government will transfer Taka 12.50 billion to 5 million vulnerable families through MFS. Each family will get Taka 2500.00
Interest suspension on loan and investment	Interest charge on loan and investment by banks has been suspended for two month (April and May, 2020). Business community will be benefited enormously.
Source: Compiled from circulars issued by Bangladesh Bank.	

In view of the analysis of policy measures and strategy highlighted above, it is clear that extraordinary easy monetary, fiscal, and financial policies have been undertaken to facilitate the rapid recovery of the economy to the pre-COVID-19 level. The speed, quality, and coordination of these policies in implementation will determine how fast and large the recovery of economic growth will be. With substantial dependence of Bangladesh economy on foreign exchange earnings from the export of RMG and manpower, the country faces risks and uncertainties of the global economy because the market for its merchandise and labor export play a critical role in the recovery of economic growth in the second half of 2020, and 2021.

Tables

Table I.I: Macroeconomic Framework: Key Economic Indicators
(Growth in percent, unless otherwise indicated)

Indicators	FY15	FY16	FY17	FY18	FY19	FY20 ^P
Real GDP	6.6	7.1	7.3	7.9	8.2	5.2
GDP deflator	5.8	6.8	5.3	5.6	4.2	4.5
CPI Inflation (average)	6.4	5.5	5.9	5.8	5.5	5.7
CPI Inflation (point to point)	6.3	5.9	5.4	5.5	5.7	6.0
In percent of GDP						
Gross Domestic Savings	22.1	25.0	25.3	22.8	25.0	25.3
Gross domestic investment	28.9	29.7	30.5	31.2	31.6	31.8
Total revenue	10.9	10.5	10.5	10.8	10.1	9.0
Tax	9.0	9.0	8.8	9.2	8.8	8.1
Nontax	1.5	1.2	1.4	1.3	1.0	0.9
Total expenditure	13.8	13.9	13.4	14.7	14.6	13.9
Current expenditure	8.0	7.5	6.5	6.8	7.0	7.0
Annual Development Program	4.7	5.0	5.5	6.6	6.6	5.8
Other expenditure (residual)	1.1	1.4	1.4	1.3	1.1	1.0
Overall balance (excluding grants)	-2.9	-3.4	-2.9	-3.9	-4.5	-4.9
Financing (net)	2.9	3.4	2.9	3.9	4.5	4.9
Domestic financing	1.8	2.2	1.9	2.1	2.8	3.0
Banking System	-0.5	0.2	-0.9	-0.1	0.7	2.2
Non-bank	2.3	2.0	2.7	2.1	2.1	0.8
Money and credit						
Private sector credit	13.2	16.6	15.7	17.0	11.3	8.6
Broad money (M2)	12.4	16.4	10.9	9.2	9.9	12.6
External Sector						
Exports, f.o.b.	3.1	8.9	1.7	6.4	9.1	-17.1
Imports, f.o.b.	3.0	5.9	9.0	25.2	1.8	-8.6
In percent of GDP						
Current account balance	1.8	1.9	-0.6	-3.6	-1.75	-1.47
Overall balance	2.2	2.3	1.3	-0.3	0.004	1.11
In million USD						
Exports, f.o.b.	30,697	33,441	34,019	36,285	39,945	32,830
Imports, f.o.b.	37,662	39,901	43,491	54,463	55,439	50,691
Gross official reserves	25,021	30,176	33,407	32,944	32,550	36,037
In terms of month of imports	6.5	7.2	6.6	6.0	5.5	5.4
Memorandum items:						
Nominal GDP (in billion Taka)	15,158	17,329	19,758	22,505	25,425	27,964

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

Table I.2: Real GDP Growth by Sectors

(In percent)

Sectors	FY15	FY16	FY17	FY18	FY19	FY20 ^P
Agriculture	3.3	2.8	3.0	4.2	3.92	3.11
	(16.0)	(15.4)	(14.7)	(14.2)	(13.65)	(13.35)
a) Agriculture and forestry	2.5	1.8	2.0	3.5	3.15	2.08
i) Crops and horticulture	1.8	0.9	1.0	3.1	1.96	0.89
ii) Animal farmings	3.1	3.2	3.3	3.4	3.54	3.04
iii) Forest and related services	5.1	5.1	5.6	5.5	8.34	6.36
b) Fishing	6.4	6.1	6.2	6.4	6.21	6.10
Industry	9.7	11.1	10.2	12.1	12.67	6.48
	(30.4)	(31.5)	(32.4)	(33.7)	(35.0)	(35.36)
a) Mining and quarrying	9.6	12.8	8.9	7.0	5.88	4.38
b) Manufacturing	10.3	11.7	11.0	13.4	14.2	5.84
i) Large & medium scale	10.7	12.3	11.2	14.3	14.84	5.47
ii) Small scale	8.5	9.1	9.8	9.3	11.0	7.8
c) Power, gas and water supply	6.2	13.3	8.5	9.2	9.58	6.16
d) Construction	8.6	8.6	8.8	9.9	10.25	9.06
Service	5.8	6.3	6.7	6.3	6.78	5.32
	(53.6)	(53.1)	(52.9)	(52.1)	(51.35)	(51.30)
a) Wholesale and retail trade	6.4	6.5	7.4	7.5	8.14	5.02
b) Hotel and restaurants	6.8	7.0	7.1	7.3	7.57	6.46
c) Transport , storage and communications	6.0	6.1	6.8	6.6	7.19	6.19
d) Financial intermediations	7.8	7.7	9.1	7.9	7.38	4.46
e) Real estate, renting and business activity	4.4	4.5	4.8	5.0	5.23	4.85
f) Public administration and defense	9.8	11.4	9.2	8.5	6.4	6.02
g) Education	8.0	11.7	11.4	7.0	7.66	6.19
h) Health and social works	5.2	7.5	7.6	7.0	11.79	9.96
i) Community , social and personal service	3.3	3.3	3.6	3.7	3.72	3.61
GDP (at constant market price)	6.55	7.11	7.28	7.86	8.15	5.24

Source: Bangladesh Bureau of Statistics

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

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

	FY15	FY16	FY17	FY18	FY19	FY20 ^p
Agriculture	2,241	2,434	2,650	2,942	3,224	3,476
a) Agriculture and forestry	1,765	1,903	2,054	2,274	2,481	2,652
i) Crops and horticulture	1,261	1,343	1,437	1,592	1,723	1,830
ii) Animal framings	299	332	360	396	432	467
iii) Forest and related services	205	228	257	286	326	355
b) Fishing	476	531	596	669	743	825
Industry	4,067	4,739	5,483	6,422	7,538	8,311
a) Mining and quarrying	239	286	341	389	440	440
b) Manufacturing	2,545	2,951	3,418	4,041	4,814	5,253
i) Large & medium scale	2,060	2,402	2,792	3,326	3,962	4,299
ii) Small scale	485	549	626	716	852	954
c) Power, gas and water supply	199	238	262	293	321	343
d) Construction	1,085	1,264	1,461	1,699	1,964	2,242
Service	8,142	9,301	10,566	11,919	13,437	14,914
a) Wholesale and retail trade	1,926	2,143	2,440	2,798	3,227	3,603
b) Hotel and restaurants	149	171	193	221	252	284
c) Transport , storage & communications	1,500	1,692	1,871	2,046	2,260	2,488
d) Financial intermediations	558	636	732	837	942	1,011
e) Real estate, renting and business activity	1,061	1,237	1,445	1,664	1,905	2,125
f) Public administration and defense	507	667	784	902	990	1,118
g) Education	376	465	569	645	731	819
h) Health and social works	301	348	390	441	520	588
i) Community , social and personal service	1,764	1,942	2,142	2,364	2,610	2,878
Total GVA at current basic price	14,450	16,473	18,699	21,283	24,199	26,702
Tax less subsidy	708	856	1,059	1,222	1,226	1,262
GDP at current market price	15,158	17,329	19,758	22,505	25,425	27,964

Source: Bangladesh Bureau of Statistics

Table I.4 : Crop-wise Agricultural Production

Crops	Actual for FY19		Actual / Target for FY 20	
	Area	Production	Area	Production
	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)
Aus	11.5	29.2	11.3	30.1
Aman	56.2	140.2	58.8	155.0
Boro	49.1	203.9	47.5	204.4*
Total Rice	116.8	373.3	119.0	387.1
Wheat	3.3	11.5	3.4	12.5
Maize	5.1	47.0	5.5	52.076*
Total Cereal	125.1	431.8	127.9	399.6
Jute	6.5	74.4	6.7	68.2
Potato	4.7	109.5	4.6	112.7
Vegetables	8.6	172.5	9.0	184.9
Moong	2.4	2.8	2.6	3.4
Mosur	1.9	2.5	1.9	2.6
Gram	0.1	0.1	0.0	0.1
Mustard	5.2	6.8	5.7	8.1
Onion	2.1	23.3	2.4	25.6

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

* = Target

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

	FY19					FY20			
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄ *
Manufacturing	386.5	370.9	392.2	391.6	391.4	402.4	420.7	421.7	282.6
Mining	182.6	183.5	175.5	181.3	190.0	189.0	183.1	186.9	186.77
Electricity	289.8	298.4	261.3	254.2	345.0	370.3	281.1	269.1	261.77

Source : Bangladesh Bureau of Statistics,

*=April

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

	Weight	FY19					FY20			
		FY19	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q* ₄
General Index	100.0	388.6	379.6	392.2	391.6	391.2	402.4	420.7	421.7	282.6
Food products	10.8	536.1	498.8	562.3	529.3	553.8	581.2	625.1	617.0	611.3
Beverages	0.3	272.7	315.4	158.3	214.6	402.7	335.3	228.8	254.1	138.6
Tobacco products	2.9	138.6	134.2	139.0	140.3	140.9	141.1	142.0	141.7	136.6
Textile	14.1	199.7	183.1	201.4	201.3	212.8	212.4	245.5	235.4	234.8
Wearing apparel	34.8	443.0	424.9	461.1	459.0	427.2	420.3	417.7	422.2	62.5
Leather and related products	4.4	348.6	326.7	401.0	340.4	326.2	334.4	382.7	346.3	321.8
Wood and products of wood and cork	0.3	356.4	349.4	353.3	358.5	364.6	373.7	380.8	375.2	374.3
Paper and paper products	0.3	187.6	186.9	187.3	187.8	188.4	189.1	201.7	197.7	189.4
Printing and reproduction of recorded media	1.8	178.9	172.4	175.7	181.4	186.0	190.7	201.9	206.6	210.2
Coke and refined petroleum products	1.3	109.7	109.2	109.8	109.9	110.0	115.6	65.2	53.8	33.9
Chemicals and chemical products	3.7	133.8	153.4	135.5	130.4	115.7	111.8	130.6	124.7	125.9
Pharmaceuticals and medicinal chemical	8.2	670.4	749.8	580.1	650.8	701.0	839.0	879.7	884.6	910.2
Rubber and plastic products	1.6	442.1	434.3	438.1	445.4	450.7	462.5	465.1	455.5	468.7
Other non-metallic mineral products	7.1	431.9	413.5	421.0	435.7	457.6	457.1	501.2	551.9	419.6
Basic metal	3.2	187.0	187.5	187.2	186.8	186.7	188.8	194.7	194.8	94.6
Fabricated metal products	2.3	297.4	292.0	296.3	298.8	302.7	299.3	312.8	317.2	318.3
Computer, electronic and optical product	0.2	246.1	195.6	191.8	268.1	328.8	377.2	325.2	293.7	10.1
Electrical equipment	0.7	335.1	245.8	382.0	289.1	423.3	242.6	282.8	265.4	206.1
Machinery and equipment	0.2	641.0	599.2	624.4	641.3	699.0	747.9	752.0	794.9	761.3
Motor vehicles and trailers	0.1	614.1	682.2	886.6	556.7	330.9	438.9	290.0	270.6	279.0
Other transport equipment	0.7	593.7	559.4	584.4	612.3	618.7	620.5	714.0	637.8	652.7
Furniture	0.9	193.8	193.0	199.1	191.1	192.2	194.4	193.2	189.0	187.9

Source : Bangladesh Bureau of Statistics, *= April 2020

Table I.7 : Cargo Handled by Chattogram Port
(In Thousands Metric Tons)

	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Quantity										
Export	6,849	1,748	1,771	1,751	1,580	5,969	1,820	1,803	1,826	1,197
Import	83,021	18,154	21,442	22,984	20,440	77,980	20,052	24,479	26,781	15,963
Total	88,969	19,002	23,213	24,735	22,020	83,951	21,872	26,283	28,607	17,160
	Growth in percent ¹									
Export	-2.1	2.0	-3.1	-0.9	-6.6	-12.8	4.1	1.8	4.3	-24.3
Import	6.4	8.7	5.5	12.5	-0.8	-6.1	10.5	14.2	16.5	-21.9
Total	4.6	3.2	4.8	11.5	-1.2	-5.6	15.1	13.2	15.7	-22.1

Source: Chattogram Port Authority.

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

Table I.8 : Trends in Private Sector Credit

(In billion Taka)

Institutions	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Outstanding										
Banks	10,100	9,188	9,588	9,797	10,100	10,973	10,167	10,532	10,666	10,973
Non-banks	670	650	668	681	670	673	668	677	676	673
Microfinance institutions	636	573	603	624	636	614	640	679	419	614
Total	11,406	10,410	10,859	11,102	11,406	12,260	11,474	11,889	11,761	12,260
Growth in percent ¹										
Banks	11.3	14.7	13.2	12.4	11.3	8.6	10.7	9.8	8.9	8.6
Non-banks	4.1	9.0	11.0	8.0	4.1	0.4	2.8	1.4	-0.7	0.4
Microfinance institutions	11.4	23.0	8.5	9.8	11.4	-3.5	11.7	12.7	-32.8	-3.5
Total	10.8	14.7	12.8	12.0	10.8	7.5	10.2	9.5	5.9	7.5

Source: Bangladesh Bank; Grameen Bank; BRAC; ASA ; Proshika

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

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

Sectors	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Outstanding										
a. Agriculture	429	387	392	410	429	460	415	422	431	460
<i>Crops</i>	393	354	357	376	393	423	380	385	392	423
<i>Others</i>	36	33	34	35	36	37	35	37	39	37
b. Industry	3,851	3,509	3,663	3,741	3,851	4,343	3,989	4,150	4,315	4,343
<i>Term Loan</i>	1,909	1,584	1,752	1,774	1,909	2,156	1,937	2,012	2,121	2,156
<i>Working capital financing</i>	1,942	1,924	1,911	1,968	1,942	2,188	2,053	2,138	2,194	2,188
c. Construction	901	799	850	855	901	920	911	890	923	920
d. Transport	72	71	67	72	72	88	86	86	79	88
e. Trade & Commerce	3,121	2,844	2,957	3,061	3,121	3,486	3,106	3,247	3,248	3,486
f. Other Institutional loan	260	215	250	261	260	293	268	290	284	293
g. Consumer finance	686	599	648	631	686	665	648	709	682	665
h. Miscellaneous	53	44	47	46	53	36	33	33	40	36
Grand Total :	9,374	8,467	8,875	9,078	9,374	10,291	9,456	9,827	10,002	10,291
Growth in percent										
a. Agriculture	6.1	7.1	1.7	4.9	6.1	7.2	7.3	7.7	5.1	7.2
<i>Crops</i>	3.8	5.5	0.1	3.2	3.8	7.7	7.3	7.8	4.5	7.7
<i>Others</i>	38.7	28.2	22.3	29.2	38.7	2.1	7.1	7.4	12.0	2.1
b. Industry	13.3	17.6	15.4	16.1	13.3	12.8	13.7	13.3	15.3	12.8
<i>Term Loan</i>	20.2	14.6	18.9	22.1	20.2	12.9	22.2	14.9	19.6	12.9
<i>Working capital financing</i>	7.2	20.2	12.4	11.3	7.2	12.6	6.7	11.9	11.5	12.6
c. Construction	15.8	20.1	22.6	16.6	15.8	2.1	14.0	4.7	8.0	2.1
d. Transport	4.2	25.3	16.3	9.2	4.2	22.7	21.3	27.6	9.9	22.7
e. Trade & Commerce	10.2	12.3	13.1	12.0	10.2	11.7	9.2	9.8	6.1	11.7
f. Other Institutional loan	24.3	23.8	40.0	28.3	24.3	12.6	24.8	15.9	8.7	12.6
g. Consumer finance	13.0	5.9	-6.5	4.3	13.0	-3.1	8.2	9.4	8.1	-3.1
h. Miscellaneous	20.6	38.6	81.8	32.3	20.6	-31.8	-24.2	-19.9	-12.0	-31.8
Grand Total :	12.4	14.9	13.4	13.6	12.4	9.8	11.7	10.7	10.2	9.8

Source: Statistics department, Bangladesh Bank.

Table I.10: Trends in Agricultural Credit
(In billion Taka)

	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Programme/Target (July-June)	218.0	218.0	218.0	218.0	218.0	241.25	241.2	241.2	241.2	241.2
Total disbursement	236.2	34.9	67.4	60.3	73.5	227.5	35.5	72.5	61.2	58.3
Crop	118.8	16.9	36.8	30.0	35.1	114.0	16.9	38.6	31.6	26.9
Irrigation	1.6	0.2	0.5	0.5	0.3	1.3	0.1	0.5	0.4	0.3
Agricultural equipment	1.6	0.3	0.5	0.3	0.5	1.4	0.3	0.4	0.4	0.3
Live-stock	32.5	5.6	8.6	8.1	10.2	31.7	5.9	10.0	8.1	7.7
Fisheries	26.8	4.5	7.3	7.0	8.0	26.1	4.8	7.6	6.8	6.8
Grain storage & marketing	1.2	0.1	0.3	0.2	0.6	1.3	0.2	0.4	8.9	-8.2
Poverty alleviation	19.5	2.6	5.2	6.5	5.1	20.9	3.0	5.3	4.8	7.7
Others	34.3	4.8	8.1	7.8	13.7	30.9	4.3	9.7	8.7	8.2
Total recovery	237.3	45.1	68.9	56.2	67.2	212.5	43.7	71.3	54.4	43.0
Total overdue	66.9	72.4	66.8	63.7	66.9	60.6	67.0	64.0	60.8	60.6
Outstanding	429.7	396.2	401.1	409.2	429.7	455.9	422.3	430.3	440.4	455.9
Overdue as percent of outstanding	17.8	18.3	16.7	15.6	15.6	13.3	15.9	14.9	13.8	13.3
Growth in percent ¹										
Total disbursement	10.4	-17.5	3.3	10.5	41.9	-3.7	1.7	7.6	1.5	-20.7
Total recovery	10.9	-1.2	23.7	6.8	12.0	-10.5	-3.0	3.5	-3.2	-36.0

Source: Agricultural Credit Department, Bangladesh Bank.

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

Table : I.11 Microcredit Operations of Grameen Bank and Large NGOs
(In billion Taka)

Institutions	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
1. Total disbursement	976.5	221.5	251.5	258.9	244.5	815.2	243.5	282.5	244.4	44.7
i) Grameen Bank	251.4	58.5	66.2	65.721	60.9	205.0	60.4	67.4	64.3	12.9
ii) BRAC	396.1	86.5	102.2	105.0	102.5	330.1	103.6	120.6	89.3	16.5
iii) ASA	324.7	75.6	82.1	87.0	80.0	275.2	78.1	92.9	89.2	15.0
iv) Proshika	4.3	0.9	1.0	1.2	1.2	4.9	1.4	1.6	1.7	0.2
2. Total recovery	964.7	229.4	244.1	245.1	246.0	824.8	260.5	271.4	236.5	56.5
i) Grameen Bank	245.1	60.3	63.1	62.4	59.3	204.9	64.2	65.4	62.2	13.2
ii) BRAC	398.9	91.3	97.0	102.6	108.0	343.7	113.6	118.8	90.8	20.6
iii) ASA	316.4	76.9	83.0	79.0	77.5	270.8	81.2	85.6	81.8	22.2
iv) Proshika	4.2	0.9	1.0	1.1	1.2	5.4	1.4	1.7	1.7	0.6
3. Loans outstanding	635.6	572.6	602.8	624.4	635.6	613.7	639.6	679.2	419.4	613.7
4. Loans overdue	11.7	8.9	11.1	11.5	11.7	13.1	12.2	12.3	11.0	13.1
5. Overdue as percent of outstanding	1.8	1.5	1.8	1.8	1.8	2.1	1.9	1.8	2.6	2.1

Source : Grameen Bank, BRAC, ASA and Proshika (Compiled by Research Department of Bangladesh Bank)

Table I.12 : Industrial Term Lending by Banks and NBFIs
(In billionTaka)

	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Disbursement										
SOBs	27.1	7.0	6.8	6.7	6.6	75.2	29.1	23.0	10.2	12.9
PCBs	615.4	139.3	173.5	119.7	182.8	579.6	168.8	195.6	117.8	97.4
Foreign banks	27.6	5.1	5.6	5.3	11.6	41.9	7.5	9.7	17.2	7.5
Specialized banks	9.7	0.3	4.3	1.2	3.9	2.6	0.4	0.2	0.3	1.8
Non-bank financial institutions	128.7	39.4	52.3	19.6	17.4	43.3	13.9	13.6	14.0	1.8
Total	808.5	191.1	242.6	152.5	222.3	742.6	219.7	242.1	159.5	121.3
Recovery										
SOBs	56.6	18.0	19.4	10.4	8.8	57.0	17.2	21.8	11.5	6.4
PCBs	606.9	120.8	132.2	153.6	200.2	554.7	163.8	176.4	134.6	79.9
Foreign banks	14.8	3.5	2.8	3.3	5.2	21.3	7.5	4.3	5.1	4.4
Specialized banks	7.1	0.3	2.0	1.6	3.3	2.2	0.3	0.7	0.8	0.3
Non-bank financial institutions	80.3	21.2	22.5	17.9	18.7	62.0	19.0	18.2	14.0	10.8
Total	765.7	163.8	178.9	184.7	238.3	697.2	207.9	221.5	166.0	101.9
Outstanding										
SOBs	473.2	437.2	414.7	301.2	473.2	559.4	459.6	496.1	528.0	559.4
PCBs	1,583.8	1,378.2	1,454.2	1,389.0	1,583.8	1,812.3	1,621.9	1,718.5	1,740.7	1,812.3
Foreign banks	66.9	34.7	39.9	44.6	66.9	84.2	70.4	71.7	80.7	84.2
Specialized banks	16.2	12.7	15.2	15.2	16.2	18.1	16.1	16.9	16.7	18.1
Non-bank financial institutions	298.2	272.1	283.3	288.0	298.2	299.5	305.3	290.0	301.1	299.5
Total :	2,438.3	2,134.9	2,207.4	2,037.9	2,438.3	2,773.5	2,473.4	2,593.1	2,667.2	2,773.5
Growth in Percent ¹										
Disbursement										
SOBs	2.8	-30.9	24.7	-9.6	93.1	177.8	319.2	237.0	52.6	94.7
PCBs	16.4	16.8	23.5	-4.5	27.2	-5.8	21.1	12.7	-1.6	-46.7
Foreign banks	30.5	139.0	-7.1	-36.1	144.9	51.6	45.4	73.3	225.7	-35.5
Specialized banks	-7.6	-91.3	199.8	-59.8	25.8	-72.9	54.7	-95.3	-78.0	-55.2
Non-bank financial institutions	6.6	69.8	105.8	-23.9	-62.6	-66.4	-64.8	-74.0	-28.7	-89.8
All Banks and NBFIs	14.2	21.2	35.6	-10.2	10.4	-8.2	15.0	-0.2	4.6	-45.4
Recovery										
SOBs	1.1	144.7	47.6	-36.7	-53.8	0.7	-4.2	12.3	11.1	-27.1
PCBs	10.0	-4.1	-10.9	20.7	33.5	-8.6	35.6	33.4	-12.4	-60.1
Foreign banks	11.1	17.0	-39.9	9.7	94.3	44.3	117.0	55.1	53.6	-15.7
Specialized banks	-40.6	-87.5	-13.2	-73.2	106.4	-69.6	3.5	-63.6	-46.1	-90.6
Non-bank financial institutions	16.7	28.9	25.9	39.5	-13.5	-22.8	-10.4	-19.1	-21.8	-42.1
All Banks and NBFIs	9.1	5.6	-4.0	11.8	22.1	-8.9	26.9	23.8	-10.1	-57.2
Outstanding										
SOBs	15.0	27.3	13.9	-18.9	15.0	18.2	5.1	19.6	75.3	18.2
PCBs	21.4	19.4	21.1	11.8	21.4	14.4	17.7	18.2	25.3	14.4
Foreign banks	104.3	52.1	63.5	45.4	104.3	25.9	103.0	79.5	81.1	25.9
Specialized banks	29.2	-19.8	0.1	21.1	29.2	11.3	26.9	11.5	9.9	11.3
Non-bank financial institutions	11.6	22.4	15.6	12.0	11.6	0.5	12.2	2.4	4.5	0.5
All Banks and NBFIs	20.2	21.4	19.3	6.5	20.2	13.7	15.9	17.5	30.9	13.7

Source: SME & Special Programmes Department, Bangladesh Bank

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

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
2018						
July	5.5	6.2	4.5	5.8	7.1	3.8
August	5.5	6.0	4.7	5.7	6.9	3.9
September	5.4	5.4	5.5	5.7	6.7	4.1
October	5.4	5.1	5.9	5.6	6.5	4.3
November	5.4	5.3	5.5	5.6	6.4	4.4
December	5.4	5.3	5.5	5.5	6.2	4.5
2019						
January	5.4	5.3	5.6	5.5	6.0	4.7
February	5.5	5.4	5.5	5.5	5.9	4.9
March	5.6	5.7	5.3	5.5	5.8	5.0
April	5.6	5.5	5.6	5.5	5.6	5.2
May	5.6	5.5	5.8	5.5	5.6	5.4
June	5.5	5.4	5.7	5.5	5.5	5.4
July	5.6	5.4	5.9	5.5	5.4	5.5
August	5.5	5.3	5.8	5.5	5.4	5.6
September	5.5	5.3	5.9	5.5	5.4	5.7
October	5.5	5.5	5.5	5.5	5.4	5.6
November	6.1	6.4	5.5	5.6	5.5	5.6
December	5.8	5.9	5.6	5.6	5.6	5.6
2020						
January	5.6	5.1	6.3	5.6	5.5	5.7
February	5.5	5.0	6.2	5.6	5.5	5.8
March	5.5	4.9	6.5	5.6	5.4	5.9
April	6.0	5.9	6.0	5.6	5.5	5.9
May	5.4	5.1	5.8	5.6	5.4	5.9
June	6.0	6.5	5.2	5.6	5.5	5.8

Source: Bangladesh Bureau of Statistics (BBS)

Note: Food includes food, beverage & tobacco.

Table II.2 : International Commodity Prices

	FY19				FY20			
	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄
Rice	402.66	404.66	408.00	414.00	424.33	425.67	465.00	531.33
Wheat	208.80	212.60	212.60	206.70	201.13	224.69	238.36	210.70
Soyabean oil	765.44	736.49	756.98	740.00	773.54	788.77	807.93	705.01
Sugar	0.25	0.29	0.28	0.28	0.27	0.28	0.30	0.24
Crude Petroleum	74.00	66.80	63.36	67.00	60.89	61.43	50.67	31.66

Source: World Bank

Table II.3 : Inflation in South Asia

(Point-t-point)

Country	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Bangladesh	5.5	5.4	5.4	5.6	5.5	6.02	5.5	5.8	5.5	6.02
India(CPI NS)	3.2	3.7	2.2	2.9	3.2	6.1	4.0	7.4	5.9	6.1
Pakistan	8.9	5.1	6.2	9.4	8.9	8.6	12.4	12.6	10.2	8.6
Sri Lanka (NCPI)	2.1	0.9	0.4	2.9	2.1	6.3	5.0	6.2	7.0	6.3

Source: Central banks and Statistics Departments of respective countries.

Table III.1 : Movements in Reserve Money

(In billion Taka)

	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Outstanding										
1. Net foreign assets of BB	2,572	2,517	2,477	2,514	2,572	2,902	2,546	2,591	2,631	2,902
2. Net domestic assets of BB	-110	-232	-130	-263	110	-57	-74	-82	98	-57
a) Claims on public sector	336	128	234	141	336	397	314	370	248	397
i) Claims on govt. (net)	312	104	211	118	312	371	289	344	222	371
ii) Claims on other public sector	24	24	24	24	24	26	25	26	26	26
b) Claim on private sector	48	50	50	48	48	53	48	49	50	53
c) Claims on banks	54	50	59	69	52	138	63	59	371	138
d) Other items (net)	-547	-461	-473	-522	-547	-645	-499	-560	-570	-645
3. Currency issued	1,704	1,555	1,584	1,595	1,704	2,081	1,739	1,719	1,919	2,081
i) Currency outside banks	1,543	1,410	1,447	1,446	1,543	1,921	1,579	1,566	1,733	1,921
ii) Cash in tills	161	145	137	149	161	160	160	153	186	160
4. Deposits of banks with BB	758	730	763	656	758	764	732	790	810	764
5. Reserve money (RM)	2,462	2,285	2,347	2,251	2,462	2,845	2,472	2,509	2,729	2,845
6. Money multiplier (M2/RM)	5.0	4.9	4.9	5.2	5.0	4.8	5.1	5.2	4.8	4.8
Growth in percent										
1. Net foreign assets of BB	1.6	0.4	-2.3	-0.6	1.6	12.8	1.1	4.6	4.7	12.8
2. Net domestic assets of BB	43.6	34.6	64.3	35.3	43.6	48.3	68.1	37.1	137.3	48.3
a) Claims on public sector	34.6	44.7	105.6	14.9	34.6	18.2	145.0	58.0	75.5	18.2
i) Claims on govt. (net)	38.2	56.2	128.0	16.8	38.2	19.0	176.7	63.5	88.8	19.0
ii) Claims on other public sector	0.5	9.9	9.9	6.5	0.5	7.2	5.0	9.2	9.5	7.2
b) Claim on private sector	-7.3	3.4	-0.2	-2.9	-7.3	11.6	-3.7	-2.2	3.7	11.6
c) Claims on Banks	-3.8	-5.1	19.1	37.1	-3.8	155.5	25.7	-0.1	434.5	155.5
3. Currency issued	10.0	7.9	12.6	13.8	10.0	22.1	11.8	8.6	20.3	22.1
4. Deposits of banks with BB	-3.8	2.6	0.0	-9.0	-3.8	0.8	0.4	3.5	23.5	0.8
5. Reserve money (RM)	5.3	6.1	8.1	6.0	5.3	15.6	8.2	6.9	21.2	15.6

Source: Statistics Department, Bangladesh Bank.

P= Provisional.

Table III.2 : Movements in Broad Money

(In billion Taka)

	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Outstanding										
1. Net foreign assets	2,724	2,652	2,647	2,695	2,726	3,015	2,713	2,741	2,792	3,015
2. Net domestic assets	9,472	8,537	8,906	8,991	9,470	10,723	9,806	10,203	10,314	10,723
a) Domestic credit	11,469	10,341	10,803	10,963	11,459	13,026	11,832	12,406	12,305	13,026
Credit to public sector	1,366	1,153	1,215	1,166	1,366	2,054	1,665	1,874	1,639	2,054
Credit to govt. (net)	1,133	957	982	925	1,133	1,761	1,408	1,569	1,338	1,761
Credit to other public sector	234	196	233	241	234	292	257	306	301	292
Credit to private sector	10,103	9,187	9,588	9,797	10,100	10,973	10,167	10,532	10,666	10,973
b) Other items (net)	-1,997	-1,804	-1,897	-1,972	-1,989	-2,304	-2,026	-2,203	-1,991	-2,304
3. Narrow Money	2,733	2,449	2,555	2,517	2,733	3,283	2,708	2,759	2,910	3,283
a) Currency outside banks	1,543	1,410	1,447	1,446	1,543	1,921	1,579	1,566	1,733	1,921
b) Demand deposits	1,190	1,039	1,108	1,071	1,190	1,361	1,129	1,194	1,176	1,361
4. Time deposits	9,463	8,740	8,999	9,169	9,463	10,455	9,811	10,185	10,197	10,455
5. Broad money	12,196	11,189	11,553	11,686	12,196	13,737	12,519	12,944	13,107	13,737
Growth in percent										
1. Net foreign assets	3.0	0.8	0.3	2.4	3.1	10.6	2.3	3.6	3.6	10.6
2. Net domestic assets	12.0	11.5	12.5	13.7	12.0	13.2	14.9	14.6	14.7	13.2
a) Domestic credit	12.3	13.2	13.4	13.7	12.2	13.7	14.4	14.8	12.2	13.7
Credit to public sector	19.8	2.9	15.1	25.7	19.8	50.3	44.4	54.3	40.6	50.3
Credit to govt. (net)	19.4	1.3	12.5	24.0	19.4	55.5	47.1	59.8	44.6	55.5
Credit to other public sector	21.6	11.0	27.6	32.2	21.6	25.1	31.1	31.3	25.3	25.1
Credit to private sector	11.3	14.7	13.2	12.4	11.3	8.6	10.7	9.8	8.9	8.6
3. Narrow money	7.2	5.9	9.3	11.7	7.2	20.1	10.6	8.0	15.6	20.1
4. Time deposits	10.7	9.6	9.4	10.6	10.7	10.5	12.3	13.2	11.2	10.5
5. Broad money	9.9	8.8	9.4	10.9	9.9	12.6	11.9	12.0	12.2	12.6

Source: Statistics Department, Bangladesh Bank.

Table III.3: Interest Rates Developments

Instruments	Sep.18	Dec.18	Mar. 19	Jun. 19	Sep.19	Dec.19	Mar.20	Jun.20
T - Bills								
14 - day		3.12	...	6.30	...	7.52	...	...
91 - day	2.23	2.18	3.48	6.78	7.78	7.01	7.09	6.83
182 - day	3.41	2.96	3.67	6.91	8.36	7.61	7.47	6.91
364 - day	3.54	3.40	4.28	7.06	8.55	8.04	7.51	7.35
BGTB								
2 - year	4.07	4.33	5.27	7.41	8.57	8.16	7.79	7.75
5 - year	5.34	5.35	6.35	8.05	9.13	8.93	8.05	8.05
10 - year	6.95	7.53	7.54	8.42	9.26	9.2	8.47	8.62
15-year	7.09	7.69	7.75	8.77	9.50	9.3	8.69	8.69
20-year	7.94	8.42	8.37	9.08	9.74	9.4	8.99	8.9
Repo								
1-3 day	6.00	6.00	6.00	6.00	6.00	6	5.75	5.25
Reverse Repo								
1-3 day	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Bangladesh Banks Bills								
07-Day	0.02	0.02	...	...	....	....	...	...
14-Day	...	0.02	...	...	....	....	...	...
30-Day	...	...	...	...	....	....	...	...
Call Money Rate								
	4.22	4.09	4.54	4.55	5.04	4.50	5.14	5.01
Lending Rate								
All Banks	9.54	9.49	9.50	9.58	9.72	9.80	9.5	8.03
SOBs	6.77	6.75	6.65	6.60	6.56	6.76	6.73	6.45
SPBs	8.96	7.56	7.54	7.68	7.71	7.67	7.85	7.79
PCBs	10.27	10.27	10.30	10.80	10.57	10.64	10.28	8.43
FCBs	9.08	8.90	8.92	9.37	9.66	9.79	9.52	8.03
Deposits Rate								
All Banks	5.27	5.26	5.35	5.43	5.75	5.75	5.44	5.02
SOBs	4.33	4.37	4.38	4.28	4.57	4.54	4.5	4.27
SPBs	5.67	5.77	5.70	5.70	6.46	5.60	5.66	5.64
PCBs	5.84	5.82	5.96	6.08	6.40	6.42	5.99	5.49
FCBs	2.26	2.30	2.23	2.46	2.32	2.31	2.15	1.87
NSD Certificate								
3 - year	11.04	11.04	11.04	11.04	11.04	11.04	11.04	11.04
5 - year	11.28	11.28	11.28	11.28	11.28	11.28	11.28	11.28

Sources: Monetary Policy Department and Statistics Department, Bangladesh Bank

... = No auction

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

Instruments	Sep.18	Dec.18	Mar. 19	Jun. 19	Sep.19	Dec.19	Mar. 20	Jun. 20
Bangladesh Banks Bills								
07-Day	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14-Day	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30-Day	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub Total	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
T - Bills								
14 - day	0.0	30.0	0.0	20.0	0.0	30.0	0.0	0.0
91 - day	108.0	79.0	88.0	148	204.0	147.0	122.00	122.0
182 - day	98.0	63.0	54.0	112	189.0	198.0	177.00	185.0
364 - day	103.0	109.0	142.0	174	241.0	311.0	362.00	355.0
Sub Total	309.0	251.0	284.0	454.0	634.0	686.0	661.0	662.0
BGTB								
2 - year	115.0	130.0	120.0	145.0	177.0	212.0	254.0	302
5 - year	303.2	301.7	303.7	309.7	326.7	355.7	387.0	461.5
10 - year	519.5	527.6	530.6	557.6	579.1	615.8	651.8	723.15
15-year	244.7	258.7	266.7	282.7	298.7	317.7	327.2	350.16
20-year	214.9	228.9	236.9	252.9	268.9	287.9	294.4	326.37
Sub Total	1,397.3	1,446.9	1,457.9	1,547.9	1650.4	1789.0	1914.3	2163.2
NSD Certificate	2,511.8	2627.6	2,779.8	2,877.5	2924.0	2931.4	2989.1	3021.34
Total	4,222.6	4325.5	4,521.6	4,879.4	5208.4	5406.4	5564.4	5846.5

Sources: Monetary Policy Department, Bangladesh Bank; National Savings Directorates.

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

	FY19 ^R					FY20 ^P				
	FY19 ^R	Q1 ^R	Q2 ^R	Q3 ^R	Q4 ^R	FY20 ^P	Q1 ^P	Q2 ^P	Q3 ^P	Q4 ^P
Current Account Balance	-5,102	-1,316	-2,072	-824	-890	-4,849	-765	-774	-871	-2,439
Trade balance	-	-3,852	-3,948	-4,401	-3,634	-	-3,768	-4,454	-3,856	-5,783
	15,835					17,861				
Export f.o.b.	39,604	9,747	10,276	10,143	9,438	32,830	9,484	9,360	9,408	4,578
Import f.o.b.	55,439	13,599	14,224	14,544	13,072	50,691	13,252	13,814	13,264	10,361
Services	-3,177	-761	-863	-782	-771	-2,987	-901	-1,074	-1,009	-3
Credit	7,153	1,597	1,881	1,824	1,851	6,770	1,515	2,017	1,514	1,724
Debit	10,330	2,358	2,744	2,606	2,622	9,757	2,416	3,091	2,523	1,727
Primary Income	-2,993	-647	-1,048	-118	-1,180	-2,776	-717	-314	-479	-1,266
Credit	192	35	51	51	55	172	53	45	42	32
Debit	3,185	682	1,099	169	1,235	2,948	770	359	521	1,298
Secondary Income	16,903	3,944	3,787	4,477	4,695	18,775	4,621	5,068	4,473	4,613
Official Transfers	41	10	6	4	21	19	2	8	2	7
Private Transfers	16,862	3,934	3,781	4,473	4,674	18,756	4,619	5,060	4,471	4,606
Of which : workers' remittances	16,196	3,869	3,514	4,318	4,495	18,014	4,457	4,839	4,317	4,401
Capital & Financial Account	6,146	1,367	1,740	1,476	1,563	7,914	-65	1,350	1,322	5,307
Capital account	239	58	76	54	51	256	28	101	36	91
Capital transfers	239	58	76	54	51	256	28	101	36	91
Financial account	5,907	1,309	1,664	1,422	1,512	7,658	-93	1,249	1,286	5,216
Foreign direct investment (Gross Inflows)	4,946	1,032	1,609	1,332	973	3,241	716	971	804	750
Of which: FDI net inflow*	2,628	599	726	877	426	1,508	170	413	445	480
Portfolio investment	172	29	43	75	25	276	36	1	-23	262
Of which : workers' remittances	224	62	50	56	56	191	62	50	50	29
Other investment	3,108	681	895	470	1,062	5,872	-299	835	862	4,474
Medium and long-term (MLT) loans	6,263	928	1,807	1,579	1,949	6,996	901	1,673	1,631	2,791
MLT amortization payments	1,202	330	263	338	271	1,257	343	290	340	284
Other long term loans	302	284	172	225	-379	438	125	64	99	150
Other short term loans	272	638	-66	181	-481	931	55	533	-56	399
Trade credit	-2,716	-483	-569	-1,467	-197	-966	-550	-839	-606	1,029
DMBs and NBDCs	189	-356	-186	290	441	-270	-487	-306	134	389
Assets	367	250	295	4	-182	-242	224	111	105	-682
Liabilities	556	-106	109	294	259	-512	-263	-195	239	-293
Net Errors & Omissions	-865	-209	-23	-465	-168	286	626	-649	-133	442
Overall Balance	179	-158	-355	187	505	3,655	-204	231	318	3,310
Reserve Assets	-179	158	355	-187	-505	-3,655	204	-231	-318	-3,310
Bangladesh Bank	-179	158	355	-187	-505	-3,655	204	-231	-318	-3,310
Assets	-155	-896	221	-376	896	3,250	-760	676	-236	3,570
Liabilities	-334	-738	576	-563	391	-405	-556	445	-554	260
Memorandum Items										
Gross official reserves	32,550	31,958	32,016	31,753	32,717	36,037	31,832	32,689	32,389	36,037
In months of imports of goods & services	6.0	6.0	5.7	5.6	6.2	7.2	6.1	5.8	6.0	8.9
In months of prospective imports	6.5	5.6	5.2	5.1	5.7	6.4	5.7	5.4	5.6	5.4
Export growth (in percent) ¹	9.1	14.0	12.5	10.0	3.4	-17.1	-2.7	-8.9	-7.2	-51.5
Import growth (in percent) ¹	1.8	11.5	0.8	4.0	-7.7	-8.6	-2.6	-2.9	-8.8	-20.7
Remittances growth (in percent) ¹	9.6	15.9	0.6	14.2	7.8	10.9	16.8	34.8	-0.2	-2.7

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

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

Items	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
1. Raw jute	112	33	33	30	17	130	33	55	29	11.8
2. Jute goods	704	184	171	177	171	752	188	236	234	94.5
3. Tea	3	1	1	1	1	3	1	1	1	0.5
4. Leather	165	41	49	44	30	98	31	35	23	9.5
5. Frozen shrimps and fish	425	125	133	92	75	408	111	150	99	48.5
6. Woven garments	17,245	3,985	4,447	4,718	4,094	14,041	3,887	3,931	4,331	1892
7. Knitwear products	16,889	4,207	4,446	4,148	4,088	13,908	4,170	4,036	3,749	1953.5
8. Fertilizer	0	0	0	0	0	0	0	0	0	0
9. Terry towels	51	13	17	12	8	37	11	10	9	6.7
10. Others	4,942	1,352	1,261	1,181	1,148	4,296	1,217	1,201	1,196	682.9
Total exports	40,535	9,941	10,559	10,403	9,632	33,674	9,648	9,654	9,672	4700.2
Of which: exports from EPZ	6,030	1,445	1,515	1,523	1,546	4,944	1,427	1,497	1,477	542.4
Total exports (adjusted)	39,945	9,747	10,416	10,276	9,505	32,830	9,484	9,360	9,408	4578

Source : Export Promotion Bureau, Bangladesh

Table V.3: Major Destination-wise RMG Related Exports
(In million USD)

	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Exports of RMG	34,133	8,192	8,893	8,867	8,182	27,949	8,058	7,967	8,080	3,846
European Countries	22,008	5,284	5,677	5,780	5,267	17,890	5,097	5,102	5,248	2,444
USA	6,134	1,484	1,608	1,506	1,535	5,147	1,491	1,488	1,397	770
Other Countries	5,991	1,423	1,608	1,580	1,380	4,912	1,470	1,377	1,435	631
Woven Garments	17,245	3,985	4,447	4,718	4,094	14,041	3,887	3,931	4,331	1,892
European Countries	9,566	2,171	2,384	2,766	2,245	7,733	2,061	2,091	2,533	1,049
USA	4,619	1,097	1,217	1,162	1,143	3,773	1,085	1,104	1,060	524
Other Countries	3,060	717	847	790	705	2,535	742	736	739	318
Knitwear Products	16,889	4,207	4,446	4,148	4,088	13,908	4,170	4,036	3,749	1,954
European Countries	12,442	3,113	3,293	3,014	3,022	10,157	3,037	3,011	2,715	1,395
USA	1,515	387	392	344	392	1,374	406	384	338	246
Other Countries	2,931	706	761	790	674	2,378	728	640	697	313
	Growth in percent									
Exports of RMG	11.5	14.7	16.6	10.0	5.2	-18.1	-1.6	-10.4	-8.9	-53.0
European Countries	9.9	11.2	9.0	7.2	12.9	-18.7	-3.5	-10.1	-9.2	-53.6
USA	14.6	13.6	24.3	13.3	7.9	-16.1	0.5	-7.5	-7.2	-49.8
Other Countries	14.2	31.3	42.5	18.0	-18.5	-18.0	3.3	-14.4	-9.2	-54.3
Woven Garments	11.8	17.3	17.6	8.8	4.6	-18.6	-2.4	-11.6	-8.2	-53.8
European Countries	8.1	11.6	5.9	5.5	10.5	-19.2	-5.1	-12.3	-8.4	-53.3
USA	16.1	16.8	28.9	12.5	7.6	-18.3	-1.1	-9.3	-8.8	-54.2
Other Countries	17.7	39.6	44.7	16.0	-13.8	-17.2	3.4	-13.1	-6.5	-54.9
Knitwear Products	11.2	12.3	15.5	11.3	5.7	-17.6	-0.9	-9.2	-9.6	-52.2
European Countries	11.4	10.8	11.4	8.7	14.8	-18.4	-2.5	-8.6	-9.9	-53.9
USA	10.2	5.3	11.9	16.0	8.7	-9.3	4.8	-1.9	-1.9	-37.1
Other Countries	10.8	23.8	40.2	20.1	-23.0	-18.9	3.1	-15.9	-11.8	-53.6

Source: Compiled by Statistics Department of Bangladesh Bank using the data of EPB

Table V.4: Export Performance for July-June 2019-20

(In million USD)

	Export target for 2019-20	Export Performance for July-June 2019-20	Export Performance for July-June 2018-19	% Change of export performance over Export target	% Change of export performance July-June 2019-20 Over July-June 2018-19
All Products (A+B)	45,500	33,674	40,535	-26	-17
A. Primary Commodities:	1,640	1,318	1,409	-20	-6
Frozen & Live Fish	520	456	500	-12	-9
Agricultural Products	1,120	862	909	-23	-5
B. Manufactured Commodities:	43,860	32,356	39,126	-26	-17
Cement salt stone etc.	11	9	10	-13	-12
Ores, Slag and Ash	10	15	8	52	84
Petroleum bi Products	300	23	204	-92	-88
Chemical products	282.00	198.86	205.18	-29.48	-3.08
Plastic, Melamine Products	150	101	120	-33	-16
Rubber	30	26	27	-13	-3
Leather & Leather products (including leather footwear)	1,093	798	1,020	-27	-22
Wood and Wood Products	4	3	4	-19	-15
Handicrafts	25	21	20	-18	3
Pulp	0	0	0	0	0
Paper and Paper Products	90	78	82	-13	7
Printed Materials	1	1	1	-30	-22
Silk	0	0	0	0	0
Wool and woollen Products	1	0	0	-86	0
Cotton and Cotton Products	190	134	152	-30	-12
Jute and Jute Goods	824	882	816	7	8
Man Made Filaments and Staple Fibers	150	109	124	-28	-13
Carpet	22	21	19	-4	8
Specialized Textiles	186	116	144	-38	-19
Knitwear	18,850	13,908	16,889	-26	-18
Woven Garments	19,350	14,041	17,245	-27	-19
Home Textile	891	759	852	-15	-11
Other Footwear (excluding leather footwear)	320	277	272	-13	2
Headgear/Cap	250	191	207	-24	-7
Umbrella Waking Sticks	0	0	0	-67	0
Wigs and Human Hair	38	33	33	-14	0
Building Materials	2	1	2	-25	-23
Ceramic Products	90	28	69	-69	-59
Glass and Glass ware	2	4	1	75	145
Engineering Products	369	293	341	-21	-14
Ships, boats & floating structures	5	11	5	126	139
Other Manufactured Products	325	275	255	-15	8

Source: Export Promotion Bureau, Bangladesh.

Table V.5 : Trends in the Commodity Composition of Imports

(In million USD)

Items	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
A. Food Grains	1,552	344	370	480	357	1,672	286	472	590	324
1. Rice	115	43	27	32	13	22	3	11	3	5
2. Wheat	1,437	301	343	448	344	1,651	283	461	587	319
B. Other Food Items	3,516	807	810	1,036	863	3,705	740	789	1,218	959
3. Milk & cream	361	85	63	113	101	341	78	69	98	97
4. Spices	327	96	58	83	91	351	92	75	102	82
5. Edible oil	1,656	401	467	449	340	1,617	328	398	481	410
6. Pulses (all sorts)	470	69	74	155	172	662	116	88	211	246
7. Sugar	703	157	149	237	160	733	125	159	325	123
C. Consumer & Intermediate Goods	33,608	8,356	8,813	8,432	8,007	31,913	8,300	8,511	8,037	7,065
8. Clinker	993	189	263	307	235	879	206	262	282	129
9. Crude petroleum	416	87	117	110	101	731	216	180	120	214
10. POL	4,562	1,146	1,098	1,103	1,215	4,627	1,160	829	1,097	1,541
11. Oil seeds	796	186	111	242	258	1,183	212	208	394	369
12. Chemicals	2,472	631	627	616	598	2,533	660	659	620	595
13. Pharmaceutical products	246	60	58	67	61	294	78	92	68	55
14. Fertilizer	1,301	308	604	302	87	1,035	349	396	231	60
15. Dyeing and tanning materials	779	206	192	184	197	697	189	190	188	131
16. Plastics and rubber articles thereof	2,757	708	709	647	694	2,610	722	724	647	517
17. Raw cotton	3,082	870	791	778	643	2,961	777	748	837	599
18. Yarn	2,445	658	590	625	572	1,901	460	484	555	403
19. Textile and articles thereof	7,284	1,741	1,987	1,759	1,798	6,380	1,569	2,009	1,541	1,261
20. Staple fiber	1,228	297	338	310	283	1,086	283	320	284	199
21. Iron, steel & other base metals	5,246	1,270	1,327	1,384	1,265	4,997	1,421	1,410	1,173	993
D. Capital Goods & Others	14,602	3,668	3,609	3,890	3,435	11,109	3,429	3,242	2,681	1,758
22. Capital machinery	5,413	1,384	1,379	1,580	1,070	3,581	1,116	1,038	861	566
23. Others Capital goods	9,189	2,284	2,230	2,310	2,365	7,528	2,313	2,204	1,820	1,191
E. Others n.i.e	6,637	1,523	1,770	1,879	1,464	6,386	1,570	1,912	1,809	1,095
Grand Total c.i.f.(A+B+C+D+E)	59,915	14,698	15,373	15,718	14,126	54,785	14,324	14,926	14,335	11,200
Of which Import by EPZ	4,032	993	1,037	1,060	942	3,488	885	1,048	909	646
Grand Total f.o.b.(adjusted)	55,439	13,599	14,224	14,544	13,072	50,691	13,252	13,814	13,264	10361

Source : Compiled by Statistics Department of Bangladesh Bank using the data of National Board of Revenue (NBR)

Table V.6 Sectorwise comparative statement of the Opening and Settlement of Import LCs
(In million USD)

	FY19								FY20	
	Q ₁		Q ₂		Q ₃		Q ₄		Q ₁	
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement
Consumer goods	1,392	1,237	1,436	1,433	1,742	1,523	1,417	1,828	1,041	1,113
Industrial raw materials	5,002	4,697	5,034	4,902	4,915	5,133	4,565	4,332	2,738	2,908
Intermediate goods	1,451	1,091	2,158	1,762	1,514	1,305	1,268	1,373	756	822
Petroleum and petroleum products	1,277	1,068	798	959	733	783	1,354	928	694	347
Capital machinery	1,216	1,243	1,170	1,163	1,367	1,206	920	1,058	700	689
Machinery for misc. industries	1,884	1,327	1,428	1,369	1,798	1,435	1,482	1,508	1,242	831
Others	2,534	2,170	2,541	2,899	2,876	2,513	2,482	2,395	1,855	1,757
Total	14,755	12,832	14,566	14,488	14,945	13,899	13,488	13,423	9,026	8,467
<i>of which back to back</i>	2,332	2,130	2,066	2,009	2,040	1,994	1,758	1,856	1,334	1,316
	Growth in percent									
Consumer goods	-51.4	-28.2	-24.7	-32.1	-12.7	-30.3	38.4	46.8	-25.2	-10.0
Industrial raw materials	13.5	11.4	3.3	9.7	-3.8	8.2	21.0	27.8	-45.3	-38.1
Intermediate goods	29.9	21.3	86.9	73.5	4.7	22.3	64.8	56.9	-47.9	-24.6
Petroleum and petroleum products	24.7	78.6	36.0	20.8	-29.7	-7.7	66.0	27.5	-45.7	-67.5
Capital machinery	-8.0	-3.4	-40.7	-6.6	-27.8	-17.2	-8.3	29.1	-42.4	-44.6
Machinery for misc. industries	7.6	8.8	-9.2	9.4	40.7	10.8	63.1	80.3	-34.1	-37.4
Others	14.0	14.9	-81.1	48.8	14.7	16.9	54.7	61.4	-26.8	-19.0
Total	0.3	8.5	-42.9	12.9	-4.9	1.1	42.8	43.1	-38.8	-34.0
<i>of which back to back</i>	15.4	13.9	-2.0	8.8	-11.9	-3.0	20.8	37.6	-42.8	-38.2

Source: Foreign Exchange Operation Department, Bangladesh Bank.

Table V.7: Country-wise Workers' Remittances
(In million USD)

Countries	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Gulf Region	9,674	2,287	2,119	2,579	2,690	10,557	2,670	2,779	2,456	2,653
1. Saudi Arabia	3,110	727	696	818	869	4,015	947	1,007	916	1,144
2. UAE	2,540	607	544	714	675	2,473	625	715	564	569
3. Qatar	1,024	251	229	254	290	1,020	285	276	249	209
4. Oman	1,066	262	220	277	308	1,240	319	308	269	344
5. Kuwait	1,463	317	317	402	427	1,372	378	368	347	279
6. Bahrain	470	123	112	114	121	437	117	104	109	107
Euro Region	1,236	266	263	364	344	1,418	352	412	346	307
7. UK	1,176	255	249	345	327	1,365	338	398	333	296
8. Germany	61	11	14	18	17	53	14	15	13	11
Asia Pacific Region	1,615	392	356	418	449	1,738	440	461	451	386
9. Singapore	368	89	76	95	108	457	108	125	117	108
10. Japan	50	9	10	18	12	49	14	12	11	12
11. Malaysia	1,198	294	270	305	328	1,231	319	324	322	266
Rest of the World	3,894	925	888	1,013	1,068	4,492	1,057	1,236	1,114	1,085
12. USA	1,843	446	419	468	510	2,403	490	612	610	691
13. Others n.i.e.	2,051	478	469	545	558	2,089	567	625	504	393
Total	16,420	3,869	3,627	4,374	4,551	18,205	4,519	4,889	4,367	4,430

Source: Statistics Department, Bangladesh Bank.

Table V.8 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
2017-18	82.10	83.73	110.61	109.50	97.99	96.86	0.74	0.76
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
2018-19								
July	83.75	83.75	110.40	109.99	97.90	98.04	0.75	0.75
August	83.75	83.75	107.86	109.10	96.74	98.05	0.75	0.75
September	83.75	83.75	109.22	109.13	97.58	97.23	0.75	0.74
October	83.82	83.85	109.23	106.54	96.33	95.12	0.74	0.74
November	83.87	83.90	108.22	107.35	95.34	95.59	0.74	0.74
December	83.90	83.90	106.36	106.61	95.33	95.96	0.75	0.76
January	83.94	83.95	108.17	110.11	95.89	96.36	0.77	0.77
February	84.04	84.15	109.26	111.51	95.43	95.83	0.76	0.76
March	84.21	84.25	111.12	109.80	95.27	94.51	0.76	0.76
April	84.33	84.45	109.91	109.26	94.77	94.47	0.76	0.76
May	84.49	84.50	108.67	106.70	94.52	94.06	0.77	0.77
June	84.50	84.50	107.05	107.27	95.30	96.08	0.78	0.78
2019-20								
July	84.50	84.50	105.49	102.68	94.82	94.26	0.78	0.78
August	84.50	84.50	102.76	103.18	94.03	93.60	0.79	0.80
September	84.50	84.50	104.30	103.84	93.03	92.43	0.79	0.78
October	84.67	84.75	106.96	109.35	93.54	94.50	0.78	0.78
November	84.78	84.90	109.20	109.63	93.73	93.47	0.78	0.78
December	84.90	84.90	111.05	111.34	94.25	95.08	0.78	0.78
January	84.90	84.90	111.08	111.18	94.30	93.66	0.78	0.78
February	84.95	84.95	110.33	109.46	92.71	93.44	0.77	0.78
March	84.95	84.95	104.48	99.89	93.60	91.65	0.79	0.76
April	84.95	84.95	104.93	103.90	91.99	91.89	0.79	0.79
May	84.95	84.95	104.48	108.88	92.34	94.29	0.79	0.79
June	84.92	84.90	104.38	104.41	95.54	95.44	0.79	0.79

Source: Statistics Department, Bangladesh Bank.

Table V.9 Trends in Foreign Aid

(In million USD)

	FY19 ^R					FY20 ^P				
	FY19	Q ₁ ^R	Q ₂ ^R	Q ₃ ^R	Q ₄ ^R	FY20	Q ₁ ^P	Q ₂ ^P	Q ₃ ^P	Q ₄ ^P
a. Grants (i+ii)	280	69	81	58	72	276	31	109	39	98
i) Food Aid	23	6	0	0	17	0	0	0	0	0
ii) Project Aid	257	63	81	58	55	276	31	109	39	98
b. Loans (MLT)	6,263	928	1,807	1,579	1,949	6,996	900	1,673	1,631	2,792
A. Total (a+b)	6,543	997	1,888	1,637	2,021	7,272	931	1,782	1,669	2,890
B. Amortization(1+2)	1,594	443	304	464	382	1,726	495	349	507	375
1) Principal	1,202	330	240	330	303	1,270	352	278	344	297
2) Interest	391	114	64	135	79	457	144	72	163	78
C. Net Foreign Financing (A-1)	5,340	667	1,648	1,307	1,718	6,002	579	1,504	1,326	2,593

Source: ERD; MOF; Statistics Department, Bangladesh Bank

R=Revised, P= Provisional.

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

(In percent)

Type of Banks	2018			2019			2020		
	Sep.	Dec.	Mar.	Jun	Sep	Dec.	Mar.	Jun	
State Owned Commercial Banks	31.2	30.0	32.2	31.6	31.5	23.9	22.8	22.73	
Specialized Banks	21.7	19.5	19.5	17.8	17.8	15.1	15.1	15.92	
Private Commercial Banks	6.7	5.5	7.1	7.1	7.43	5.8	5.6	5.86	
Foreign Commercial Banks	7.1	6.5	6.2	5.5	6.0	5.7	5.6	5.49	
All Banks	11.5	10.3	11.9	11.7	12.0	9.3	9.0	9.16	

Source: Banking Regulation and Policy Department, Bangladesh Bank.

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

(In percent)

Type of Banks	2018			2019			2020		
	Jun.	Sep.	Dec.	Mar.	Jun	Sep	Dec.	Mar.	Jun
State Owned Commercial Banks	11.7	14.3	11.3	11.2	8.7	15.2	6.3	4.6	3.21
Specialized Banks	7.4	7.4	5.7	5.7	4.6	4.6	3.0	3.0	2.7
Private Commercial Banks	0.8	1.1	0.4	1.5	1.5	1.5	-0.1	-0.6	-0.52
Foreign Commercial Banks	0.8	1.1	0.7	0.6	0.1	0.2	0.2	0.0	-0.41
All Banks	2.7	3.3	2.2	3.0	2.5	3.7	1.0	0.4	0.15

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	2018				2019				2020	
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.
State Owned Commercial Banks	2.9	2.0	6.1	1.9	6.9	8.5	7.7	4.99	4.59	6.9
Specialized banks	-33.7	-31.9	-14.0	-31.7	-31.7	-31.2	-31.6	-32.02	-33.5	-36.5
Private Commercial Banks	12.1	12.2	12.2	12.8	12.7	12.7	12.9	13.62	13.49	13.3
Foreign Commercial Banks	24.6	23.0	26.7	26.0	28.0	28.7	25.1	24.45	24.66	24.4
All Banks	10.1	10.0	10.9	10.5	11.4	11.7	11.7	11.57	11.35	11.6

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

Table VI.4 : Profitability Ratios by Type of Banks
(In percent)

Type of Banks	Return on Asset (ROA)				Return on Equity (ROE)			
	2017	2018	2019	2020*	2017	2018	2019	2020*
State Owned Commercial Banks	0.2	-1.3	-0.6	0.0	3.5	-29.6	-13.7	0.8
Specialized Banks	-3.5	-2.8	-3.3	-5.1	-17.2	-13.5	-17.0	-22.9
Private Commercial Banks	0.9	0.8	0.8	0.6	12.0	11.0	11.2	8.5
Foreign Commercial Banks	2.2	2.2	2.3	2.2	11.3	12.4	13.4	13.8
All Banks	0.7	0.3	0.4	0.42	9.6	3.9	6.8	6.7

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

*= Annualized

Table VII.1 : Indicators of Capital Market Developments

	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Number of listed securities ¹	363	354	357	360	363	368.0	365	366	368.0	368.0
Issued equity and debt (billion Taka)	720	680	694	699	720	751.2	731	746	748.8	751.2
Market capitalization (billion Taka)	3,437	3,299	3,321	3,565	3,437	2576.3	3,175	2,845	2574.6	2576.3
Turnover (billion Taka)	1,460	450	331	455	223	780.4	248	211	271.5	49.2
DSE broad index	5,422	5,369	5,386	5,492	5,422	3989.1	4,948	4,453	4008.3	3989.1
DSE -30 index	1,929	1,890	1,881	1,967	1,929	1341.0	1,760	1,512	1330.8	1341.0
	Growth in percent									
Number of listed securities	3.4	3.2	2.6	3.2	3.4	1.4	3.1	2.5	2.2	1.4
Issued equity and debt	7.3	8.0	7.5	7.7	7.3	4.3	7.5	7.5	7.1	4.3
Market capitalization	5.3	-6.2	-9.5	5.9	5.3	-25.0	-3.8	-14.3	-27.8	-25.0
Turnover	-8.2	-25.6	-23.6	86.1	-27.4	-46.5	-44.8	-36.2	-40.4	-78.0
DSE broad index	0.3	-11.9	-13.8	-1.9	0.3	-26.4	-7.8	-17.3	-27.0	-26.4
DSE -30 index	-1.6	-13.2	-17.6	-6.6	-1.6	-30.5	-6.9	-19.6	-32.3	-30.5

Source: Dhaka Stock Exchange

¹ Include debenture but exclude govt. bond.

Table VII.2 Group-wise Market Capitalization of Dhaka Stock Exchange

(In billion Taka)

Name of Group	FY19					FY20				
	FY19	Q ₁	Q ₂	Q ₃	Q ₄	FY20	Q ₁	Q ₂	Q ₃	Q ₄
Banks	593.0	561.6	583.1	596.6	593.0	449.1	564.4	539.6	456.4	449.1
Financial Institutions	181.8	193.3	191.5	189.9	181.8	125.4	157.1	144.7	123.7	125.4
Mutual Funds	35.6	34.9	34.5	34.9	35.6	29.5	33.1	30.7	29.5	29.5
Engineering	202.6	201.4	190.7	190.3	202.6	131.9	180.5	147.9	131.9	131.9
Food & Allied Product	314.4	262.3	276.7	340.1	314.4	208.4	266.2	222.1	208.2	208.4
Fuel and Power	480.0	450.6	432.2	500.1	480.0	365.3	424.7	386.6	363.7	365.3
Jute Industry	4.0	1.5	4.7	4.4	4.0	1.8	3.4	2.5	1.7	1.8
Textile Industry	140.1	129.7	141.7	133.5	140.1	95.9	107.1	105.7	99.1	95.9
Pharmaceuticals and Chemicals	528.3	489.9	508.8	530.7	528.3	467.5	520.5	473.2	458.1	467.5
Paper and Printing	14.5	22.3	17.4	14.5	14.5	9.6	11.3	10.0	9.6	9.6
Services and Real Estate	17.8	19.2	18.0	18.1	17.8	13.0	15.3	13.5	13.1	13.0
Cement Industry	90.5	114.4	102.0	100.9	90.5	71.9	78.6	68.9	73.6	71.9
Insurance	109.2	100.8	103.1	10.1	109.2	91.5	112.9	113.4	91.0	91.5
Telecommunication	514.2	513.0	511.4	578.4	514.2	336.7	496.0	401.4	335.6	336.7
Miscellaneous	207.3	200.8	202.4	318.6	207.3	178.2	200.6	182.0	175.0	178.2
Corporate Bond	2.9	2.8	2.8	2.9	2.9	3.9	2.8	2.8	3.8	3.9
Total Market Capitalization	3,436.2	3,298.6	3,320.8	3,564.1	3,436.2	2,579.6	3,174.5	2,844.9	2,574.0	2,579.6

Source: Dhaka Stock Exchange.

ANNEXUR

Major Policy Announcements: April-June, 2020

<p>BRPD Circular No. 07 April 02, 2020 Loans/Investments from stimulus fund with minimum service charge (one time at 2%) for active export oriented industries due to breakout of coronavirus (COVID-19)</p>	<p>A stimulus fund worth BDT 50 billion is formed from the budgetary allotment of the government to combat the negative impact of the novel coronavirus (COVID-19) on exports. The said stimulus fund is allowed to be disbursed as interest-free loans/investments to the active export oriented industries for paying a maximum of three (3) months salaries and allowances to the workers-staffs of the industries. However, scheduled banks under concern are allowed to charge a maximum of two (2) percent single time service charge to execute their administrative expenses against their loans to export oriented industries.</p>
<p>BRPD Circular Letter No. 12 April 04, 2020 Fixation of LC Margin on Child Food Import.</p>	<p>The rate of margin of letter of credit (LC) for importing child food is set at maximum 5 (Five) percent to contain and stabilize the food crisis worldwide emerged from COVID-19.</p>
<p>FEPD Circular No. 18 April 07, 2020 Interest rate on borrowing from Export Development Fund (EDF)</p>	<p>Interest rates on EDF loans to Authorized Dealers (ADs) will be charged by Bangladesh Bank at 1.00% pa, while ADs will charge interest to manufacturer-exporters at 2.00% pa; for disbursements until further instructions. The size of EDF has been enhanced to USD 5 billion.</p>
<p>MPD Circular No. 03 April 09, 2020 Change of Cash Reserve Ratio (CRR)</p>	<p>Cash Reserve Ratio (CRR) is re-fixed at 4.0 (Four) percent on bi-weekly average basis from that of previous 5.0 (Five) percent and 3.5 (Three point Five) percent on daily basis from earlier 4.5 (Four point Five) percent with effect from April 15, 2020.</p>
<p>MPD Circular No. 04 April 09, 2020 Re-fixation of Repo interest rate of Bangladesh Bank</p>	<p>The existing repo interest rate of Bangladesh Bank is reduced by 50 (Fifty) basis point from annual 5.75 (Five point Seven Five) percent and is reset at 5.25 (Five point Two Five) percent effective from April 12, 2020.</p>
<p>DOS Circular No.02 April 12, 2020 Regarding Advance-Deposit Ratio-Investment-Deposit Ratio</p>	<p>Advance-Deposit Ratio for conventional banks is enhanced by 2 (Two) percentage point from earlier 85 (Eighty Five) percent and set at 87 (Eighty Seven) percent. On the other hand, Investment-Deposit Ratio for Islami shariah-based banks and for Islami banking activities of the conventional banks is also augmented by two (2) percentage point from previous 90 (Ninety) percent and fixed at 92 (Ninety Two) percent.</p>
<p>FEPD Circular No. 19 April 12, 2020 Refinancing for imports against usance back to back</p>	<p>Authorized Dealers (ADs) are allowed to seek refinancing facilities from Export Development Fund (EDF) for settlement of import payments against back to back LCs under supplier's/buyer's credit depending on the actual situation for which extension of usance period/refinancing for extendable tenure is not available. The tenure of refinancing facilities shall not exceed 180 days (maximum).</p>
<p>BRPD Circular No. 8</p>	<p>Bangladesh government announced a financial stimulus</p>

<p>April 12, 2020 Financial stimulus package to mitigate probable economic impact due to breakout of novel coronavirus (COVID-19)</p>	<p>package worth BDT 300 billion for the worst affected institutions of industrial and service sector to mitigate probable economic impacts due to breakout of the novel coronavirus (COVID-19). Under the package, the said institutions shall avail of working capital loan/investment facility from the banks against their own fund. The rate of interest is set at maximum nine (9) percent, of which 4.5 (Four point Five) percent interest shall be borne by the borrower and the rest 4.5 (Four point Five) percent shall be subsidized to the participating bank by the government. The tenure of the package is three (3) years but the maturity of the loan/investment is one (1) year.</p>
<p>SMESPD Circular No. 01 April 13, 2020 Special Working Capital facility for CMSME sector under Financial Incentive package-Tk. 20,000 crore.</p>	<p>Bangladesh government announced a special incentive package worth BDT 200 billion for the badly affected entrepreneurs of Cottage, Micro, Small and Medium Enterprise due to COVID-19 pandemic to revive the sector. Entrepreneurs shall avail of working capital loan/investment facility from the banks and financial institutions. Interest rate for the facility shall be maximum nine (9) percent under the package, out of which borrower shall pay four (4) percent interest and the government shall pay the rest five (5) percent interest as subsidy to the related bank or financial institution. The tenure of the package is set at three (3) years.</p>
<p>ACD Circular No. 01 April 13, 2020 Refinance scheme of 5000 crore taka for providing working capital in agriculture sector due to break-out of novel coronavirus (COVID-19)</p>	<p>A refinance scheme worth BDT 50 billion is constructed for providing working capital in the agriculture sector (horticulture like- floriculture, pomiculture, pisciculture, poultry, dairy and livestock sectors) to combat the probable loss in this sector emerged from the COVID-19 pandemic. The fund under concern shall be financed from the own source of Bangladesh Bank. And the title of the scheme shall be “Special Stimulative Refinance Scheme in Agriculture Sector.” Participating banks shall enjoy one (1) percent refinance facility from Bangladesh Bank and the rate of interest at the customer level shall be four (4) percent.</p>
<p>BRPD Circular No. 09 April 13, 2020 Refinance Scheme for Pre-shipment Credit to Mitigate the Crisis due to novel coronavirus (COVID-19)</p>	<p>Bangladesh Bank constructed a refinance scheme titled “Refinance Scheme for Pre-shipment Credit” worth BDT 50 billion from its own source for the locally produced export oriented industries to fight the crisis in this sector arisen from the COVID-19 pandemic. The tenure of the scheme is three (3) years. The rate of interest at the customer level is six (6) percent, of which Bangladesh bank shall charge three (3) percent interest rate against the banks for the refinance facility. The maturity of the loan shall be one (1) year.</p>
<p>FEPD Circular No. 20 April 15, 2020 Introduction of Euro in Green</p>	<p>Along with the existing USD 200 million, 200 million EURO is introduced in Green Transformation Fund. Accordingly, participating Authorized Dealers (ADs) will now be in a</p>

Transformation Fund	<p>position to draw loans in euro from GTF @ EURIBOR plus 1 (one) percent for the admissible purposes. In case of EURIBOR remaining in negative territory, ADs will be charged only @ 1 (one) percent against their borrowing from the Fund. As usual, ADs shall determine their mark-up above the borrowing cost within the specified range of 1.00~2.00 percent.</p> <p>Financing on long term basis (5 to 10 years) from GTF in Euro will be admissible to all manufacturing industrial enterprises for importing environment friendly & energy efficient (including solar energy and renewable energy under power sector)/green capital machinery and accessories (including Buyer’s Credit). This GTF in Euro is also to widen the scope to import (only Buyer’s Credit) industrial raw materials used in all manufacturing enterprises including both export oriented and deem exporters for the tenure.</p>
<p>FID Circular No. 01 April 20, 2020 Refinance Scheme for the affected low income professionals, farmers, micro businessmen due to COVID 19</p>	<p>A refinance scheme titled “Refinance Scheme for Professionals, Farmers and Marginal/Small businessman of low income, 2020” is constructed by Bangladesh Bank. The refinance scheme worth BDT 30 billion shall be financed from the own source of Bangladesh Bank. The tenure of the scheme is fixed at three (3) years. Bangladesh Bank shall charge one (1) percent interest against the refinance to the financing banks, whereas financing banks shall realize 3.5 percent interest against their finance to the microcredit institutions.</p>
<p>FEPSD Circular Letter No. 16 April 20, 2020 Import of raw materials on 360 days usance basis for Power Generating Enterprises</p>	<p>Usance period of 360 days is permissible to import Heavy Furnace Oil (HFO)/ High Sulphur Fuel Oil (HSFO) as raw materials for own use of power generating enterprises by their nominated entities against specific approval from Ministry of Power, Energy and Mineral Resources.</p>
<p>BRPD Circular No. 10 April 23, 2020 Refinance scheme for providing working capital loan/investment facilities in large industrial and service sector</p>	<p>A refinance scheme worth BDT 150 billion is constructed by Bangladesh Bank from its own source for providing working capital loan/investment facilities in large industrial and service sector. The title of the scheme is “Refinance Scheme for providing working capital loan/investment facilities in large industrial and service sector.” The maturity of the scheme is set at three (3) years. The rate of interest shall be four (4) percent on quarterly basis.</p>
<p>SMESPD Circular No. 02 April 26, 2020 Tk 10,000 Crore Refinance Scheme for CMSME sector to provide working capital facility to the Entrepreneurs</p>	<p>Bangladesh Bank constructed a revolving refinance scheme of BDT 100 billion from its own source for CMSME sector to provide working capital facility to the Entrepreneurs to minimize the effect of coronavirus pandemic in this sector. The tenure of the scheme is estimated at three (3) years. The rate of interest for the refinance scheme is four (4) percent on quarterly basis.</p>

<p>FEPD Circular Letter No. 18 April 26, 2020 Import of agricultural implements and chemical fertilizers- extension of usance period</p>	<p>Authorized Dealers (ADs) are allowed to extend the usance periods up to a maximum of 360 days against imports of agricultural implements and chemical fertilizers from 180 days.</p>
<p>ACD Circular No. 02 April 27, 2020 Providing agricultural loan at 4 (four) percent concessional interest rate in the crop sector to mitigate the crisis due to novel corona virus (COVID-19)</p>	<p>Scheduled banks are instructed to provide loans in agricultural products such as paddy, wheat, grain/crop corn, cash crop, vegetables etc along with import substitute products at 4 (four) percent concessional rate to ensure smooth supply of these products in coming days. The tenure of the scheme is from April 01, 2020 to June 30, 2021 and the rate of interest at the farmer level is maximum four (4) percent. Banks shall avail of five (5) percent interest-loss reimbursement facilities against their disbursed loans from Bangladesh Bank.</p>
<p>SFD Circular No. 02 April 30, 2020 Master Circular :Refinance Scheme for Environment Friendly Products / Initiatives / Projects</p>	<p>Refinance scheme for environment-friendly products is revised as “Refinance Scheme for Green Products /Initiatives /Projects” and the size of the fund of this scheme is enhanced to BDT four (4) billion from that of BDT two (2) billion to support the increasing demand of this sector. Under the scheme, the fund is allowed to disburse only against term loans. Bangladesh bank shall charge interest rate at bank rate against the finance to participatory banks and banks shall charge interest rate varied from seven (7) to eight (8) percent at customer level depending on the term of the loan.</p>
<p>BRPD Circular No. 11 May 03, 2020 Transfer of Interest/Profit to non-Interest bearing blocked account during 01 April 2020 to 31 May 2020 considering the business situation due to breakout of coronavirus (COVID-19)</p>	<p>Scheduled banks are directed to transfer attributed/attribution interest during 01 April 2020 to 31 May 2020 to non-interest bearing blocked account considering the business situation due to breakout of the coronavirus (COVID-19). And interest transferred to blocked account is not allowed to be realized from the debtor and is also barred from transferring to income account of the banks until further notice. If already transferred, then it must be adjusted through reverse entry.</p>
<p>FEPD Circular Letter No. 19 May 03, 2020 Working capital loans from abroad by foreign owned/controlled companies</p>	<p>Foreign owned/controlled companies operating in Bangladesh irrespective of sectors are allowed to access short term working capital loans, for the tenure of one year extendable to another one year, from their parent companies/shareholders abroad to meet actual needs for payments of 3 (three)-month wages and salary to staff regardless of their length of engagement in manufacturing or services output activities. The facility will not be applicable for those companies availing loans/advances from domestic banking system in terms of BRPD Circular No. 07 of April 02, 2020 and its subsequent circulars/circular letters.</p>
<p>DOS Circular No. 03</p>	<p>Banks which are able to maintain 12.5 (Twelve point Five)</p>

<p>May 11, 2020 Dividend policy for banks for the year 2019</p>	<p>percent and above capital including 2.5 (Two point Five) percent capital conservation buffer after maintaining required provisions and executing all other necessary expenses without deferral facility are allowed to provide total 30 (Thirty) percent dividend including 15 (Fifteen) percent in cash according to their financial capacity. For banks whose capital is between 11.25 (Eleven point Five) percent and less than 12.5 (Twelve point Five) per cent, total 15 (Fifteen) percent dividend is allowed to disburse including 7.5 (Seven point Five) percent in cash on approval of Bangladesh Bank. However, which banks are capable of maintaining beyond 11.25 (Eleven point Two Five) percent capital including minimum capital conservation buffer after deferral facility obtained for the year 2019 from Bangladesh Bank is totally adjusted in maintaining required provisions and executing all other necessary expenses may declare total 10 (ten) percent dividend including maximum 5 (five) percent in cash on approval of Bangladesh Bank. And for banks whose capital is between 11.25 (Eleven point Two Five) percent and minimum ten (10) percent, on approval of Bangladesh Bank, they are allowed to announce five (5) percent stock dividend.</p>
<p>PSD Circular No. 04 May 13, 2020 Disbursement of cash assistance for 50 Lac distressed families through Mobile Financial Service (MFS)</p>	<p>Scheduled banks, mobile financial service providers and Directorate of Posts are instructed to provide constant and uninterrupted service to materialize the government decision to disburse cash assistance for 5 million distressed families through Mobile Financial Service (MFS). Each family is entitled to receive BDT 2,500 under this cash assistance from the government.</p>
<p>FEPD Circular No. 21 May 17, 2020 Enhancement of loan limit from Export Development Fund (EDF)</p>	<p>Loan limit from Export Development Fund (EDF) has been enhanced from existing limit of USD 25 million to USD 30 million for refinancing from EDF to ADs against their foreign currency financing, for input procurement to member mills of BGMEA and BTMA.</p>
<p>BRPD Circular No. 13 June 15, 2020 Loan Classification</p>	<p>Scheduled banks are barred from declassification of any loan/ investment standard occupied on January 01, 2020 till September 30, 2020. However, if any loan/investment standard improves by the time, those standards of loans/investment are allowed to classify following proper norms.</p> <p>All installments of the term loans, including agriculture and micro-credits and investment, between January 01, 2020 and September 30, 2020 shall be considered as deferred. The installment size and numbers shall be re-fixed in October/2020. If any installment of loans/investments of a borrower remains unpaid/due within the time, those installments shall not be considered as default.</p>

	The tenure of the existing continuous and demand loans/investments on January 01, 2020 and demand loans/investments created within May 31, 2020 is extended by 9 (Nine) months or to December 31, 2020, whichever appears first, from the existing tenure.
DFIM Circular No. 03 June 21, 2020 Re-fixation of Cash Reserve Ratio (CRR) of financial institutions	Financial institutions which accept time deposit are allowed to maintain 1.5 (One point Five) percent CRR on bi-weekly weighted average basis. And this reserve cannot anyhow be less than one (1) percent on daily average basis.