

Bangladesh Bank **Quarterly**

January-March, 2025
Volume XXII, No. 3



Bangladesh Bank Quarterly

Editor: **Dr. Mohammad Akhtar Hossain**
Chief Economist

Co-Editor: **Mst. Nurnaher Begum**
Director (Research)

Dr. Md. Salim Al Mamun
Director (Research)

Team Members

Shohel Ahammed
Additional Director

Shampa Chakraborty
Additional Director

Arjina Akhter Efa
Additional Director

Dr. Saidul Islam
Joint Director

Raju Ahmed
Joint Director

Md. Zahirul Islam
Joint Director

Md. Abdus Sobhan
Assistant Director

Md. Sifat –E- Monjur
Assistant Director

Jannatul Ferdous
Assistant Director

Md. Rashel Hasan
Additional Director

Md. Mokhlesur Rahman
Additional Director

Md. Khorshed Alam
Joint Director

Md. Zakaria Hossain
Joint Director

Nasrin Akter Lubna
Joint Director

Khadiza Akter
Deputy Director

Farhana Faruk
Assistant Director

Apu Deb Nath
Assistant Director

Desktop publishing, web-hosting and distribution

Director (ICT), Information and Communication Technology Department
Director (Ex-Cadre Publications), Department of Communication and Publications

Bangladesh Bank welcomes suggestions and comments for improvement of the contents and form of the publication. Comments and suggestions may be sent to:

salim.mamun@bb.org.bd or gm.ceu@bb.org.bd

Website: www.bb.org.bd

Content

List of Abbreviations

iv

Economic and Financial Developments

Executive Summary

I.	Real Economy	1
II.	Price	4
III.	Money and Credit Markets	9
IV.	Fiscal Sector	13
V.	External Sector	15
VI.	Banking Sector	19
VII.	Capital Markets	24

Charts

I.1	Sectoral Growth Rates of Real GDP	1
I.2	Production of Major Crops	1
I.3	Heat Map for Large; Small, Medium, and Micro; and Cottage Scale Manufacturing Output Growth	2
I.4	Growth of Credit to Trade and Commerce, and Consumer Finance and Total Cargo Handled by Chattogram Port	3
II.1	Point-to-Point CPI Inflation	4
II.2	12-Month Average CPI Inflation	4
II.3	Point-to-point Inflation Heat Map	5
II.4	Food Inflation	6
II.5	Non-food Inflation	6
II.6	Wage Rate Index	7
II.7	Inflation in Peer Countries	7
II.8	Global Commodity Price Indices	7
II.9	Inflation in Advanced Economies	8
III.1	Movements in Policy Rate and Money Market Rates	9
III.2	Yields of Government Securities	9
III.3	Trends in Interest Rates on Deposits and Lending	10
III.4	Trends in Liquidity Position	10
III.5	Growth of Reserve Money, Claims on govt., and DMBs	11
III.6	Broad Money (M2) Growth	11
III.7	Growth of M2, NDA, and NFA	11
III.8	Growth of Credit to Public and Private Sectors	11

IV.1	Trends in Revenue, Expenditure and Budget Deficits	13
IV.2	Trends in Total Revenue by Source	13
IV.3	Trends in NBR Tax Revenue by Category	13
IV.4	Trends in Government Expenditure	14
IV.5	Sources of Financing of Budget Deficits	14
V.1	Trends in the Balance of Payments	15
V.2	Major Components of Financial Account	15
V.3	Trends in Export and Import Growth	16
V.4	Decomposition of Import Growth	16
V.5	Remittance Inflows	17
V.6	Region/Country-wise Growth of Remittance Inflows	17
V.7	Peer Countries' National Currency Appreciation/ Depreciation (+/-) against USD	17
V.8	Effective Exchange Rate Indices	17
V.9	International Reserve	18
VI.1	Ratio of Gross NPLs to Total Loans	19
VI.2	Ratio of Gross NPLs and Net NPLs to Total Loans	19
VI.3	Capital to Risk Weighted Asset Ratio (CRAR)	20
VI.4	Advance Deposit Ratio	21
VI.5	Excess of SLR as % of TDTL	21
VII.1	Trends in DSEX Index and Turnover	24
VII.2	Synchronization of DSEX with Global Markets	24
VII.3	Ratio of M. Cap. to Paid-up Capital across Major Sectors, March 2025	25
VII.4	Selected Countries: Stock Market Capitalization, March 2025	25
VII.5	Heat Map for Sectoral Price-Earnings Ratio of DSE	25
VII.6	Turnover of Major Sectors in March 2025	26

Annexure – 1 (Tables)

I.1	Macroeconomic Framework: Key Economic Indicators	28
I.2	Real GDP Growth by Sectors	29
I.2(a)	Quarterly Real GDP Growth by Sectors	30
I.3	Nominal GDP by Sectors	31
I.3(a)	Quarterly Nominal GDP by Sectors	32
I.4	Crop-wise Agricultural Production	33
I.5	Index of Medium and Large- scale Manufacturing Industries, Mining and Electricity	33
I.6 (a)	Index of Large-scale Manufacturing Industries by Major Groups	34
I.6 (b)	Index of Small, Medium & Micro-scale Manufacturing Industries by Major Groups	35
I.6 (c)	Index of Cottage-scale Manufacturing Industries by Major Groups	36
I.7	Cargo Handled by Chattogram Port	37
I.8	Trends in Private Sector Credit	37

I.9	Bank Advances (Private Sector) by Economic Purposes	38
I.9 (a)	Performance Indicators of NBFIs	39
I.10	Trends in Agricultural Credit	40
I.11	Microcredit Operations of Grameen Bank and Large NGOs	41
I.12	Microcredit Operations of MFIs	42
II.1	Trends in Inflation	43
II.2	Commodity Prices in the International Market	44
II.3	Inflation in Peer Countries	44
III.1	Movements in Reserve Money	45
III.2	Movements in Broad Money	46
III.3	Interest Rates Developments	47
III.4	Outstanding Stocks of Bangladesh Bank Bills, Treasury Bills, Bonds, and NSD Certificates	48
IV.1	Government Fiscal Operations	49
V.1	Balance of Payments	51
V.2	Trends in the Commodity Composition of Exports	52
V.3	Major Destination-wise RMG Related Exports	53
V.4	Trends in the Commodity Composition of Imports	54
V.5	Sector-wise Comparative Statement of the Opening and Settlement of Import LCs	55
V.6	Country-wise Workers' Remittances	56
V.7	Exchange Rate Movements	57
V.8	Trends in Foreign Aid	58
VI.1	Gross NPL Ratios by Type of Banks	58
VI.2	Net NPL Ratios by Type of Banks	58
VI.3	Capital to Risk Weighted Asset Ratios by Type of Banks	59
VI.4	Profitability Ratios by Type of Banks	59
VII.1	Indicators of Capital Market Developments	59
VII.2	Group-wise Market Capitalization of Dhaka Stock Exchange	60

Annexure – 2

Major Policy Announcements: January — March, 2025	62
---	----

Annexure – 3 (Policy Note)

The Formulation of the Monetary Policy Statement H1FY26 and Beyond	68
--	----

List of Abbreviations

ACD	Agricultural Credit Department	NEER	Nominal Effective Exchange Rate
ADP	Annual Development Program	NFA	Net Foreign Asset
ADR	Advance-Deposit Ratio	NPLs	Non Performing Loans
BB	Bangladesh Bank	P/E	Price -Earnings
BBS	Bangladesh Bureau of Statistics	POL	Petroleum, Oil and Lubricants
BDT	Bangladeshi Taka	PPI	Producers Price Index
BFIU	Bangladesh Financial Intelligence Unit	PSD	Payment Systems Department
BoP	Balance of Payment	P-t-P	Point-to-Point
BPM6	Balance of Payments Manual-6	QIIP	Quarterly Index of Industrial Production
BRPD	Banking Regulation and Policy Department	Q-o-Q	Quarter on Quarter
BSEC	Bangladesh Securities and Exchange Commission	RBS	Risk-Based Supervision
CAB	Current Account Balance	REER	Real Effective Exchange Rate
CMSME	Cottage, Micro, Small and Medium Enterprise	RHS	Right Hand Side
CPI	Consumer Price Index	RMG	Ready-made Garments
CRAR	Capital to Risk-weighted Asset Ratio	ROA	Return on Asset
CRR	Cash Reserve Requirement	ROE	Return on Equity
DAE	Department of Agricultural Extension	SBs	Specialized Banks
DFIM	Department of Financial Institutions and Markets	SCBs	State-owned Commercial Banks
DMB	Deposit Money Bank	SDF	Standing Deposit Facility
DSE	Dhaka Stock Exchange	SLF	Standing Lending Facility
DSEX	DSE Broad Index	SLR	Statutory Liquidity Ratio
ECL	Expected Credit Loss	TDTL	Total Demand and Time Liabilities
EUR	Euro	TVR	Turnover Velocity Ratio
FC	Foreign Currency	UAE	United Arab Emirates
FCBs	Foreign Commercial Banks	USA	United States of America
FDI	Foreign Direct Investment	USD	United States Dollar
FEPD	Foreign Exchange Policy Department	UK	United Kingdom
FY	Fiscal Year	WEO	World Economic Outlook
GBP	Pound Sterling	y-o-y	Year on year
GDP	Gross Domestic Products		
IFRS	International Financial Reporting Standards		
IIP	Index of Industrial Production		
IPFF II	Investment Promotion and Financing Facility II		
LC	Letter of Credit		
LHS	Left Hand Side		
MLT	Medium and Long Term Loans		
MPD	Monetary Policy Department		
MPS	Monetary Policy Statement		
MLT	Medium and Long Term Loans		
M2	Broad Money		
NBFIs	Non-bank Financial Institutions		
NBR	National Board of Revenue		

Economic and Financial Development

Executive Summary

The economic activity gained momentum in Q3FY25, reflected in the quarterly GDP growth of 4.86 percent, higher than the 4.48 percent growth in Q2FY25. Growth activities in the agriculture and service sectors increased by 2.42 percent and 5.88 percent in Q3FY25, respectively, from 1.25 percent and 3.78 percent in Q2FY25. The industry sector experienced a growth of 6.91 percent in Q3FY25, lower than the 7.1 percent growth in Q2FY25. However, the yearly growth is provisionally estimated at 3.97 percent in FY25, lower than the 4.2 percent growth in FY24.

Inflationary pressures started easing gradually during Q3FY25, aided by continued monetary tightening and sufficient domestic food production. The point-to-point headline CPI inflation declined from 10.89 percent at the end of Q2FY25 to 9.35 percent at the end of Q3FY25. The food inflation mainly contributed to this decline in headline inflation. The point-to-point food inflation dropped below 9.0 percent for the first time in the last 24 months, supported by adequate vegetable production, favourable import policies for stabilizing prices of rice and other essential food items, along with BB's supportive measures.

BB maintained its contractionary monetary policy throughout Q3FY25, keeping the policy rate unchanged at 10.0 percent. In line with BB's policy goals, the financial market witnessed rises in both retail lending and deposit rates, although the spread between the two rates widened further. However, average yields of government securities decreased for all maturities except 20-year maturities. The yield curve steepened in March 2025, driven by a pronounced decline in yields on front-end treasury securities, suggesting that the market adjusted its yield expectations in response to BB's hawkish policy stance, bringing short-term yields closer to the policy rate. In contrast, the modest decline in yields on longer-tenor securities reflects the easing inflation expectations and improved growth prospects.

On the external front, the balance of payments turned into a deficit of USD 0.66 billion in Q3FY25 from a surplus of USD 1.05 billion in Q2FY25, driven primarily by a substantial drop in the financial account surplus from USD 1.62 billion to USD 0.06 billion during the same period. Although the trade deficit widened marginally in the quarter under review, a 27.6 percent year-on-year growth in remittances led to a reduction in the deficit of the current account balance. The country's exports experienced a moderate y-o-y growth of 6.54 percent, driven by the continued strength in apparel exports. At the same time, the country witnessed a steady import growth, marking an 11.8 percent rise in Q3FY25 over the corresponding period of the previous year.

On the fiscal side, total revenue collection reached BDT 1,136.64 billion, marking a 13.8 percent (y-o-y) growth in Q3FY25. Total public expenditure grew by 19.6 percent and stood at 1611.22 billion during the same period. The operating expenditure of the government increased by 34.7 percent, while the development expenditure decreased by 14.9 percent. Driven by the higher expenditure, the overall fiscal deficit reached BDT 471.24 billion in Q3FY25, which was 36.8 percent higher than the deficit of the same quarter of the previous year. Most of the deficit financing came from domestic sources, mainly through bank borrowing, while borrowing from non-bank sources was negative, and foreign financing also witnessed a sharp drop by 87.1 percent during the period under review.

The banking sector continued to experience higher non-performing loans (NPLs), both in terms of volume and as a percentage of total loans. The quarter under consideration marked a 24.13 percent NPL-to-total loan ratio, up from 20.20 percent in the previous quarter. The surge in NPLs partly stemmed from the revision in the overdue-status counting system of the fixed term loan. The rise in provisions for NPLs culminated in reduced sectoral profitability, as reflected in two key profitability metrics: return on equity (ROE) and return on assets (ROA). However, the higher deposit growth in two consecutive quarters provided a much-needed respite to the sector. The excess liquidity remained buoyant in Q3FY25, increasing to BDT 2,388.46 billion from BDT 2,150.02 billion in the previous quarter.

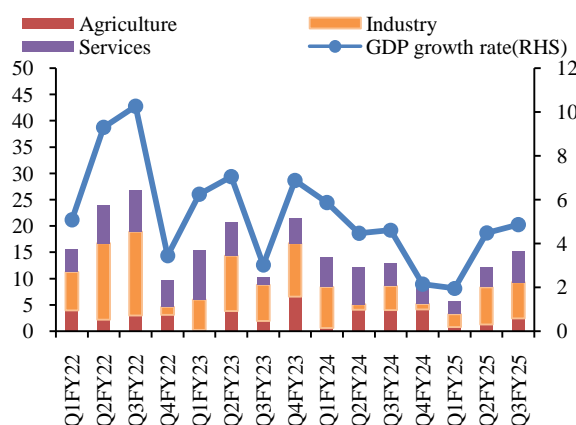
Declines in market capitalization, P/E ratio, and turnover, along with a paltry rise in price indices, continued to characterize the capital market's weaker performance in Q3FY25. The DSE broad index (DSEX) increased marginally by 0.05 percent while the DSE's market capitalization dropped by a substantial BDT 3547.5 billion at the end of Q3FY25 from BDT 3617.9 billion at the end of Q2FY25.

Looking forward, the near-term outlook of Bangladesh economy remains optimistic in terms of the continuous easing of inflationary pressures along with the expected good harvest of domestic agricultural output in the coming quarters. Recent inflation data shows a declining trend that is expected to continue in the upcoming months, indicating a stable inflation outlook. Declining global commodity prices and stabilising exchange rates are expected to soften the inflationary pressures further. BB is anticipated to switch to an accommodative monetary policy once inflation demonstrates a sustained decline. However, there remain potential risks to this outlook arising from the global trade tensions and geopolitical conflicts in several parts of the world.

I. Real Economy

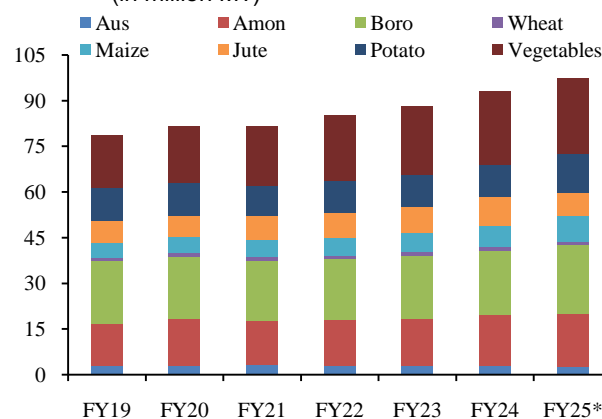
I.1 Economic activity continued to rise, with a growth rate of 4.86 percent in Q3FY25, compared to 4.48 percent in Q2FY25. The growth was disrupted in Q1FY25 due to student-people uprising and flood-related losses in agricultural output. The growth in the agriculture and services sectors maintained an upward trend, with growth rates increasing to 2.42 percent and 5.88 percent, respectively, in Q3FY25, compared to 1.25 percent and 3.78 percent in Q2FY25. However, growth in the industry sector slightly declined to 6.91 percent in Q3FY25 from 7.10 percent in the previous quarter (Chart I.1). Meanwhile, BBS provisionally estimated annual real GDP growth at 3.97 percent, lower than the 4.2 percent growth in FY24.

Chart I.1: Sectoral Growth Rates of Real GDP
(in percent)



Source: Bangladesh Bureau of Statistics (BBS).

Chart I.2: Production of Major Crops
(in million MT)



* Boro and Vegetables are targets for FY25.

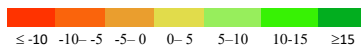
Source: Department of Agricultural Extension (DAE).

I.2 The key crops of the agriculture sector, such as *Aman*, wheat, maize, potatoes and vegetables, showed improved performance in Q3FY25. Additionally, favourable weather conditions suggest a bumper harvest for *Boro* rice production in FY25, although the Department of Agriculture Extension (DAE) has yet to finalise the data during FY25. Among rice varieties, *Aman* rice production reached 17.2 million metric tons, slightly below the target of 17.9 million metric tons but 3.1 percent higher compared to the previous fiscal year. At the time Aus rice production stood at 2.8 million metric tons, which was significantly lower than the target of 3.8 million metric tons and declined by 6.0 percent compared to the previous fiscal year. Cereal crops performed well, with maize production reaching 0.82 million metric tons during the summer season, slightly below the target of 0.83 million metric tons. Wheat production was 1.1 million metric tons, slightly below the 1.2 million metric ton target. Potato production achieved a bumper yield of 13 million metric tons during current fiscal year, significantly exceeding the target of 11.4 million metric tons and increasing by 22.5 percent from the previous fiscal year. The data for vegetable production suggests a strong summer season harvest of 10.1 million metric tons, surpassing the target of 9.7 million metric tons.

I.3 The Index of Industrial Production (IIP) increased by 7.69 percent year-on-year in Q3FY25, despite a slight decline in the overall industrial sector's contribution to gross domestic product during the review quarter. Growth across all IIP sectors was robust, with manufacturing, mining, and electricity recording expansions of 7.45 percent, 5.32 percent, and 16.73 percent respectively in Q3FY5 compared to the corresponding period of FY24. Within the large-scale manufacturing segment, the IIP rose by 6.1 percent on a year-on-year basis, underpinned by robust performance in key sub-sectors. Notably, the production of transport equipment surged by 28.7 percent, followed by machinery and equipment (27.5 percent), coke and refined petroleum products (16.7 percent), pharmaceuticals and medicinal chemicals (15.8 percent), and textiles (15.5 percent). The small, medium, and micro enterprises (SMME) manufacturing sector also demonstrated impressive growth, with its IIP surging by 6.5 percent in Q3FY25. During this quarter under review, sub-sectoral analysis reveals significant gains in machinery and equipment (58.7 percent), leather and leather products (22.1 percent), transport equipment (17.7 percent), and coke and refined petroleum products (17.3 percent) compared to the same quarter of the previous fiscal year. Similarly, the cottage industry demonstrated notable improvement, with a 10.2 percent year-on-year rise in its manufacturing IIP. Major contributors to this performance included coke and refined petroleum products (23.0 percent), furniture (19.0 percent), and other manufacturing products (18.9 percent) (Chart I.3).

Chart I.3: Heat Map for Large; Small, Medium, and Micro; and Cottage Scale Manufacturing Output Growth (in percent)

	Large Scale	FY24		FY25			SMMS Scale	FY24		FY25			Cottage Scale	FY24		FY25		
	Weight	Q3	Q4	Q1	Q2	Q3	Weight	Q3	Q4	Q1	Q2	Q3	Weight	Q3	Q4	Q1	Q2	Q3
General Index of Manufacturing	100	3.2	0.2	-2.9	6.5	6.1	100	8.5	15.1	-0.2	4.4	6.6	100	13.2	10.6	2.5	8.7	10.2
Food products	4.0	40.2	21.2	15.1	7.8	15.2	24.9	28.8	65.4	15.8	2.6	0.0	21.6	11.4	8.9	-2.8	2.0	-1.3
Beverage	1.2	-53.2	-57.9	-42.1	23.4	6.2	0.8	56.2	45.4	22.5	15.9	2.4	0.0	14.9	41.0	26.5	4.9	0.3
Tobacco product	3.7	1.0	-1.0	0.1	-6.5	7.0	0.1	-2.0	-1.8	0.1	-3.7	-0.1	0.2	1.7	-10.7	-26.2	-8.3	11.8
Textile	11.6	-35.5	-24.8	-15.4	7.2	15.5	10.0	0.8	-11.2	-1.8	2.4	8.0	9.6	34.5	33.1	-17.9	-5.0	-14.1
Wearing apparel	61.0	17.1	15.1	3.8	9.0	3.7	16.6	3.9	18.7	-10.3	1.2	1.5	3.8	8.5	15.6	2.8	7.3	7.2
Leather and related product	0.8	5.2	-15.8	-21.7	-13.8	3.7	3.7	8.7	14.6	9.0	19.2	22.1	2.5	3.4	2.7	3.6	5.5	14.0
Wood and product of wood and cork	0.0	-7.4	1.6	3.7	24.2	12.2	0.3	-10.3	-11.1	-15.0	6.3	7.5	6.3	18.6	26.8	18.8	10.9	3.2
Paper and paper products	0.4	-6.4	-9.9	-1.7	-15.7	-7.8	0.8	56.0	55.2	-19.8	-3.9	-2.0	0.5	-8.2	6.7	6.4	5.6	6.0
Printing and recorded media	0.1	2.8	15.7	7.7	22.9	13.4	0.4	3.2	6.9	5.1	7.5	8.4	2.5	0.2	4.3	1.5	13.9	9.2
Coke and refined petroleum product	0.1	250.1	452.8	3.2	121.3	16.7	0.1	18.4	5.3	9.2	15.1	17.3	0.0	-0.8	3.8	16.9	30.9	23.0
Chemical and chemical product	1.3	-3.4	-4.3	-0.5	-8.4	1.6	0.4	4.6	1.4	11.1	8.4	7.7	0.0	1.1	4.3	6.4	3.1	3.3
Pharmaceuticals products	3.0	9.6	8.5	-3.5	10.5	15.8	0.6	6.1	4.6	6.1	18.7	14.4	0.1	-14.3	-9.2	-7.2	-2.9	-3.3
Rubber and plastic products	0.4	-15.2	-27.2	-7.3	19.1	1.7	19.9	7.8	13.7	0.2	8.4	11.9	0.5	-4.0	11.9	5.7	5.5	1.7
Non-metallic mineral product	4.3	-10.9	-23.0	-28.8	-10.3	3.1	10.7	-2.6	-12.1	-7.4	3.1	12.0	2.2	16.6	17.8	12.7	0.5	-6.1
Basic metal	0.7	73.2	49.0	-11.8	-8.3	-16.1	5.1	7.8	0.6	-2.6	1.1	2.6	0.0	15.7	4.1	-12.8	-14.8	-11.0
Fabricated metal product	0.6	-1.0	-4.3	3.5	5.5	5.0	0.6	6.4	5.0	8.8	12.3	13.7	12.4	8.4	6.3	7.7	16.8	17.4
Computer and electronic products	0.5	19.3	28.5	28.5	6.1	-0.9	0.8	-10.0	-9.8	-7.3	1.9	15.8	0.1	-42.2	-20.6	-18.4	0.6	10.6
Electrical equipments	1.2	13.1	-2.4	11.8	25.4	7.8	1.1	24.2	13.6	6.1	8.3	9.0	0.1	30.8	24.0	-9.5	-10.7	-2.4
Machinery and equipments	0.0	6.9	31.3	34.2	35.9	27.5	0.4	-18.7	-4.2	46.2	58.8	58.7	0.6	28.8	24.2	2.7	-15.3	-20.8
Motor vehicles and trailers	0.0	-18.8	-28.1	11.2	4.4	12.6	0.2	4.4	-6.4	-4.9	-3.0	-1.7	0.5	13.1	14.2	-0.2	20.7	-2.2
Transport equipment	4.2	-31.5	-29.1	13.7	14.7	28.7	0.4	-9.7	-6.6	13.2	14.4	17.7	1.7	9.7	11.7	-2.0	9.4	9.0
Furniture	0.5	-2.3	-16.0	-9.1	7.0	2.6	1.3	-0.8	-3.9	5.4	14.2	16.2	18.0	33.1	34.6	6.9	10.7	19.0
Other Manufacturing	0.1	5.5	18.6	7.9	4.4	-2.5							15.0	8.3	-5.3	-2.7	12.0	18.9
Repair and installation of machinery and equipment													1.76	9.4	15.0	6.6	5.3	7.3

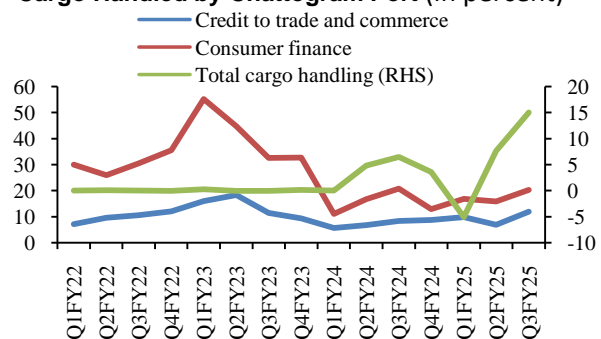


Note: Red areas indicate low growth, and increasing order of colour from green to red represents higher and lower growth.

Source: BB staff's calculation based on BBS data.

I.4 The growth momentum in service sector-related activities remained steady during Q3FY25, as reflected in several proxy indicators. Notably, total cargo handling through Chattogram port registered a year-on-year growth of 15.0 percent, while credit to trade and commerce, and consumer finance expanded by 12.0 percent and 8.3 percent, respectively, in Q3FY25 (Chart I.4). Furthermore, credit extended to the transportation sector increased by 4.75 percent during the same period (Table I.9, Annexure 1).

Chart I.4: Growth of Credit to Trade and Commerce and Consumer Finance and Total Cargo Handled by Chattogram Port (in percent)



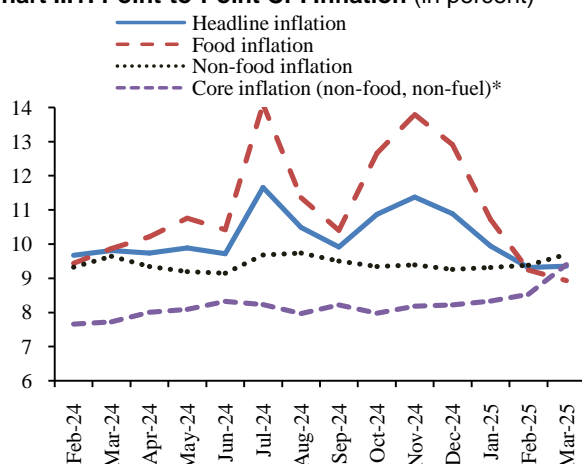
Source: Bangladesh Bank and Chattogram Port Authority.

I.5 In the near future, it is anticipated that the ongoing structural and policy-related reforms would improve economic performance. With a growth projection of 5.50 percent in FY26, a steady rebound is therefore expected. This projection outlines a cautiously optimistic trajectory, contingent upon improved macroeconomic management and structural reforms. Proper implementation of growth-oriented policy measures and maintaining political stability in the lead-up to the next national elections are crucial to achieving the government's growth targets.

II. Price

2.1 Inflationary pressures became less intense during Q3FY25, supported by ongoing monetary tightening and adequate domestic food production. Despite this quarter included the month of Ramadan, when prices typically rise due to heightened demand, the inflation rates remained subdued. The point-to-point headline inflation rate declined from 10.89 percent at the end of Q2FY25 to 9.35 percent at the end of Q3FY25 (Chart II.1). The 12-month average headline inflation rate also eased slightly from 10.34 percent in Q2FY25 to 10.26 percent in Q3FY25 (Chart II.2). In contrast, the point-to-point core inflation rate—which excludes volatile components such as food and fuel—rose from 8.22 percent at the end of Q2FY25 to 9.40 percent at the end of Q3FY25, with some non-food items playing important roles (Chart II.1).

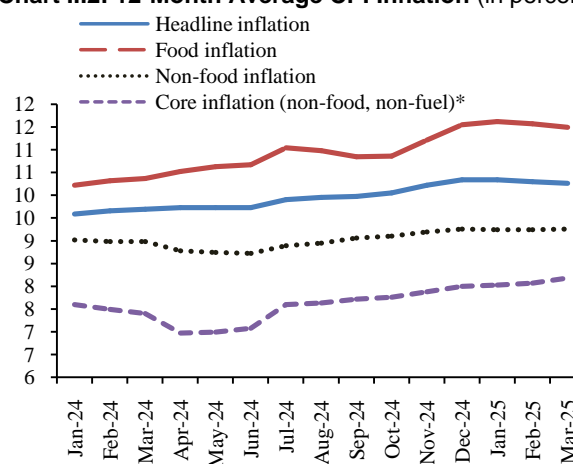
Chart II.1: Point-to-Point CPI Inflation (in percent)



Source: Bangladesh Bureau of Statistics (BBS).

*Core inflation is calculated by the Research Department of Bangladesh Bank using BBS data.

Chart II.2: 12-Month Average CPI Inflation (in percent)



Source: Bangladesh Bureau of Statistics (BBS).

*Core inflation is calculated by the Research Department of Bangladesh Bank using BBS data.

2.2 By the end of Q3FY25, point-to-point food inflation dropped below 9.0 percent for the first time in the last 24 months. The sharp decline during this quarter was primarily driven by abundant vegetable production, favourable import policies for stabilizing prices of rice and other essential food items, and BB's supportive measures. Food inflation steadily declined from 12.92 percent in December 2024 to 10.72 percent in January 2025, 9.24 percent in February 2025 and 8.93 percent in March 2025. Although overall food inflation showed a significant downward trend, price movements varied across categories. Notably, inflation rates for meat and vegetables declined sharply from 16.7 percent and 21.5 percent at the end of Q2FY25 to 3.2 percent and 7.4 percent at the end of Q3FY25, respectively. Moreover, inflation for milk, cheese and eggs dropped to 5.79 percent (from 7.59 percent), and for salt, spices and culinary herbs to 2.70 percent (from 6.12 percent).

In contrast, prices of some key food items saw an upward trend during Q3FY25. The inflation rates for rice rose to 12.61 percent from 11.82 percent, oil and fats to 8.87 percent from 5.49 percent, fish to 13.04 percent from 11.56, and fruits to 20.32 percent from 17.66 percent. Moreover, the inflation rate for

alcoholic beverages, tobacco and narcotics increased significantly to 23.42 percent at the end of Q3FY25 from 17.13 percent at the end of Q2FY25 (Chart II.3).

Chart II.3: Point-to-point Inflation Heat Map (in percent)

	Weight	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
<i>General Index</i>	100.0	9.7	9.9	9.7	11.7	10.5	9.9	10.9	11.4	10.9	9.9	9.3	9.4
Food and Nonalcoholic Beverages	44.9	10.2	10.8	10.4	14.1	11.4	10.4	12.7	13.8	12.9	10.7	9.2	8.9
1. Food	44.2	10.2	10.8	10.4	14.1	11.4	10.4	12.7	13.8	12.9	10.7	9.2	8.9
(a) Bread and Cereals:	12.3	-2.1	1.7	0.3	2.3	5.9	7.8	10.0	9.3	10.8	13.1	11.9	11.2
Rice	10.8	-3.8	0.5	-0.8	1.3	5.8	8.0	10.6	9.8	11.8	14.7	13.5	12.6
(b) Meat	5.5	13.2	13.5	13.2	6.8	1.5	0.9	1.5	12.8	16.7	17.4	13.8	3.2
(c) Fish (fresh) & dry fish	8.3	19.1	18.7	18.6	19.7	13.7	11.3	11.5	12.9	11.6	13.9	14.4	13.0
(d) Milk, cheese, and eggs	2.4	2.4	0.1	3.5	7.0	7.0	4.9	5.0	11.7	7.6	3.1	1.8	5.8
(e) Oils and fats	2.1	-8.7	-9.2	-6.0	-3.2	-4.1	-2.0	-0.2	2.6	5.5	5.4	5.4	8.9
(f) Fruits	2.2	6.8	4.9	4.3	9.0	13.1	16.1	16.0	21.0	17.7	18.3	18.3	20.3
(g) Vegetables	7.7	14.5	12.3	11.1	31.2	26.2	22.7	30.4	27.9	21.5	5.0	1.6	7.4
(h) Sugar, jam, honey, chocolate and confectionery	0.9	20.3	19.9	19.0	14.5	8.6	6.5	8.5	6.6	5.4	8.2	4.3	3.2
(i) Salt, spices, and culinary herbs	2.8	39.3	40.8	41.2	38.5	16.0	11.4	9.6	3.9	6.1	4.2	2.1	2.7
2. Non-alcoholic beverages	0.7	2.3	3.4	2.3	2.6	6.2	4.8	2.5	0.7	3.8	4.4	3.7	3.1
3. Alcoholic Beverages, Tobacco and Narcotics	2.6	7.2	6.4	9.9	14.8	18.1	15.2	15.6	16.8	17.1	26.9	26.0	23.4
Non Food	52.5	9.3	9.2	9.2	9.7	9.7	9.5	9.3	9.4	9.3	9.3	9.4	9.7
I. Clothing and Footwear	6.1	9.6	9.4	9.2	9.1	9.0	8.6	8.6	9.0	9.7	10.2	10.3	14.7
II. Housing, Water, Electricity, Gas, and Other	15.2	9.9	9.5	8.7	8.9	10.6	10.0	9.4	9.6	9.7	9.0	8.7	8.2
Fuels													
III. Furnishings, Household Equipment, and Routine Maintenance of the House	3.8	11.3	11.3	11.3	11.3	7.8	8.2	8.0	7.1	7.0	7.6	8.2	8.5
IV. Health	4.3	13.7	12.4	13.0	13.3	13.7	13.3	10.9	10.5	5.2	4.2	4.3	4.8
V. Transportation	9.4	8.2	8.1	8.1	8.3	4.3	6.2	5.6	5.7	6.1	6.1	6.1	6.7
VI. Communication	2.3	1.6	3.4	3.5	7.0	9.6	8.6	9.8	10.0	9.7	9.2	9.5	9.7
VII. Recreation and Culture	1.5	10.7	11.1	11.1	11.0	9.1	7.8	7.9	7.7	7.9	6.6	6.8	7.7
VIII. Education	3.8	4.6	5.7	5.8	6.1	7.4	6.8	7.5	8.1	9.1	8.9	9.0	9.0
IX. Restaurants and Hotels	2.2	7.4	6.0	5.3	5.6	9.8	9.8	10.7	11.0	12.1	11.5	12.0	12.0
X. Miscellaneous Goods and Services	3.8	14.1	14.6	14.8	15.3	15.4	13.9	15.8	14.8	14.8	12.8	13.6	12.3

≥10 8-10 6-8 4-6 2-4 0-2 ≤0

Source: BB staff's calculation based on BBS data.

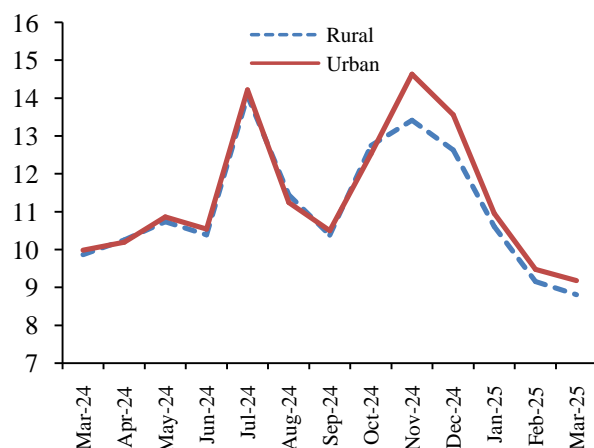
2.3 At the end of Q3FY25, non-food inflation rose to 9.70 percent, up from 9.26 percent at the end of Q2FY25 (Chart II.3). This reflects increased demand for clothing, footwear and transportation during the Eid al-Fitr festival. In addition, the record inflow of wage earners' remittances from overseas, which may have fuelled consumer spending on non-food items, partially contributed to the uptick in non-food inflation at the end of Q3FY25 compared to the previous quarter.

Among major non-food categories, inflation in transportation and in clothing and footwear – the second and third largest components of non-food expenditure– rose to 6.69 percent and 14.7 percent at the end of Q3FY25, compared to 6.08 percent and 9.69 percent at the end of Q2FY25, respectively. Similarly, the inflation rates for furnishings, household equipment, and routine maintenance increased to 8.52 percent at the end of Q3FY25, up from 6.95 percent in the previous quarter. Conversely, inflation rates declined in several non-food items. The rates for housing, water, electricity, gas and other fuels, and health care services declined to 8.21 percent and 4.77 percent at the end of Q3FY25 from 9.67 percent and 5.17 percent at the end of Q2FY25, respectively. Furthermore, the inflation rate for miscellaneous goods and services dropped to 12.30 percent at the end of March 2025 from 14.89 percent at the end of December 2024. (Chart II.3).

2.4 During Q3FY25, food inflation declined sharply in both rural and urban areas, remaining consistently lower in rural than urban areas throughout the quarter, reflecting the impact of an abundant

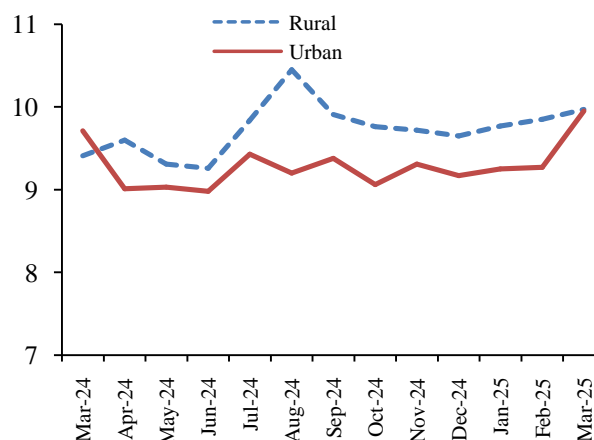
supply of vegetables. In March 2025, food inflation stood at 8.81 and 9.18 percent in urban areas, down from 12.63 and 13.56 percent in December 2024, respectively (Chart II.4). On the other hand, non-food inflation gradually increased across both in rural and urban areas during the quarter. It remained slightly higher in rural areas than in urban areas, although the narrowing gap suggests a possible improvement in the supply chain for non-food items. By March 2025, non-food inflation had reached 9.97 percent in rural areas and 9.95 percent in urban areas, compared to 9.65 percent and 9.17 percent, respectively, in December 2024, (Chart II.5).

Chart II.4: Food Inflation (Point-to-point)



Source: Bangladesh Bureau of Statistics.

Chart II.5: Non-food Inflation (Point-to-point)



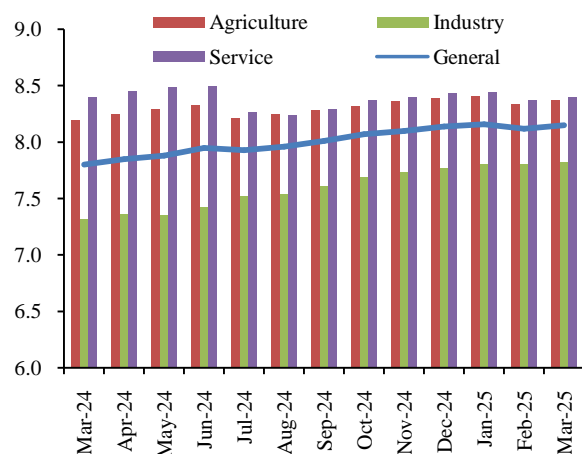
Source: Bangladesh Bureau of Statistics.

2.5 In Q3FY25, the nominal wage rate index maintained its modest upward trajectory, mainly supported by improvements in the industrial sector. Although this upward trend persisted, the nominal wage rate continued to lag behind the prevailing inflation rate, thereby resulting in continued negative real wage growth. The nominal wage rate index rose slightly from 8.14 percent in December 2024 to 8.15 percent in March 2025. A sector-wise decomposition reveals a mixed pattern: the industrial sector recorded a marginal increase, with its wage rate index rising from 7.70 percent to 7.82 percent (Chart II.6), while the agriculture and service sectors experienced minor declines- from 8.39 to 8.37 percent and from 8.43 to 8.40 percent, respectively, over the same period.

2.6 During Q3FY25, inflation trends across selected peer economies displayed a heterogeneous pattern. In India, despite a policy rate cut in February 2025, inflation continued on a downward path, largely driven by declining prices of vegetables, spices, eggs and pulses. CPI inflation in India fell from 5.22 percent in December 2024 to 3.34 percent in March 2025. Similarly, in Pakistan, inflation, which began a notable downward trajectory in mid-2023, gradually declined to 0.7 percent in March 2025. This reduction was primarily supported by easing food inflation and a favorable base effect, as headline inflation had been elevated during the corresponding period of the previous year. Meanwhile, Sri Lanka continued to face deflation from September 2024 till March 2025. In the meantime, the Central Bank of Sri Lanka cut its policy rate in November 2024. During Q3FY25, the inflation rate in Sri Lanka increased modestly from -2.00 percent in December 2024 to -1.90 percent in March 2025. On the other hand,

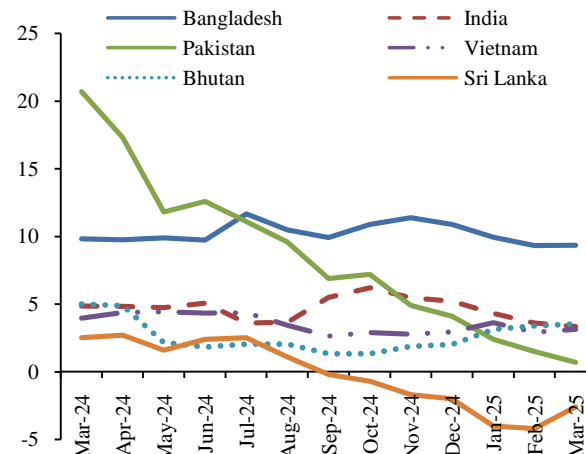
inflation in Vietnam and Bhutan increased from 2.94 percent and 2.02 percent in December 2024 to 3.13 percent and 3.52 percent in March 2025, respectively (Chart II.7).

Chart II.6 Wage Rate
(Percentage Change, Point –to-Point)



Source: Bangladesh Bureau of Statistics.

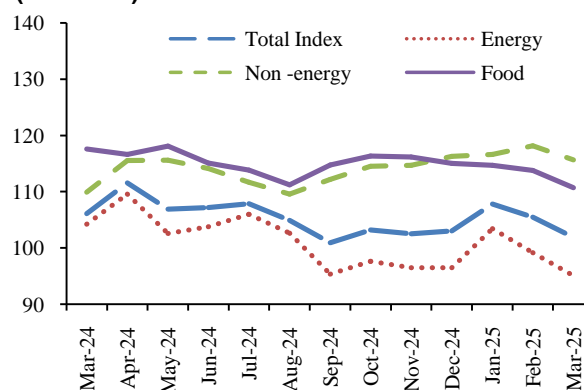
Chart II.7 Inflation in Peer Countries (In percent)



Source: Bangladesh Bureau of Statistics.

2.7 The global commodity price index demonstrated a declining trend in Q3FY25, primarily driven by falling energy prices. The index fell by 1.28 percent, reaching 101.92 at the end of Q3FY25, compared to 103.25 at the end of Q2FY25. Similarly, the energy price index, after experiencing a notable increase in January 2025, declined over the following two months (Chart II.8). This was mainly due to mounting concerns over weakening global demand amid escalating trade tensions, alongside increased supply driven by a rise in OPEC+ oil production. Consequently, crude oil prices declined by 15.34 percent (y-o-y) during the quarter under review. Moreover, the non-energy commodity price index declined by 0.96 percent in Q3FY25 compared to the previous quarter, largely reflecting a decrease in food commodity prices. The food commodity price index fell to 110.86 in March 2025, decreasing from 115.05 in December 2024, largely attributed to favourable weather conditions in South America. Among key food commodities, the prices of rice, wheat, sugar, and soybean oil saw significant declines, falling by 30.67 percent, 0.42 percent, 11.60 percent and 2.33 percent in March 2025 compared to December 2024, respectively, contributing to a 5.75 percent decline in the overall food price index (year-on-year). On the other hand, at the end of Q3FY25, the price of palm oil rose by 13.22 percent (year-on-year) (Table II.2 in Annexure).

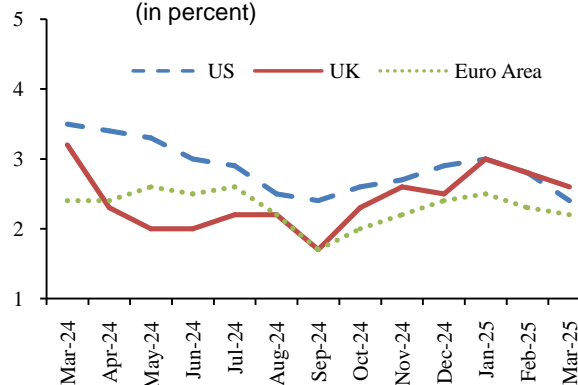
Chart II.8 Global Commodity Price Indices (2010=100)



Source: World Bank Commodities Price Data (The Pink Sheet), May 2024

2.8 Inflation trends across advanced economies demonstrated some divergence during Q3FY25. In the UK, inflation experienced a slight uptick, while it declined in both the USA and the Euro area. In the US, CPI inflation rate fell to 2.40 percent at the end of Q3FY25, down from 2.90 percent at the end of Q2FY25, driven in part by declining fuel prices (Chart II. 9). Similarly, CPI headline inflation in the Euro regions declined to 2.2 percent in March 2025 from 2.4 percent in December 2024, primarily due to a significant decline in service inflation. Conversely, the UK's CPI headline inflation rate rose from 2.5 percent in December 2024 to 2.6 percent in March 2025, partly due to rising costs for transport, education, and furniture.

Chart II.9: Inflation in Advanced Economies
(in percent)



Sources: Respective Central Banks and Statistics Departments

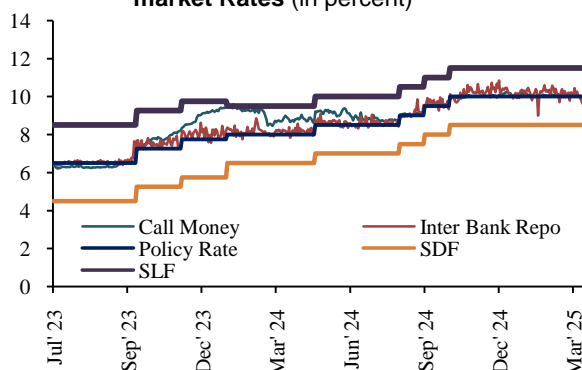
2.9 Inflationary pressures in Bangladesh showed signs of easing during Q3FY25, supported by tight monetary policy and proactive government measures. Overall, the inflation outlook appears stable and favourable, supported by recent inflation data on a downward trend that is likely to continue in the coming months. Easing global commodity prices and exchange rate stability are expected to further soften the inflationary pressures. The twelve-month average inflation is projected to decline to around 9.0 percent by the end of FY25 and further to 6.5 percent in FY26. However, risks persist from rising de-globalization pressures and heightened geopolitical tensions, particularly in the Middle East, which could disrupt supply chains and lead to fuel price volatility. BB is anticipated to ease its contractionary monetary policy once inflation demonstrates a sustained decline.

III. Money and Credit Markets

3.1 To contain inflationary pressures, the BB maintained its contractionary monetary policy throughout Q3FY25, keeping the policy rate unchanged at 10.0 percent. The financial market witnessed rises in both retail lending and deposit rates in tandem with BB's tightened policy stance, although the spread between the two rates widened further. However, average yields of government securities decreased for all maturities except 20-year ones. Liquidity conditions in the banking sector improved during the quarter under review.

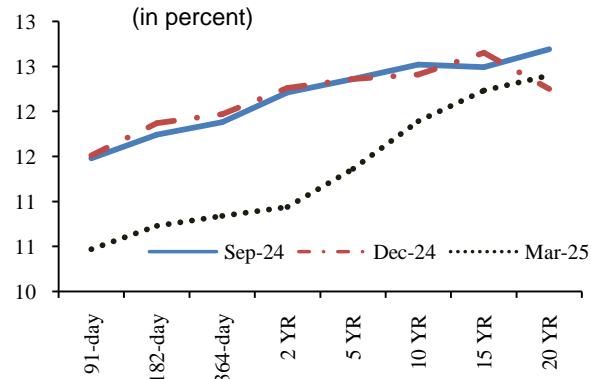
3.2 The impact of continued monetary tightening under the recently implemented interest corridor system prompted a significant effect in the money markets' key interest rates during Q3FY25. Since October 27, 2024, BB has kept the policy rate at 10.0 percent, with the SDF and SLF rates at 8.50 percent and 11.50 percent, respectively. The effectiveness of monetary policy transmission was demonstrated in Q3FY25 when the call money rate and interbank repo rate remained relatively close to the policy rate. However, the call money rate and interbank rate decreased from 10.07 percent and 10.47 percent in Q2FY25 to 10.01 percent and 10.22 percent in Q3FY25, respectively. On March 5, 2025, the daily cash reserve requirement (CRR) was lowered by 50 basis points, which is reflected in these modest drops in banks' short-term borrowing costs in the interbank markets (Chart III.1).

Chart III.1: Movements in Policy rate and Money market Rates (in percent)



Source: Bangladesh Bank.

Chart III.2: Yields of Government Securities (in percent)

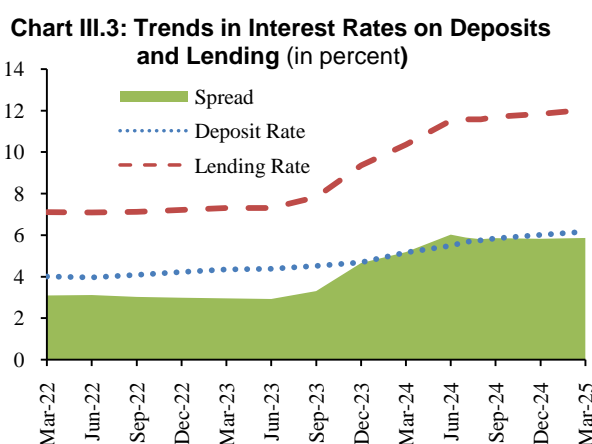


Source: Bangladesh Bank.

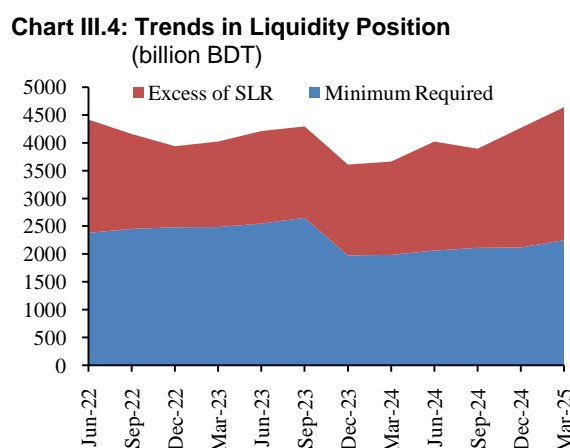
3.3 The yield curve steepened in March 2025, driven by a sharp decline in yields on front-end Treasury securities. This suggests that the market adjusted its yield expectations in response to BB's hawkish policy stance, bringing short-term yields closer to the policy rate. In contrast, the modest decline in yields on longer-tenor securities reflects the easing inflation expectations and improved growth prospects. The average yields of government securities of all tenors decreased in March 2025 compared to June 2024 (Chart III.2). Specifically, the yields on short-term Treasury bills (91-day, 182-day, and 364-day) decreased from 11.51 percent, 11.87 percent, and 11.97 percent in December 2024 to 10.47 percent, 10.73 percent, and 10.84 percent, respectively, in March 2025. The yields on the 2-year, 5-year, 10-year, and 15-year Treasury bonds also decreased slightly from 12.26 percent, 12.36 percent, 12.41 percent, and 12.65 percent in December 2024 to 10.94 percent, 11.36 percent, 11.89 percent, and 12.23 percent,

respectively, in March 2025. In contrast, the yields on 20-year bonds surged from 12.25 percent in December 2024 to 12.4 percent in March 2025.

3.4 The weighted average lending rate increased from 11.84 percent in December 2024 to 12.04 percent in March 2025. The deposit rate also increased from 6.01 percent to 6.17 percent during the same period. This increase was largely due to the market-driven interest rate framework and ongoing monetary tightening. A stable supply of funding is ensured in the face of growing borrowing costs, thanks to banks' improved liquidity as well as BB's liquidity support to some banks. A modest increase in the interest rate spread during Q3FY25 indicates an increased price of borrowing money (Chart III.3).



Source: Bangladesh Bank.



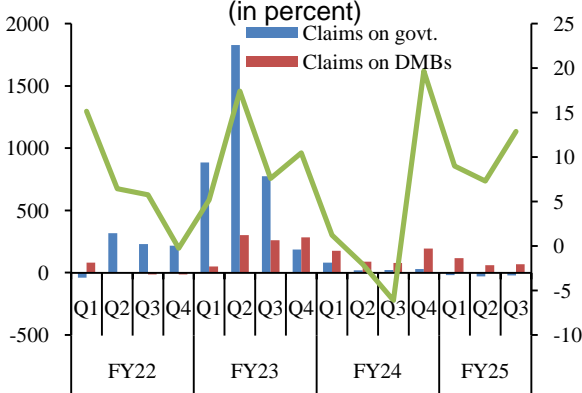
Source: Bangladesh Bank.

3.5 The aggregate liquidity in the banking system experienced a notable increase in March 2025, reflecting a 42.42 percent (y-o-y) growth of total excess liquidity. The banking system's liquidity increased from BDT 4269.11 billion in December 2024 to BDT 4640.04 billion in March 2025. The excess SLR amount increased from BDT 2150.02 billion in December 2024 to BDT 2388.46 billion in March 2025, indicating improved liquidity conditions and the banking industry's ability to comply with regulations (Chart III.4). However, some banks continued to suffer from liquidity shortages during the period under review. These banks sometimes failed to pay their customers at the over-the-counter window, creating panic among the depositors. BB provided its liquidity support to those weak banks and assured depositors of the safety of their deposits. Some banks have begun to recover, while others continue to face a liquidity shortage resulting from a weakening of customer confidence. The banking sector's deposit growth, one of the main sources of liquidity, slowed by 8.51 percent in March 2025 compared to 9.98 percent in March 2024.

3.6 Reserve money growth accelerated from 7.3 percent in Q2FY25 to 12.88 percent in Q3FY25, resulting from a 66.89 percent growth in claims on DMBs (Chart III.5). The contractionary monetary policy stance caused BB's net domestic asset (NDA) growth to drop from 31.93 percent in Q2FY25 to 25.07 percent in Q3FY25. On the other hand, BB's net foreign asset (NFA) growth rate experienced a substantial rise from -5.02 percent in Q2FY25 to 5.90 percent in Q3FY25. During the analysed quarter, the currency-deposit ratio increased little, from 3.22 in December 2024 to 3.94 in March 2025 which

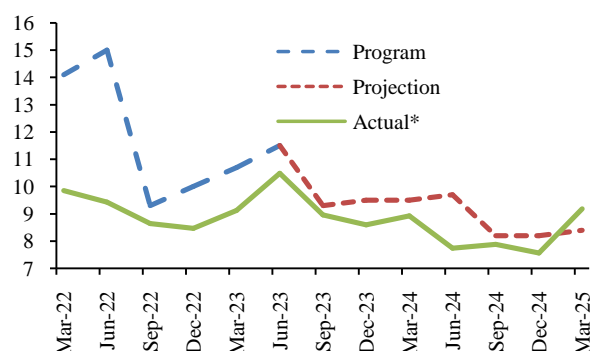
suggests a sign of rising demand for cash due to *Eid ul Fitr* and the holy month of *Ramadan*. The rising need for festival funds was also reflected in the growth of currency issuance, which increased from 9.04 percent at the end of Q2FY25 to 10.29 percent at the end of Q3FY25.

Chart III.5: Growth of Reserve Money, Claims on Govt., and DMBs (in percent)



Source: Bangladesh Bank.

Chart III.6: Broad Money (M2) Growth (in percent)

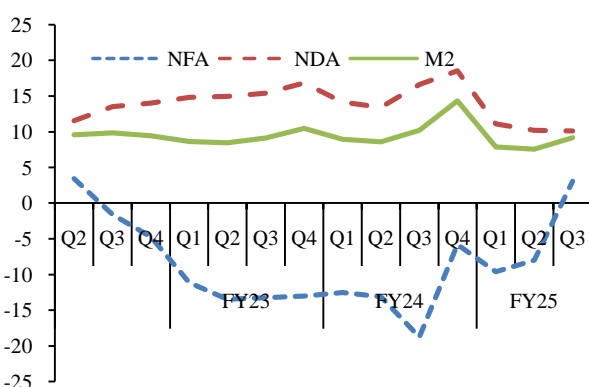


*Provisional data for March 2025.

Source: Bangladesh Bank.

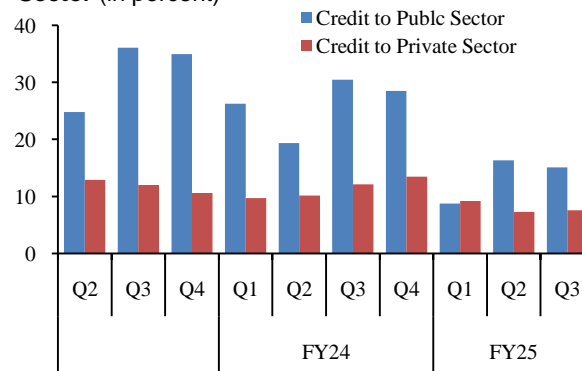
3.7 Broad money (M2) grew by 9.2 percent in Q3FY25 on the back of accelerated NFA growth from a negative to a significant positive territory (Chart III.6). However, NDA growth marginally decreased. Both narrow money and time deposits grew significantly by 7.5 and 9.7 percent, respectively, in Q3FY25.

Chart III.7: Growth of M2, NDA, and NFA (in percent)



Source: Bangladesh Bank

Chart III.8: Growth of Credit to Public and Private Sector (in percent)



Source: Bangladesh Bank

3.8 The NDA growth inched down from 10.22 percent in Q2FY25 to 10.13 percent in Q3FY25 because of a decrease in the growth of credit to the public sector (III.7). The growth of public sector credit decreased to 15.11 percent in Q3FY25 from 16.32 percent in Q2FY25 due to the government's determination to cut budgetary expenditure (III.8). At the same time, private sector credit expanded by 7.57 percent, which was higher than the 7.3 percent increase in Q2FY25 but still lower than the 9.8 percent target growth for June 2025 (Chart III.7).

3.9 BB's tightened monetary policy stance, which aims to achieve macroeconomic stability, has made headway, as observed in the moderation of inflationary pressures in recent months. However, prolonged periods of tightened monetary conditions may restrain credit growth, thereby limiting economic vibrancy. Once the price pressure subsides, BB anticipates a gradual shift to a more accommodating policy stance, promoting the development of private sector credit and boosting economic activity. To ensure long-term financial stability and promote a resilient economic trajectory, ongoing structural reforms in the financial sector, along with improved monetary transmission channels, will be crucial.

IV. Fiscal Sector

4.1 The overall fiscal balance registered a deficit in Q3FY25 as expenditure exceeded revenue collection (Chart IV.1). Government expenditure grew at a higher rate than revenue mobilization in Q3FY25 compared to Q3FY24 (y-o-y), leading to the budget deficit. In Q3FY25, total revenue amounted to 2.05 percent of GDP, expenditure was 2.90 percent, and financing was 0.88 percent; in comparison, these figures in Q3FY24 were 2.00 percent, 2.69 percent, and 0.65 percent, respectively.

4.2 Total revenue collection in the third quarter of FY25 reached BDT 1,136.64 billion, marking a 13.83 percent (y-o-y) increase. The NBR tax revenue, which constituted 84.41 percent of total revenue collection, exhibited a year-on-year growth of 5.32 percent in Q3FY25. On the other hand, non-tax revenue surged by 132 percent over the same quarter, accounting for 13.77 percent to total revenue collection. During Q3FY25, non-NBR tax revenue (the least contributor of revenue) increased by 2.77 percent (Chart IV.2).

The improvement in the NBR tax revenue was primarily led by a 11.32 percent rise in income tax collection, supported by ongoing tax reform efforts, while value added tax (VAT) and supplementary duty grew moderately by 1.53 percent and 3.54 percent, respectively, in Q3FY25 (Chart IV.3).

Chart IV.1: Trends in Revenue, Expenditure and Budget Surplus(+)/ Deficits(-)

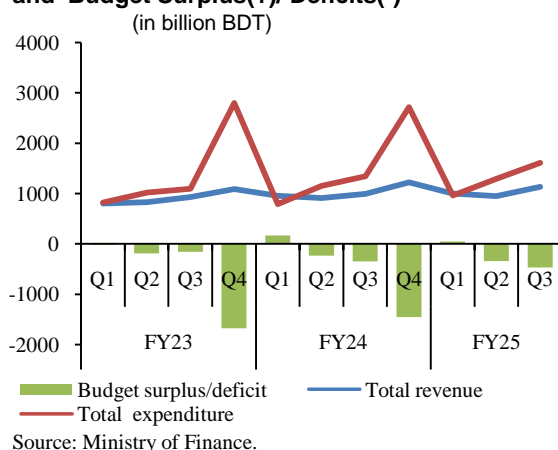


Chart IV.2: Trends in Total Revenue by Source
(y-o-y growth, in percent)

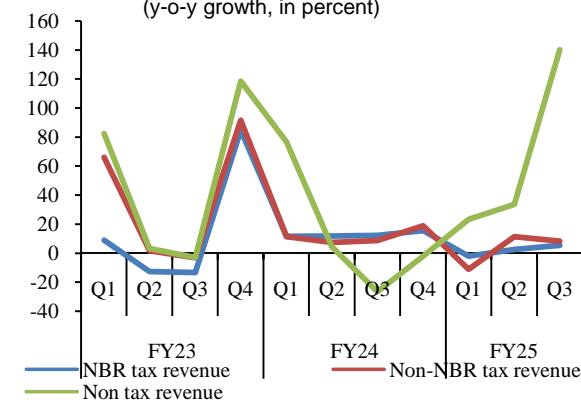
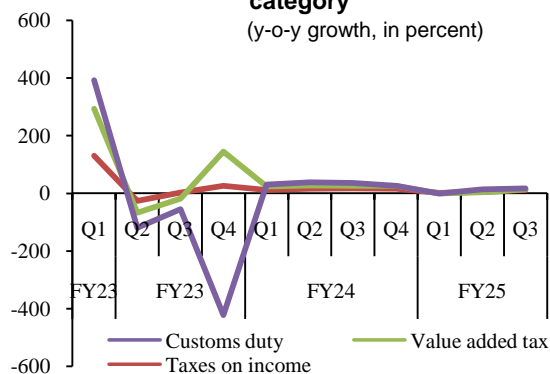


Chart IV.3: Trends in NBR Tax Revenue by category
(y-o-y growth, in percent)

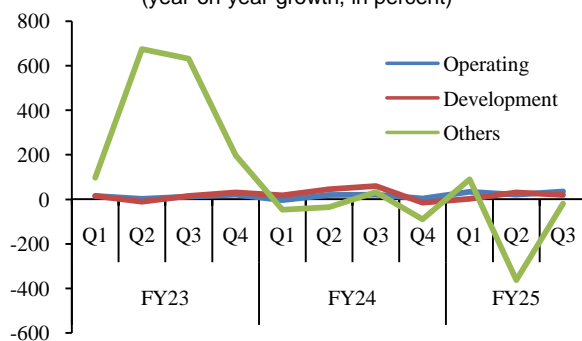


In the first nine months of FY25, total revenue collection amounted to 59.66 percent of the revised annual budget target. During the same period, NBR tax revenue, non-NBR tax revenue, and non-

tax revenue achieved 55.03 percent, 40.23 percent, and 120 percent, respectively, of their respective revised budget targets for FY25.

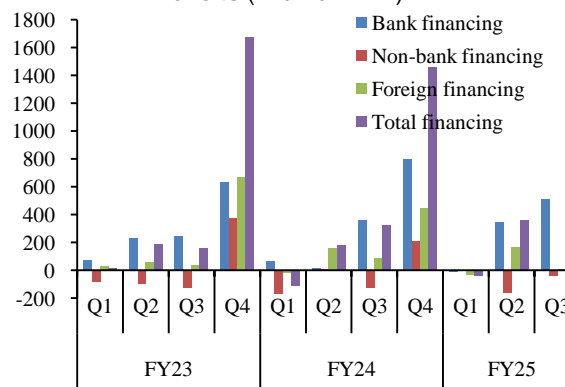
4.3 The total expenditure increased by 19.64 percent, rising from BDT 1346.77 billion in Q3FY24 to BDT 1611.22 billion in Q3FY25. In Q3FY25, the operating expenditure increased by 34.66 percent (Chart IV.4). The uptrend in operating expenditure was primarily driven by increases in subsidies, incentives, and current transfers; interest payments; and pay and allowances, which rose by 57.35 percent, 23.10 percent, and 20.75 percent, respectively. In Q3FY25, operating expenditure exceeded total revenue collection by 149.60 billion taka, indicating that the government's spending on operational activities outpaced the income generated from taxes and other sources. On the other hand, development expenditure decreased by 14.88 percent during the quarter under review. During the same quarter, all components of development expenditure such as ADP, development programme financing, and non-ADP development expenditure decreased by 11.78 percent, 47.04 percent, and 76.53 percent, respectively. In addition, during July-March of FY25, the government executed 61.46 percent of the operating expenditure target and 31.53 percent of the ADP spending target.

Chart IV.4: Trends in Government Expenditure
(year-on-year growth, in percent)



Source: Ministry of Finance.

Chart IV.5: Sources of Financing of Budget Deficits
(in billion BDT)



Source: Ministry of Finance.

4.4 The fiscal deficit persisted in Q3FY25 compared to the same quarter of the preceding year, due to the increased expenditure. The fiscal deficit stood at BDT 471.24 billion in Q3FY25, which was 36.78 percent higher than BDT 344.54 billion in Q3FY24. Most of the deficit financing came from domestic sources, mainly through bank borrowing, which rose by 41.85 percent during the quarter under review. In contrast, foreign financing dropped by 87.12 percent, while non-bank financing was negative.

4.5 The government's ongoing efforts in revenue mobilization, particularly through digital tax administration, are noteworthy in the face of slow economic growth. However, the long-term success of tax reforms will depend on addressing implementation challenges, expanding the tax base, and combating tax evasion. Under sustained inflationary pressure, operating expenses continued to rise and were entirely financed by borrowing from the domestic banking sector, which might have limited the expansion of private sector credit. While making prudent expenditure decisions, the government continued its efforts to achieve the annual revenue target.

V. External Sector

5.1 The external sector of Bangladesh experienced moderate pressure, shifting from a surplus of USD 1.05 billion in Q2FY25 to a deficit of USD 0.66 billion in Q3FY25 in the overall balance of payments (BoP). The deficit of overall balance reflects a significant decline in the financial account surplus, although the deficit in the current account balance narrowed down in Q3FY25 (Chart V.1). Notably, the exchange rate of the Bangladeshi Taka (BDT) against the US Dollar remained broadly stable during the quarter under review, supported by a sustained increase in remittance inflows.

5.2 The current account deficit eased during Q3FY25, mainly driven by a substantial increase in workers' remittance inflows. The deficit declined to USD 0.29 billion in Q3FY25 from USD 0.38 billion in Q2FY25, supported by a 27.6 percent year-on-year growth in remittances. In contrast, the trade deficit widened marginally to USD 5.68 billion in Q3FY25, compared to USD 5.13 billion in the previous quarter. The deficit in the services account also increased, reaching USD 1.46 billion in Q3FY25, up from USD 1.30 billion in Q2FY25 (Chart V.1, Table V.1 in Annexure 1).

Chart V.1: Trends in the Balance of Payments

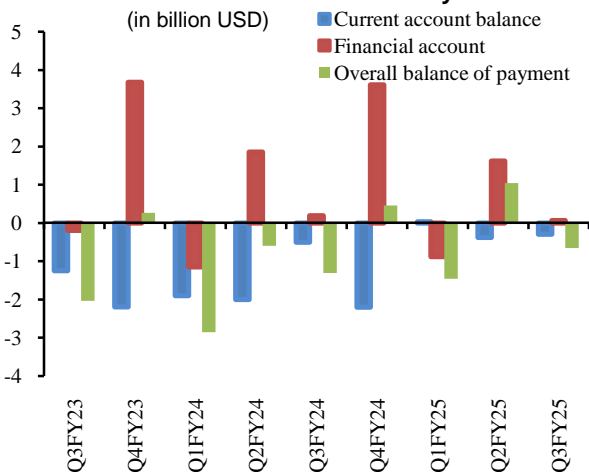
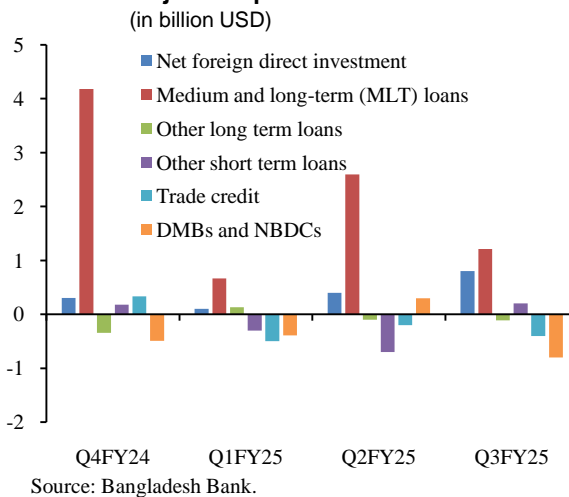


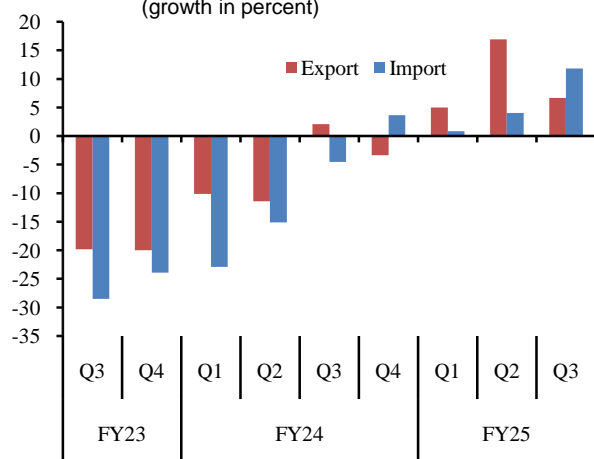
Chart V.2: Major Component of Financial Account



5.3 The financial account surplus declined to USD 0.06 billion in Q3FY25 from USD 1.62 billion in Q2FY25 (Chart V.1). This decline was mainly driven by lower inflows of medium and long-term (MLT) loans, an increased net deficit in trade credit, and a net negative position in the foreign liabilities-assets of DMBs and NBDCs during the period under review compared to Q2FY25. Despite the decline in most components of the financial account, net foreign direct investment (FDI) increased significantly, contributing to maintaining a surplus in the financial account balance in Q3FY25. Net FDI rose to USD 0.83 billion in Q3FY25 from USD 0.43 billion in the previous quarter (Chart V.2). MLT loans declined abruptly to USD 1.21 billion in Q3FY25 from USD 2.60 billion in Q2FY25. Moreover, the net foreign liability-asset position of DMBs and NBDCs registered a deficit of USD 0.84 billion in Q3FY25, compared to a surplus of USD 0.30 billion in the preceding quarter (Chart V.2). Meanwhile, the capital account surplus decelerated to USD 0.05 billion in Q3FY25 from USD 0.06 billion in Q2FY25 and USD 0.16 billion in Q1FY25.

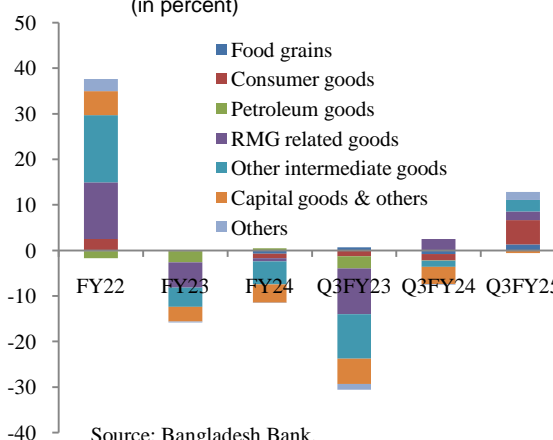
5.4 In Q3FY25, the country's export earnings (f.o.b.) experienced moderate growth, totaling USD 11.5 billion—up 6.54 percent year-on-year, although this was slower than the strong 16.93 percent growth observed in Q2FY25 (Chart V.3). The increase was largely supported by the continued strength of the ready-made garments (RMG) sector, which contributed 89.7 percent to total export earnings and grew by 6.34 percent compared to the same period last year (Table V.1 in Annexure 1). Within the RMG segment, knitwear and woven garment exports rose by 7.74 percent and 4.91 percent, respectively, accounting for 42.0 percent and 39.8 percent of total exports. Additionally, jute goods exports edged up by 2.22 percent in Q3FY25 from the corresponding period in the previous year (Table V.2 in Annexure 1). Export performance by destination showed a mixed pattern. RMG exports to the USA surged by 16.56 percent during Q3FY25, whereas exports to the European countries, the country's largest export market, declined significantly by 19.10 percent during the period under review (Table V.3 in Annexure 1).

Chart V.3: Trends in Export and Import Growth
(growth in percent)



Source: Bangladesh Bank.

Chart V.4: Decomposition of Import Growth
(in percent)



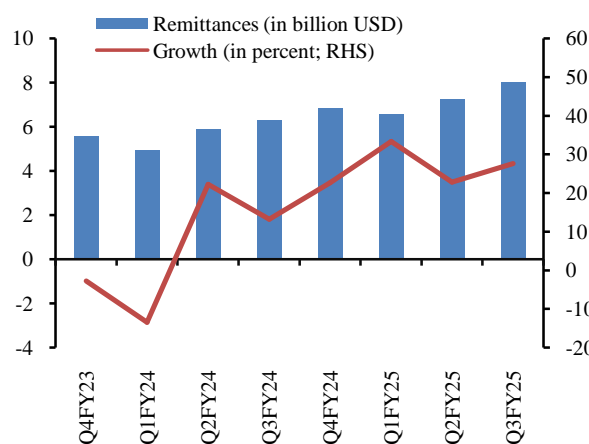
Source: Bangladesh Bank.

5.5 The country has experienced a steady rise in import growth since Q4FY24. Import payments (f.o.b) climbed to USD 17.2 billion in Q3FY25, marking an 11.8 percent increase from USD 15.4 billion in the same quarter of the previous fiscal year (Chart V.3). This significant growth was largely fueled by increased imports of consumer goods and items related to the ready-made garments (RMG) industry. The decomposition analysis of import payment reveals that the consumer goods, RMG-related goods, and food grain contributed 5.30 percent, 1.94 percent, and 1.33 percent, respectively to the overall import growth in Q3FY25 (Chart V.4). In contrast, imports of capital machinery and other capital goods (which accounted for 13.1 percent of total imports) and petroleum products (6.5 percent share) declined year on year in Q3FY25, limiting overall import growth during the quarter (Table V.4 in Annexure 1).

5.6 Total remittance inflows remarkably surged to USD 8.0 billion in Q3FY25, registering 27.6 percent growth (y-o-y) from USD 6.3 billion in Q3FY24 (Chart V.5). The significant rise in remittance inflows reflected from greater use of official channels and a competitive exchange rate, thereby reducing BoP pressure. The growth in remittance was mainly driven by higher inflows from major sources including the USA, Saudi Arabia, the UK, and Malaysia. Specifically, remittance inflows from the USA and Saudi Arabia soared by 76.6 percent and 93.4 percent, respectively, in Q3FY25 (Chart V.6).

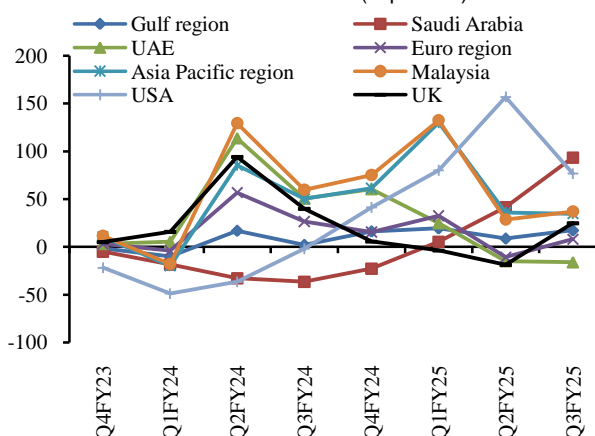
Conversely, remittance inflows from the UAE—despite representing the largest share (31.2 percent) of remittances from the Gulf region—fell significantly by 16.2 percent over the same period. Regionally, the Gulf accounted for 43.8 percent of total remittance receipts in Q3FY25. Within the Gulf, Saudi Arabia was the leading contributor, making up 29.9 percent of the region's inflows, with a substantial 93.4 percent growth in Q3FY25 compared to Q3FY24 (Chart V.6). Kuwait and Oman followed with shares of 13.2 percent and 12.5 percent, respectively, recording strong growth rates of 19.5 percent and 73.7 percent during the quarter under review.

Chart V.5: Remittance Inflows



Source: Bangladesh Bank.

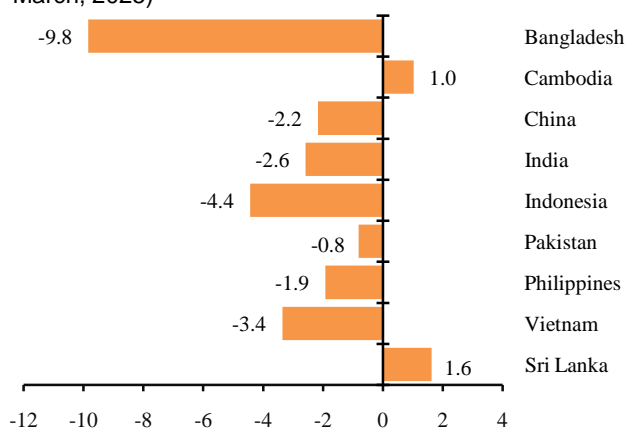
Chart V.6: Region/Country-wise Growth of Remittance Inflows (in percent)



Source: Bangladesh Bank.

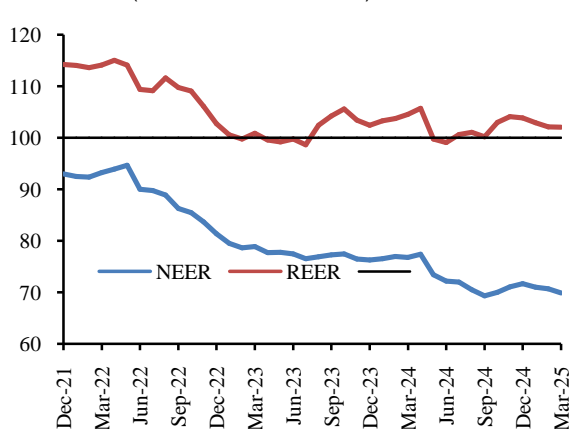
5.7 The exchange rate of the Bangladeshi currency stood at BDT 122.0 against the USD at the end of March 2025, with 9.84 percent depreciation from March 2024 (Chart V.7). The nominal exchange rates of most peer countries, except Sri Lanka and Cambodia also experienced depreciation at the end of March 2025 compared to the previous year (Chart V.7). This depreciation was also reflected in the nominal effective exchange rate (NEER) and the real effective exchange rate (REER), which declined by 8.94 percent and 2.40 percent respectively, over the same period of the previous year (Chart V.8). Moreover,

Chart V.7: Peer Countries' Currency Appreciation/Depreciation (+/-) against US dollar (at end March, 2025)



Source: Bangladesh Bank.

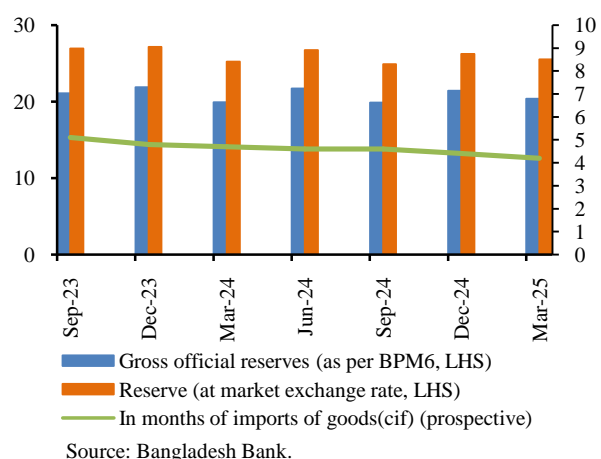
Chart V.8: Effective Exchange Rate Indices
(Base : June-2026 = 100)



Source: Bangladesh Bank.

the BB has scaled down its direct intervention in the foreign exchange market by limiting foreign currency purchases and sales with a view to enhancing exchange rate flexibility. Consequently, BB reduced a net purchase to USD 0.039 billion during Q3FY25 from USD 0.128 billion in the previous quarter. However, country's gross official foreign exchange reserve stood at USD 25.5 billion in March 2025, which was USD 26.2 billion at the end of December 2024. This reserve level remained sufficient to cover approximately 4.2 months of prospective import payments for goods (Chart V.9).

Chart V.9: International Reserve (in billion USD)

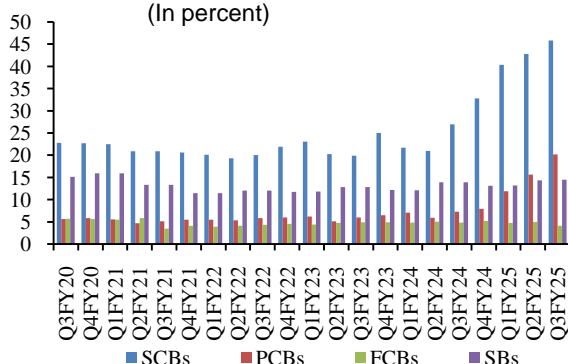


5.8 The external sector outlook of Bangladesh remains cautiously optimistic in the near term, contingent on improvements in financial inflows and stable global demand. However, downside risks from declining transfers from the UAE, a significant reduction in exports to Europe, and imposing high import tariffs by the USA may exert pressure on the external balance. Diversifying exports and trade partners, attracting FDI, pursuing bilateral trade agreements, and maintaining macroeconomic stability are critical to stabilize the external sector.

VI. Banking Sector

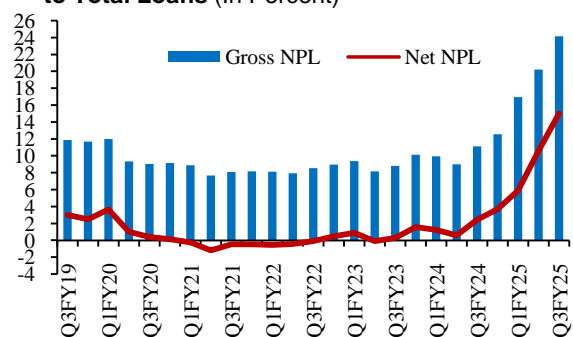
6.1 The banking sector in Bangladesh experienced a higher level of non-performing loans (NPLs) in Q3FY25, both in absolute terms and as a proportion of total outstanding loans. This surge in NPLs necessitated increased provisioning for bad debts, significantly reducing bank profitability as reflected in declining return on equity (ROE) and return on assets (ROA).

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)

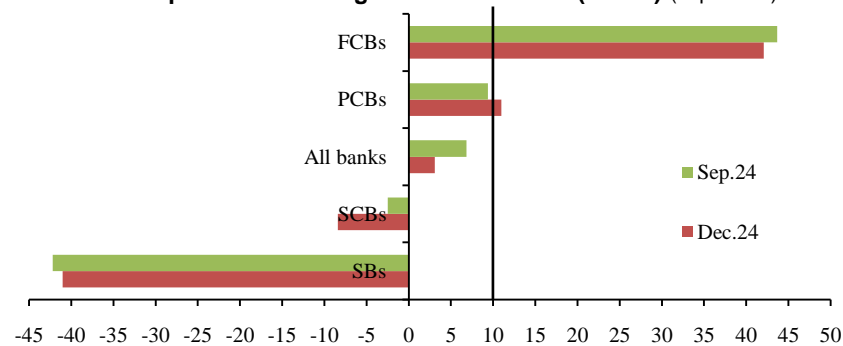


Source: Bangladesh Bank

6.2 The banking sector of Bangladesh is grappling with a steep rise in non-performing loans (NPLs), which soared by 21.57 percent to BDT 4203.34 billion in Q3FY25 compared to Q2FY25. The NPL ratio to total loans hit a significant high of 24.13 percent during Q3FY25, up from 20.20 percent in the previous quarter (Chart VI.1). State-owned commercial banks (SCBs) and private commercial banks (PCBs) emerged as the main contributors to the escalating NPL levels. The NPL ratio of SCB surged to 45.79 percent at the end of Q3FY25, up from 42.83 percent at the end of Q2FY25, while PCB's NPL ratio rose 20.16 percent during Q3FY25 from 15.60 percent in the previous quarter. Moreover, the NPL ratios of foreign commercial banks (FCBs) and specialized banks (SBs) also slightly increased to 4.83 percent and 14.46 percent, respectively, at the end of Q3FY25. Furthermore, the ratio of net NPLs to total loans in the banking sector saw a significant increase, reaching 15.00 percent at the end of Q3FY25, up from 10.57 percent at the end of Q2FY24 (Chart VI.2). This increase in net NPLs reflects the waning provision shortfall (Table 6.1). The revised loan classification policy—effective from 30 September 2024—that reduced the threshold for fixed-term loan default from six to three months partly explains this worsening NPL situation.

6.3 The overall capital to Risk weighted Assets Ratio (CRAR) of the banking system fell significantly below the Basel III minimum requirement in Q2FY25. This decline was mainly driven by state-owned commercial banks (SCBs). The overall CRAR for the banking system reached 3.08 percent at the end of Q2FY25, compared to 6.86 percent at the end of Q1FY25. The CRAR for SCBs dropped sharply to -8.42 percent at the end of Q2FY25, down from -2.48 percent at the end of Q2FY25. The CRAR for private commercial banks (PCBs) experienced a slight increase to 10.98 percent by the end of Q2FY25 from 9.38 percent at the end of the previous quarter (Table VI.3 in Annexure-1 and Chart VI.3).

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



Source: Bangladesh Bank.

6.4 The profitability of the banking sector decreased significantly at the end of Q3FY25 compared to the end of Q3FY24, as evidenced by reductions in both return on equity (ROE) and return on assets (ROA). By the conclusion of Q3FY25, the sector's net profits after provision and tax turned negative, dropping the ROA and ROE to -0.18 percent and -3.99 percent, respectively, from 0.23 percent and 4.32 percent a year ago. This slump in these two profitability metrics broadly reflected the 77.61 percent y-o-y rise in bad debt provisions in Q3FY25 and a concurrent decline in the operating profit. ROA and ROE of SCBs, which had been steadily declining, improved little from -0.65 percent and -19.10 percent at the end of Q3FY24 to -0.51 percent and -18.80 percent, respectively at the end of Q3FY25. However, the PCBs saw their ROA and ROE declining significantly from 0.34 percent and 5.90 percent at the end of Q3FY24

Table 6.1: Comparative Position of Classified Loan and Provision Maintained (in billion BDT)

Quarters	Items	SCBs	SBs	PCBs	FCBs	All Banks
Q3FY24	Total classified loan	842.21	56.96	889.25	34.52	1822.95
	Required provision	362.05	28.15	697.74	26.75	1114.69
	Provision maintained	227.89	32.31	557.87	30.75	848.84
	Excess(+)/ shortfall(-)	-134.15	4.16	-139.86	4.00	-265.85
Q4FY24	Total classified loan	1024.83	57.56	999.21	32.29	2113.91
	Required provision	376.51	28.14	710.92	26.06	1141.65
	Provision maintained	262.23	30.48	570.07	30.76	893.55
	Excess(+)/ shortfall(-)	-114.28	2.33	-140.85	4.69	-248.10
Q1FY25	Total classified loan	1261.11	58.13	1498.06	32.45	2849.77
	Required provision	812.92	28.38	948.51	26.09	1815.91
	Provision maintained	410.88	30.72	790.19	30.72	1262.13
	Excess(+)/ shortfall(-)	-402.04	2.33	158.31	4.23	-553.78
Q2FY25	Total classified loan	1366.19	64.32	2000.15	26.99	3457.65
	Required provision	742.18	28.28	1362.37	22.25	2155.08
	Provision maintained	162.52	30.84	873.53	26.88	1093.77
	Excess(+)/ shortfall(-)	-579.66	2.56	-488.83	4.63	-1061.31
Q3FY25	Total classified loan	1464.07	64.94	2641.95	32.38	4203.34
	Required provision	933.83	28.41	1765.56	23.21	2751.02
	Provision maintained	293.86	30.90	692.16	27.54	1044.47
	Excess(+)/ shortfall(-)	-639.96	2.49	-1073.40	4.33	-1706.55

Source: Bangladesh Bank.

to -0.30 percent and -6.11 percent, respectively. The net interest margin (NIM), which measures how efficiently banks earn income from their interest-earning assets, decreased to 2.30 percent (annualized) at the end of Q3FY25, from 2.75 percent (annualized) in the previous year. This downturn in NIM reflects higher cost and lesser profit due to lower earnings. However, the combination of a lower NIM and ROA suggests that banks earned less from interest as well as high costs or losses elsewhere—particularly from provisioning—dampened overall profitability.

6.5 Deposit growth in the banking sector maintained its uptrend on a year-on-year (y-o-y) basis in Q3FY25, rising to 9.51 percent in March 2025, up from 7.47 percent in December 2024. At the disaggregated level, state-owned commercial banks (SCBs) witnessed a notable increase in (y-o-y) deposit growth, reaching 6.38 percent from 3.69 percent in Q2FY25, thereby contributing significantly to the overall deposit expansion. On the other hand, advance growth remained subdued in Q3FY25 (y-o-y), holding steady at 8.22 percent, nearly unchanged from the previous quarter. This sluggish growth in advances can be attributed to regulatory constraints on new loan disbursements for troubled banks and a rising share of non-performing loans, limiting lending capacity. Furthermore, the uncertainty in the political landscape, the bleak business environment, and the higher borrowing costs might have dissuaded businesses from seeking credit. Consequently, the sector's overall advance-deposit ratio (ADR) declined slightly from 81.32 percent at the end of the previous quarter to 80.33 percent at the end of March 2025 (Table 6.2 and Chart VI.4).

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

Bank groups	Growth of deposit*		Growth of advances*		Advance Deposit Ratio (ADR)	
	Mar. 25	Dec. 24	Mar.25	Dec. 24	Mar.25	Dec. 24
SCBs	6.38	3.69	6.51	6.56	73.18	74.62
PCBs	11.15	9.44	8.92	8.01	84.66	85.35
FCBs	-0.47	-2.37	3.50	9.75	60.05	61.41
SBs	13.56	8.99	8.28	17.82	62.89	68.72
All	9.51	7.47	8.22	8.02	80.33	81.32

Source: Bangladesh Bank. *indicate excluding interbank (y-o-y) growth.

Chart VI.4: Advance Deposit Ratio (In percent)

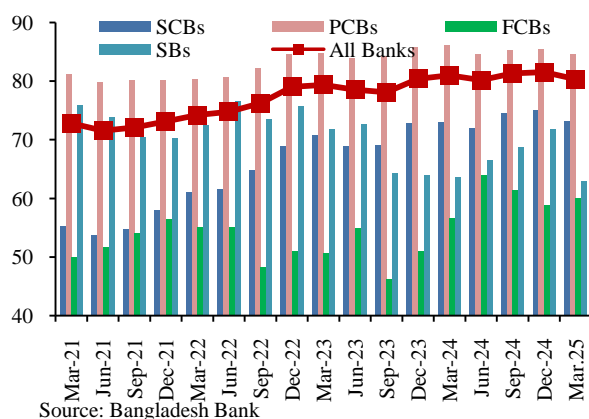
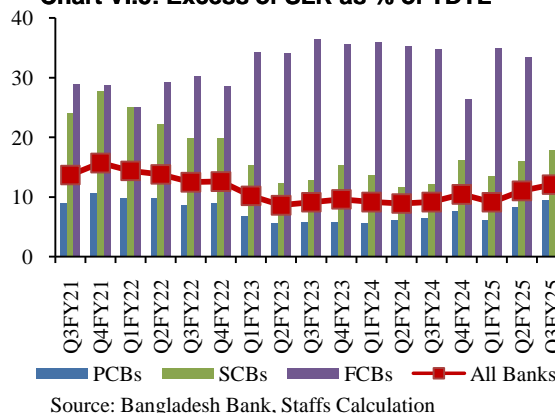


Chart VI.6: Excess of SLR as % of TDTL



6.6 The sector's excess liquidity remained buoyant in Q3FY25, increasing to BDT 2,388.46 billion from BDT 2,150.02 billion in the previous quarter. This momentum reflects the uptick in deposit growth and a slippage in advance growth during the same period. The elevated excess liquidity was also evident in the statutory liquidity ratio (SLR) surplus, which went from 11.1 percent at the end of Q2FY25 to 12.1 percent of total demand and time liabilities (TDTL) at the conclusion of the quarter under review, while TDTL increased little (Table 6.3).

Table 6.3: Liquidity Position of the Scheduled Banks (in billion BDT)

	CRR			SLR		
Bank groups	Required	Maintained	Excess	Required Liquidity	SLR eligible liquid assets of banks**	Excess(+)/shortfall (-) of SLR
1	2	3	4	5	6	7
	As of end March, 2025					
SCBs	183.06	202.40	20.74	593.29	1411.7	818.5
SBs*	21.62	20.20	0.03	0.00	0.00	0.00
PCBs (other than Islamic)	379.37	452.14	62.41	1315.65	2599.37	1283.7
Private Banks (Islamic)	158.37	115.37	8.42	218.09	239.23	21.1
FCBs	35.21	58.11	22.90	124.56	389.69	265.1
All	777.6	848.22	114.49	2251.6	4640.0	2388.46
	As of end December, 2024					
SCBs	179.43	190.41	11.02	581.91	1297.7	715.7
SBs*	21.02	20.2	0.03	0.0	0.0	0.0
PCBs (other than Islamic)	369.24	451.30	87.31	1195.15	2243.10	1048.0
Private Banks (Islamic)	160.34	206.14	46.12	221.0	290.11	69.1
FCBs	34.33	66.60	32.27	121.04	438.30	317.2
All	764.40	934.66	176.75	2119.1	4269.1	2150.02

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 PLC as an agent of BB, unencumbered approved securities and excess reserve (column 4).

Note: According to Circular No-MPD-02, 2013 with effect from February 1, 2014, SLR has been calculated separately (excluding CRR) as 13% for conventional banks and 5.5% for Islamic banks of the total demand and time liabilities.

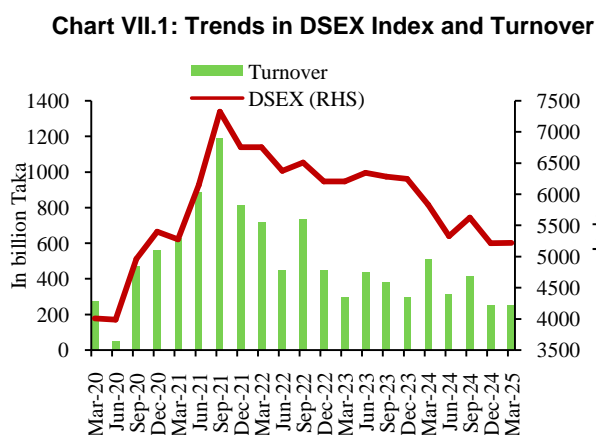
According to Circular No. MPD-03, April 9, 2020, the CRR revised to 4.0 percent from 5.0 percent effective from April 15, 2020.

6.7 The banking sector is currently at a critical juncture, with ballooning NPLs, sluggish credit growth, and capital inadequacy. Good governance and structural reforms remain the priorities in addressing these challenges. In recent months, BB has launched a series of legal and institutional reform measures to ensure good governance and address structural problems. For instance, BB spearheaded the preparation of the Bank Resolution Ordinance 2025, approved on April 17, 2025, empowering the regulator to initiate resolution proceedings of a scheduled bank under certain circumstances.

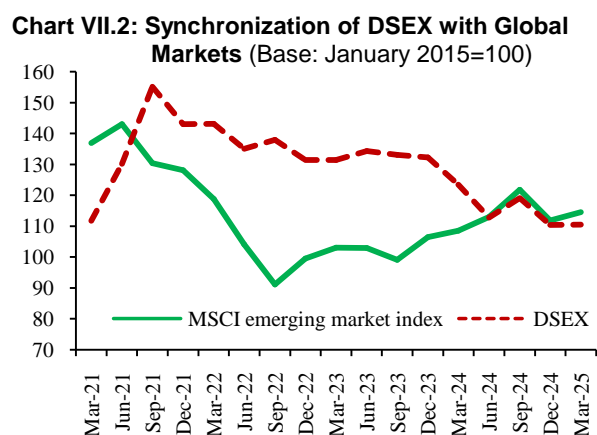
On the regulatory front, BB expects to implement fully Risk Based Supervision (RBS) from January 1, 2026, aiming to bring about qualitative transformation in the form of monitoring and supervision in the banking sector. BB is implementing some stricter guidelines on loan classification, provisioning, and recovery in phases, aligning with global best practices to improve the NPL situation in the medium term. A new Expected Credit Loss (ECL) methodology-based provisioning system, set for implementation in 2027, will encourage banks to adopt proactive credit risk management and prevent the accumulation of NPLs. All these reforms and policy measures will help build a solid and resilient banking system in Bangladesh.

VII. Capital Markets

7.1 Bangladesh's capital market continued to show its weaker performance in Q3FY25, with declines in market capitalization¹, P/E ratio, and turnover, despite a slight rise in price indices (Table VII.1 in Annexure-1 and Chart VII.1). This sluggishness in the capital market was primarily driven domestic inflationary pressure and political uncertainty, and geopolitical tensions. The Bangladesh Securities and Exchange Commission (BSEC) has launched reforms in the capital markets to restore investor confidence, enhance transparency, and promote institutional investments. On the other hand, the Morgan Stanley Capital International (MSCI) index experienced a recovery at the end of Q3FY25, supported by economic recovery and artificial intelligence (AI) innovation in emerging markets (Chart VII.2). The ongoing reform initiatives, combined with improving global trends, may contribute to a future market recovery in Bangladesh.



Source: DSE Monthly Review, Various Issues



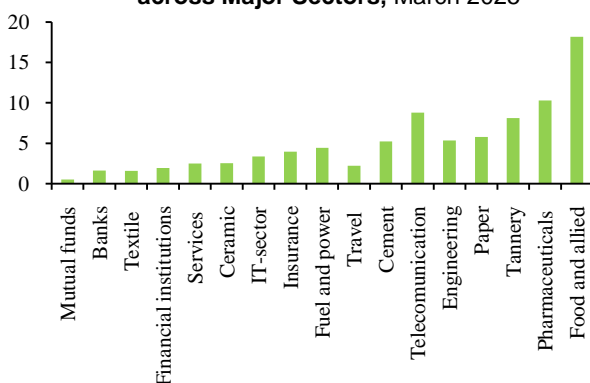
Source: DSE and www.msci.com

7.2 The DSE broad index (DSEX) increased marginally by 0.05 percent while DSE-30 indices declined by 1.29 percent, respectively, at the end of Q3FY25 (year-on-year) (Table VII.1 in Annexure-1). Furthermore, sector-specific ratios of market capitalization to paid-up capital revealed that the food and allied sector resumed its peak at 18.2, while the mutual fund sector remained at its lowest ratio at 0.5 in March 2025 (Chart VII.3).

7.3 The DSE's market capitalization dropped by a substantial BDT 3547.5 billion at the end of Q3FY25 from BDT 3617.9 billion at the end of Q2FY25. The banking sector maintained its dominant position, accounting for 19.05 percent of the total market capitalization, while the jute industry represented the smallest portion, contributing just 0.07 percent (Table VII.2 in Annexure-1). Moreover, in comparison to selected peer economies, Bangladesh experienced a further reduction in market capitalization as a percent of GDP, decreasing to 6.14 percent in March 2025 from 6.59 percent in December 2024 (Chart VII.4).

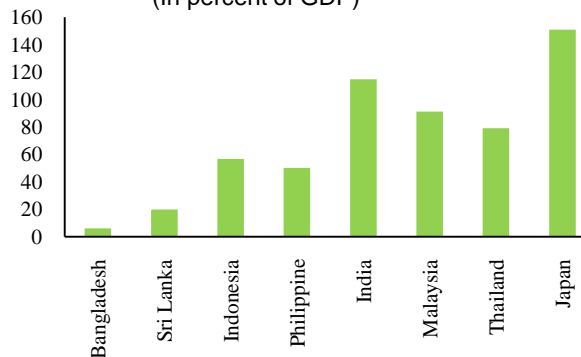
¹ Exclude the government bonds.

Chart VII.3: Ratio of M.Cap. to Paid-up Capital across Major Sectors, March 2025



Source: DSE monthly review, March 2025

Chart VII.4: Selected Countries; Stock Market Capitalization, March 2025 (In percent of GDP)



Source : DSE Monthly Review, March 2025

7.4 The DSE's overall price-earnings (P/E) ratio was lower at the end of Q3FY25 compared to at the end of Q2FY25. In March 2025, the average price-earnings (P/E) ratio declined to 9.74 from 11.83 in December 2024. According to sector-specific P/E data, the tannery sector had the highest P/E score during Q3FY25, while the fuel & power industry resumed having the lowest P/E score (Chart VII.5). As of March 2025, cross-country data showed that Bangladesh had a relatively lower price-earnings (P/E) ratio of 9.74, higher than Sri Lanka's 8.30 but significantly lower than India's, which stood at 21.54 (Table 7.1).

Chart VII.5: Heat Map for Sectoral Price Earnings Ratio of DSE

Sectors	Share of Total M.cap Mar-25	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Bank	19.1	9.2	9.7	9.8	9.5	8.0	7.8	7.7	7.8	7.2	7.3	6.4	6.3	5.9	6.4	6.3	6.3
Financial institutions	2.9	23.4	31.1	23.8	21.9	20.4	20.3	18.9	18.8	21.3	21.3	12.1	15.5	14.1	15.3	12.0	11.6
Engineering	7.9	42.5	26.9	17.6	17.1	17.1	19.1	20.4	20.6	21.0	20.8	31.2	19.8	15.0	12.1	10.7	15.3
Food & allied	8.1	27.1	32.3	31.4	22.6	21.1	20.5	21.1	18.6	19.1	19.1	24.9	14.4	14.0	14.8	14.0	12.8
Fuel & power	8.1	13.6	16.1	11.7	12.2	11.7	11.3	12.2	13.1	13.3	13.3	17.3	9.2	8.7	8.5	4.9	5.9
Textile	3.3	23.9	30.2	22.5	24.1	22.3	22.8	16.6	15.8	16.7	18.1	23.4	16.0	13.9	13.4	11.8	10.4
Pharmaceuticals	15.6	21.1	24.9	19.8	20.1	19.5	20.4	17.9	17.5	17.7	17.5	17.3	13.3	13.6	12.3	11.3	10.7
Service & real estate	0.5	23.8	35.2	25.9	22.7	21.3	27.2	20.1	22.2	21.7	21.2	20.4	18.0	17.8	14.4	10.4	10.2
Cement	2.4	27.0	39.9	21.4	17.2	16.5	17.2	15.7	20.9	19.6	19.5	40.3	12.6	10.1	13.2	14.0	13.7
IT	0.7	28.4	37.5	34.6	35.0	28.4	32.3	30.7	35.1	34.1	32.4	24.0	22.0	19.2	17.6	18.1	16.9
Tannery	0.6	28.5	87.4	89.9	84.0	61.5	55.1	34.7	35.2	35.8	34.1	14.5	24.1	20.6	17.8	35.9	40.3
Insurance	3.4	31.6	28.0	28.1	24.0	19.5	16.9	17.2	16.6	18.3	21.2	38.1	16.7	13.9	12.8	13.2	12.3
Telecommunication	16.8	18.4	19.3	16.9	16.1	15.6	15.4	15.1	15.1	16.9	16.9	14.1	12.7	8.0	12.7	13.0	13.2
Miscellaneous	6.5	46.0	57.6	23.2	23.0	21.7	23.0	11.8	11.8	12.2	11.9	23.8	38.3	31.6	27.4	17.3	18.6

≤ 15 ≥ 25

Sources: DSE monthly review, various issues.

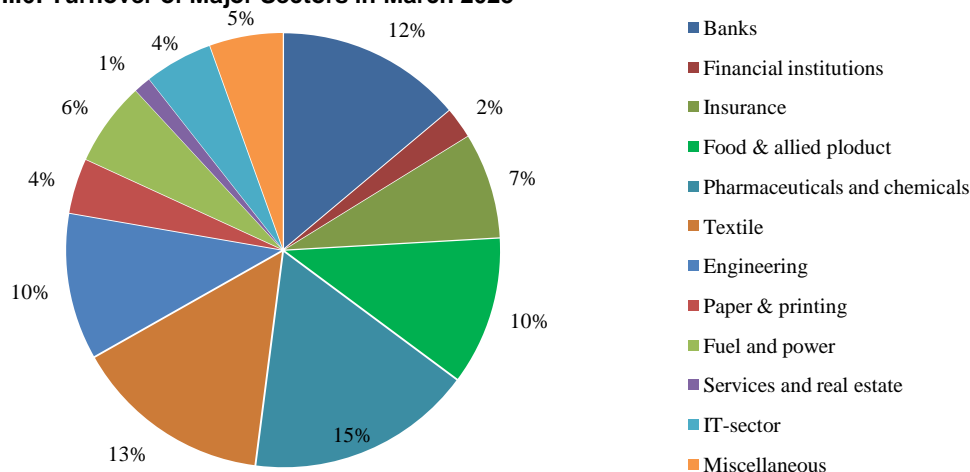
Table 7.1: Selected Countries: Price-Earnings Ratio as of March 2025

Countries	Price Earnings Ratio
Bangladesh	9.74
India	21.54
Sri Lanka	8.30
Thailand	16.23
Hong Kong	11.95
China	14.34

Source: DSE monthly review, March 2025.

7.5 The DSE's issued capital² remained almost unchanged during Q3FY25, while total turnover slightly declined in Q3FY25 compared to the previous quarter. The value of issued capital decreased slightly by 0.04 percent to BDT 1018.3 billion in Q3FY25, while the total turnover dipped 0.73 percent to BDT 247.7 billion in Q3FY25 from BDT 249.6 billion in Q2FY25 (Table VII.1 in Annexure-1). According to sector-specific turnover data, the pharmaceuticals and chemicals sector had the highest turnover in Q3FY25, making up 14.8 percent of the total turnover (Chart VII.6). Furthermore, the turnover velocity ratio (TVR), a measure of market liquidity, rose marginally to 27.93 percent in Q3FY25 from 27.59 percent in the previous quarter.

Chart VII.6: Turnover of Major Sectors in March 2025



Source: Dhaka Stock Exchange

7.6 The capital market in Bangladesh in FY25 has faced significant challenges, driven by broader economic headwinds and persistent structural issues. In response, the interim government has enacted significant reforms, including a reduction in capital gains tax to stimulate investment and the issuance of sovereign guarantees to the Investment Corporation of Bangladesh (ICB) to enhance market liquidity. These measures aim to strengthen governance, align with international best practices, and foster an investor-friendly environment. A sustained turnaround in the capital market will depend on how well these reform are implemented and how quickly the economy recovers in the upcoming periods.

² Exclude the government bonds.

Annexure-1 (Tables)

Table I.1: Macroeconomic Framework: Key Economic Indicators

(Growth in percent, unless otherwise indicated)

Indicators	FY17	FY18	FY19	FY20	FY21	FY22	FY23 ^R	FY24 ^R
Real GDP (base 2015-16)	6.59	7.32	7.88	3.45	6.94	7.10	5.78	4.22
GDP deflator	5.05	5.81	3.65	3.85	4.12	5.05	6.89	6.88
CPI Inflation (average)	5.44	5.78	5.48	5.65	5.56	6.15	9.02	9.73
CPI inflation (point to point)	5.44	5.54	5.71	6.02	5.64	7.56	9.74	9.72
Money and credit								
Private sector credit	15.66	16.94	11.32	8.61	8.35	13.66	10.57	9.84
Broad money (M2)	10.88	9.24	9.88	12.64	13.60	9.43	10.48	7.74
External sector								
Exports, f.o.b.	1.70	6.66	9.10	-18.89	14.89	33.45	-11.90	-5.90
Imports, f.o.b.	9.00	25.23	1.80	-8.57	19.71	35.95	-14.20	-10.61
in percent of GDP								
Gross domestic savings	27.07	26.45	26.88	27.08	25.34	25.22	25.76	23.96
Gross domestic investment	30.95	31.82	32.21	31.31	31.02	32.05	30.95	30.70
Total revenue	9.40	9.83	10.73	10.98	8.78	8.64	8.17	8.18
Tax	8.27	8.80	9.81	9.87	7.36	7.76	7.30	7.38
Nontax	1.13	1.03	0.92	1.10	1.28	0.88	0.87	0.79
Total expenditure	13.65	14.08	14.99	15.82	12.50	12.71	12.79	12.04
Current expenditure	8.30	7.98	9.04	9.31	6.96	6.95	8.24	8.05
Annual development program	4.99	5.82	5.66	6.08	4.87	5.13	4.28	3.77
Other expenditure (residual)	0.36	0.27	0.30	0.42	0.67	0.63	-0.03	-0.03
Overall balance (including grants)	-4.04	-4.08	-4.14	-4.73	-3.72	-4.07	-4.56	-3.76
Financing (net) (a+b)	4.25	4.25	4.27	4.73	3.72	4.07	4.54	3.78
a. Domestic financing	3.01	2.50	2.67	3.07	2.38	2.24	2.78	2.27
Banking system	1.03	0.75	1.05	2.60	1.13	1.56	2.63	2.48
Non-bank	1.98	1.75	1.62	0.47	1.25	0.68	0.15	-0.21
b. Foreign financing	1.04	1.57	1.60	1.66	1.34	1.84	1.76	1.51
Current account balance	-0.45	-2.98	-1.45	-1.26	-0.91	-4.02	-2.57	-1.47
Overall balance	1.08	-0.27	0.05	0.85	2.23	-1.16	-1.82	-0.95
Broad money (M2)	43.72	42.06	41.32	43.33	44.22	43.01	42.02	40.64
Broad money (M3)	53.07	52.05	51.98	53.74	54.64	52.82	50.63	48.13
Deposit (DD+TD)	37.77	36.69	36.07	37.25	38.26	37.04	35.51	34.83
Private sector credit	33.39	34.39	34.23	34.61	33.68	34.02	33.27	32.81
in billion USD								
Exports, f.o.b.	34.02	36.29	39.60	32.12	36.90	49.25	43.36	40.81
Imports, f.o.b.	43.49	54.46	55.44	50.69	60.68	82.50	70.75	63.24
Gross official reserves	33.41	32.94	32.72	36.04	46.39	41.83	31.20	26.71
Gross official reserves (as per BPM6)	---	---	---	---	---	33.39	24.75	21.69
In terms of month of imports	6.6	6.0	6.0	6.1	6.2	6.7	5.0	4.6
Memorandum items:								
Nominal GDP (in billion taka)	23,243	26,392	29,514	31,705	35,302	39,717	44,908	50,027
Nominal GDP (in billion USD)	294	321	351	374	416	460	452	450

Sources: Bangladesh Bank; Ministry of Finance and Bangladesh Bureau of Statistics; R=Revised.

'---'=Data not available

Table I.2: Real GDP Growth by Sectors: Base 2015-16

(in percent)

Sectors	FY20	FY21	FY22	FY23	FY24 ^R	FY25 ^P
Agriculture	3.42	3.17	3.05	3.37	3.30	1.79
	(12.52)	(12.07)	(11.61)	(11.30)	(11.19)	(10.94)
Agriculture, forestry and fishing	3.42	3.17	3.05	3.37	3.30	1.79
i) Crops and horticulture	2.50	2.29	2.61	3.15	4.00	-0.39
ii) Animal farmings	3.19	2.94	3.10	3.17	3.07	3.19
iii) Forest and related services	5.34	4.98	5.08	5.13	4.99	5.04
iv) Fishing	4.40	4.11	2.64	2.8	0.79	3.24
Industry	3.61	10.29	9.86	8.37	3.51	4.34
	(34.94)	(36.01)	(36.92)	(37.65)	(37.37)	(37.44)
a) Mining and quarrying	3.16	6.49	-1.12	12.73	-1.15	1.03
b) Manufacturing	1.68	11.59	11.41	8.89	3.16	5.68
i) Large industry	0.41	10.61	15.68	8.38	1.02	6.17
ii) Small, medium, and micro industry	2.69	13.89	4.84	9.15	4.66	4.92
iii) Cottage industry	3.67	10.27	11.12	10.01	6.92	5.62
c) Electricity, gas, steam and air conditioning supply	0.67	9.54	6.15	2.46	0.98	4.79
d) Water supply, sewerage, and waste management	2.18	6.65	9.54	8.88	3.95	6.01
e) Construction	9.13	8.08	8.71	6.98	5.63	1.46
Service	3.93	5.73	6.26	5.37	5.09	4.51
	(52.54)	(51.92)	(51.48)	(51.05)	(51.44)	(51.62)
a) Wholesale and retail trade; repair of motor vehicles and motorcycles	3.21	7.64	8.46	6.38	5.77	4.35
b) Transportation and storage	1.73	4.04	5.75	5.49	5.14	4.37
c) Accommodation and food service activities	1.69	4.53	5.37	5.84	5.60	5.69
d) Information and communication	6.57	7.11	4.79	6.35	4.06	2.91
e) Financial and insurance activities	4.72	5.82	5.87	2.55	1.21	1.53
f) Real estates activities	3.68	3.42	3.70	3.68	3.50	3.49
g) Professional, scientific and technical activities	3.38	5.09	4.25	8.8	7.64	6.23
h) Administrative and support service activities	6.33	6.02	6.01	7.51	8.86	9.62
i) Public administration and defence; compulsory social security	5.49	6.05	4.91	7.03	5.58	6.60
j) Education	5.33	5.81	7.87	5.53	6.56	7.53
k) Human health and social work activities	10.70	10.6	9.88	7.22	9.27	6.38
l) Arts, entertainment and recreation	5.43	5.76	6.07	6.34	6.42	6.68
m) Others service activities	3.06	3.08	3.19	3.24	3.14	3.20
GDP (at constant market price)	3.45	6.94	7.10	5.78	4.22	3.97

Source: Bangladesh Bureau of Statistics; P=Provisional, R=Revised.

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

Table I.2 (a): Quarterly Real GDP Growth by Sectors: Base 2015-16
(in percent)

Sectors	FY24 ^R				FY25 ^P		
	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Agriculture	0.62 (10.42)	4.09 (12.08)	4.02 (9.39)	4.11 (12.76)	0.76 (10.27)	1.25 (11.68)	2.42 (9.08)
Agriculture, forestry and fishing	0.62	4.09	4.02	4.11	0.76	1.25	2.42
Industry	7.78 (37.27)	1.04 (37.32)	4.55 (40.05)	1.08 (34.89)	2.44 (37.35)	7.10 (38.17)	6.91 (40.41)
a) Mining and quarrying	41.97	-5.46	-43.84	16.63	15.14	8.01	3.39
b) Manufacturing	7.03	-2.12	7.76	0.30	1.40	8.49	7.51
c) Electricity, gas, water supply	-0.58	0.74	-6.43	9.99	4.11	5.14	6.17
d) Construction	4.79	10.21	7.87	-1.49	1.84	4.04	5.94
Service	5.52 (52.30)	7.10 (50.60)	4.31 (50.55)	3.61 (52.35)	2.41 (52.39)	3.78 (50.15)	5.88 (50.51)
a) Wholesale and retail trade; repair of motor vehicles and motorcycles	5.92	9.94	5.85	1.76	1.45	6.63	6.58
b) Transportation, Accommodation and Food Service, information and communication	5.69	5.68	4.63	4.25	2.16	3.36	3.39
c) Financial and insurance activities	1.23	1.96	1.27	0.40	-1.64	3.86	-1.20
d) Real estates, professional, and administrative activities	4.24	4.17	4.20	3.52	3.84	3.87	3.56
e) Public administration, health and education	7.36	11.76	4.92	5.46	4.27	0.71	11.38
f) Art, recreation, and others service activities	5.73	1.00	-0.07	6.62	2.28	0.83	6.31
GDP (at constant market price)	5.87	4.47	4.62	2.14	1.96	4.48	4.86

Source: Bangladesh Bureau of Statistics; P=Provisional, R=Revised.

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

Table I.3: Nominal GDP by Sectors
(in billion BDT)

Sectors	FY20	FY21	FY22	FY23	FY24 ^R	FY25 ^P
Agriculture	3,804	4,107	4,455	4,942	5,585	6,268
Agriculture, forestry, and fishing	3,804	4,107	4,455	4,942	5,585	6,268
i) Crops and horticulture	1,861	1,996	2,154	2,395	2,748	3,057
ii) Animal farmings	597	633	674	737	819	910
iii) Forest and related services	504	559	637	713	796	886
iv) Fishing	842	918	990	1,096	1,222	1,415
Industry	10,435	11,761	13,472	15,536	17,058	18,775
a) Mining and quarrying	552	591	589	702	738	784
b) Manufacturing	6,531	7,497	8,644	10,033	10,952	12,284
i) Large industry	3,180	3,574	4,229	4,866	5,203	5,951
ii) Small, medium, and micro industry	2,087	2,490	2,736	3,193	3,526	3,867
iii) Cottage industry	1,263	1,433	1,680	1,974	2,223	2,466
c) Electricity, gas, steam and air conditioning supply	445	449	504	553	596	667
d) Water supply; sewerage, waste management	28	30	38	44	47	52
e) Construction	2,879	3,195	3,696	4,203	4,724	4,988
Service	16,332	18,110	20,271	22,954	25,722	28,889
a) Wholesale and retail trade; repair of motor vehicles and motorcycles	4,458	4,977	5,671	6,474	7,304	8,149
b) Transportation and storage	2,323	2,562	2,853	3,241	3,596	4,013
c) Accommodation and food service activities	360	399	445	512	597	703
d) Information and communication	351	384	414	473	502	544
e) Financial and insurance activities	1,032	1,153	1,295	1,448	1,608	1,799
f) Real estates activities	2,880	3,130	3,402	3,734	4,090	4,474
g) Professional, scientific and technical activities	57	63	69	84	99	120
h) Administrative and support service activities	230	271	311	375	446	546
i) Public administration and defence; compulsory social security	1,070	1,170	1,274	1,473	1,615	1,795
j) Education	856	956	1,095	1,260	1,473	1,737
k) Human health and social work activities	1,015	1,185	1,382	1,615	1,862	2,174
l) Arts, entertainment and recreation	48	53	61	69	80	92
m) Others service activities	1,652	1,807	1,999	2,196	2,452	2,743
Total GVA at current basic price	30,570	33,978	38,198	43,431	48,365	53,932
Tax less subsidy	1,134	1,324	1,519	1,478	1,662	1,595
GDP at current market price	31,705	35,302	39,717	44,908	50,027	55,528

Source: Bangladesh Bureau of Statistics; P=Provisional, R=Revised.

Table I.3 (a): Quarterly Nominal GDP by Sectors
(in billion BDT)

Sectors	FY24 ^R				FY25 ^P		
	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Agriculture	1192	1528	1176	1690	1333	1740	1319
Agriculture, forestry and fishing	1,192	1,528	1,176	1,690	1,333	1,740	1,319
Industry	3951	4334	4590	4182	4126	4781	5171
a) Mining and quarrying	227	176	115	220	242	167	133
b) Manufacturing	2599	2738	2938	2677	2759	3111	3303
c) Electricity, gas, water supply	174	144	135	191	195	164	151
d) Construction	951	1275	1403	1095	930	1339	1584
Service	5960	6335	6473	6955	6617	7134	7392
a) Wholesale and retail trade; repair of motor vehicles and motorcycles	1684	1868	1800	1952	1897	2215	2108
b) Transportation, Accommodation and Food Service, information and communication	1123	1164	1193	1215	1223	1274	1317
c) Financial and insurance activities	383	400	407	418	417	461	441
d) Real estates, professional, and administrative activities	1100	1120	1194	1221	1230	1259	1300
e) Public administration, health and education	1081	1169	1223	1476	1209	1275	1482
f) Art, recreation, and others service activities	588	614	657	672	640	651	744
Total GVA at current basic price	11102	12197	12239	12827	12076	13655	13881
Tax less subsidy	402	479	431	350	312	388	316
GDP at current market price	11504	12676	12670	13177	12388	14043	14197

Source: Bangladesh Bureau of Statistics; P=Provisional, R=Revised.

Table I.4: Crop-wise Agricultural Production

Crops	Actual for FY23		Actual for FY24		Target for FY25		Actual for FY25*	
	Area (Lac Hectare)	Production (Lac M. Ton)	Area (Lac Hectare)	Production (Lac M. Ton)	Area (Lac Hectare)	Production (Lac M. Ton)	Area (Lac Hectare)	Production (Lac M. Ton)
Aus	10.61	29.01	10.35	29.73	13.07	38.37	9.59	27.93
Aman	57.25	154.33	57.51	166.56	59.67	178.74	56.70	171.81
Boro	48.52	207.68	48.78	210.68	50.69	226.02	50.46	---
Total rice	116.38	391.02	116.63	406.98	123.43	443.13	116.75	---
Wheat	3.19	12.06	3.12	11.72	3.15	12.14	2.87	---
Maize	6.06	64.32	6.43	68.84	6.46	69.78	6.78	---
Total cereal	125.63	467.39	126.18	487.54	133.05	525.05	126.40	---
Jute	7.30	84.58	7.24	95.82	7.67	101.83	6.93	78.65
Gram	0.02	0.03	0.02	0.03	0.02	0.03	0.02	0.02
Moong	2.23	2.87	2.29	2.78	2.30	3.07	2.28	---
Mosur	1.30	1.85	1.15	1.66	1.15	1.69	1.07	1.55
Mustard	8.13	11.63	10.97	16.07	11.65	17.26	10.40	15.34
Onion	2.50	34.57	2.67	34.57	2.74	40.59	2.93	---
Potato	4.56	104.32	4.57	106.01	4.67	113.88	5.25	129.91
Vegetables	11.11	225.41	11.62	241.79	11.69	246.30	11.88	---

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

‘---’ = Data not available. *Data up to May 17, 2025.

Table I.5: Quantum Index of Medium and Large-scale Manufacturing Industries, Mining, and Electricity
(Base year: 2015-16)

	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Manufacturing	199.3	206.0	197.0	203.6	221.8	201.5	199.8	220.9	238.3
Mining	82.0	77.6	79.2	80.1	75.3	75.7	76.2	71.5	79.3
Electricity	174.2	177.1	192.9	153.5	145.0	216.9	209.6	165.3	169.3
growth in percent (y-o-y)									
Manufacturing	7.42	3.35	6.80	-2.76	6.86	2.90	10.87	8.49	7.45
Mining	-2.71	-5.34	-6.81	-6.38	-5.50	-2.41	-2.26	-10.83	5.32
Electricity	11.29	1.66	-3.24	0.43	-4.42	12.48	8.77	7.72	16.73

Source: Bangladesh Bureau of Statistics.

Tables I.6 (a): Quantum Index of Large-scale Manufacturing Industries by Major Groups
(Base year: 2015-16)

	Weight	FY24				FY25		
		Q ₁	Q ₂	Q ₃ ^R	Q ₄	Q ₁	Q ₂	Q ₃ ^P
General index	100.0	204.7	198.4	225.2	212.4	198.8	218.6	239.4
Food products	4.00	121.2	167.1	192.5	139.0	139.5	179.9	220.7
Beverages	1.23	355.4	194.1	184.8	200.7	205.9	239.4	196.3
Tobacco products	3.72	262.2	247.6	270.0	270.0	262.5	231.4	289.1
Textile	11.59	209.3	199.0	198.4	199.8	177.1	190.5	200.1
Wearing apparel	61.00	181.1	182.4	222.4	204.8	187.9	214.0	236.8
Leather and related products	0.81	218.5	192.2	206.0	192.8	171.0	176.1	223.1
Wood and products of wood and cork	0.03	125.8	117.9	126.4	116.9	130.5	138.2	130.1
Paper and paper products	0.44	152.5	148.3	139.4	133.6	149.8	121.6	123.4
Printing and reproduction of recorded media	0.10	154.3	146.2	148.3	166.8	166.2	179.8	168.2
Coke and refined petroleum products	0.12	144.3	65.9	452.3	754.5	148.9	145.8	527.9
Chemicals and chemical products	1.29	125.3	117.6	124.7	120.3	124.7	119.2	131.7
Pharmaceuticals and medicinal chemical	3.05	322.9	350.1	311.3	284.7	311.7	344.2	333.7
Rubber and plastic products	0.45	196.8	165.1	158.6	138.6	182.5	189.3	154.7
Other non-metallic mineral products	4.25	459.6	348.8	417.0	373.9	327.4	362.8	439.8
Basic metal	0.72	423.0	375.1	434.7	493.3	373.2	391.4	417.6
Fabricated metal products	0.65	129.3	124.9	132.1	133.8	133.9	131.8	138.8
Computer, electronic and optical product	0.54	117.1	140.2	156.1	151.8	150.4	148.7	154.7
Electrical equipment	1.18	146.9	168.5	168.6	149.3	164.2	194.8	183.3
Machinery and equipment	0.01	135.1	132.0	144.8	172.5	181.3	179.4	184.7
Motor vehicles and trailers	0.01	194.7	189.2	180.8	190.6	216.6	197.5	203.5
Other transport equipment	4.16	214.0	201.2	149.8	199.0	243.2	210.2	179.6
Furniture	0.51	172.9	150.0	146.8	139.2	157.2	160.4	150.6
Other manufacturing	0.12	122.7	127.4	137.2	140.4	132.4	133.1	133.8

Source: Bangladesh Bureau of Statistics; P=Provisional, R=Revised.

Tables I.6 (b): Quantum Index of Small, Medium & Micro-scale Manufacturing Industries by Major Groups
(Base year: 2015-16)

	Weight	FY24				FY25		
		Q ₁	Q ₂	Q ₃ ^R	Q ₄	Q ₁	Q ₂	Q ₃ ^P
General index	100.0	201.6	214.2	225.9	228.5	201.2	227.7	245.3
Food products	24.85	134.7	145.4	158.2	186.5	156.0	163.7	174.9
Beverages	0.76	177.9	140.4	149.7	244.5	218.0	162.6	153.3
Tobacco products	0.13	169.3	191.4	178.2	176.1	169.4	184.3	178.0
Textile	9.99	170.6	184.3	179.6	165.3	167.6	182.9	188.1
Wearing apparel	16.58	273.8	260.1	278.5	297.5	245.7	284.5	305.7
Leather and related products	3.73	119.2	149.0	152.6	137.3	130.0	157.8	165.7
Wood and products of wood and cork	0.27	137.2	115.9	117.3	118.3	116.6	123.2	126.1
Paper and paper products	0.77	160.0	168.9	176.5	153.1	128.3	162.3	173.0
Printing and reproduction of recorded media	0.36	97.8	111.4	114.4	104.4	102.8	111.9	115.9
Coke and refined petroleum products	0.12	138.9	158.9	153.6	152.7	151.6	181.9	179.2
Chemicals and chemical products	0.41	96.1	110.4	111.9	98.9	106.8	111.6	112.3
Pharmaceuticals and medicinal chemical	0.63	184.5	211.2	237.6	234.2	195.8	220.8	239.1
Rubber and plastic products	19.92	237.2	275.0	301.2	290.4	237.6	284.5	321.1
Other non-metallic mineral products	10.69	225.9	227.9	239.1	216.7	209.2	245.9	280.6
Basic metal	5.14	333.2	355.5	338.7	320.3	324.5	359.3	347.5
Fabricated metal products	0.59	143.5	161.4	161.5	151.0	156.0	168.1	170.0
Computer, electronic and optical product	0.76	114.1	107.7	106.5	89.1	105.8	109.7	110.6
Electrical equipment	1.12	176.8	189.4	195.2	182.1	187.6	204.7	211.2
Machinery and equipment	0.36	71.3	111.9	120.6	77.2	104.2	107.7	117.1
Motor vehicles and trailers	0.20	108.1	113.8	109.2	103.5	102.8	110.3	107.4
Other transport equipment	0.42	105.2	118.7	115.4	93.2	119.1	121.5	118.8
Furniture	1.34	158.8	172.6	163.2	156.8	167.3	182.2	174.9
Other manufacturing	0.86	---	---	116.3	---	---	---	121.4

Source: Bangladesh Bureau of Statistics. '---' = Data not Available. P=Provisional, R=Revised.

Tables I.6 (c): Quantum Index of Cottage-scale Manufacturing Industries by Major Groups
(Base year: 2015-16)

	Weight	FY24				FY25		
		Q ₁	Q ₂	Q ₃ ^R	Q ₄	Q ₁	Q ₂	Q ₃ ^P
General index	100.0	195.8	199.9	204.3	205.6	200.6	215.5	222.4
Food products	21.64	221.5	221.4	222.3	223.8	215.4	222.0	219.1
Beverages	0.05	140.1	142.5	141.5	188.3	177.3	149.5	141.9
Tobacco products	0.21	187.9	177.0	171.9	146.0	138.7	142.9	158.7
Textile	9.62	164.9	147.2	147.1	184.3	135.3	155.5	148.9
Wearing apparel	3.78	164.9	164.2	175.3	184.3	169.5	175.6	185.7
Leather and related products	2.51	139.5	144.1	138.1	136.7	144.5	152.1	157.4
Wood and products of wood and cork	6.26	167.1	176.0	190.8	200.1	198.5	195.2	197.0
Paper and paper products	0.50	134.8	140.8	143.4	148.3	143.4	148.7	152.0
Printing and reproduction of recorded media	2.49	208.7	226.2	222.8	211.7	211.8	223.5	224.3
Coke and refined petroleum products	0.04	195.7	243.5	271.2	214.0	228.7	245.4	256.7
Chemicals and chemical products	0.01	133.8	140.9	136.9	138.0	142.3	145.2	141.4
Pharmaceuticals and medicinal chemical	0.13	225.6	216.3	185.8	199.9	209.3	210.0	179.6
Rubber and plastic products	0.50	260.4	262.5	276.3	287.9	275.2	276.9	281.1
Other non-metallic mineral products	2.19	169.7	172.6	188.2	211.2	191.3	191.0	194.2
Basic metal	0.02	178.1	182.7	180.1	172.3	155.2	155.8	159.4
Fabricated metal products	12.37	181.9	205.4	201.2	194.5	195.9	213.8	220.7
Computer, electronic and optical product	0.06	150.3	123.2	123.0	126.9	122.7	124.0	136.0
Electrical equipment	0.06	140.8	151.7	152.8	151.2	127.5	135.4	149.2
Machinery and equipment	0.56	124.1	140.2	137.2	133.6	127.4	118.7	108.7
Motor vehicles and trailers	0.54	140.6	133.9	149.8	158.0	140.3	161.6	146.5
Other transport equipment	1.70	138.7	137.9	145.9	148.2	136.0	150.9	159.1
Furniture	18.01	184.0	208.8	209.3	210.7	196.6	232.0	246.5
Other manufacturing	15.01	277.8	241.0	264.3	263.5	270.2	291.8	311.1
Repair and installation of machinery and equipment	1.76	112.1	116.8	120.8	121.6	119.5	123.0	129.6

Source: Bangladesh Bureau of Statistics; P=Provisional, R=Revised.

Table I.7: Cargo Handled by Chattogram Port

(in thousands metric tons)

	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Export	7,506	7,462	1,860	1,815	1,883	1,903	1,995	2,037	2,154
Import	109,708	115,781	28,589	27,936	29,566	29,690	26,913	29,996	34,019
Total	117,213	123,244	30,449	29,751	31,450	31,593	28,908	32,032	36,173
growth in percent (y-o-y)									
Export	-5.82	-0.58	-3.37	-1.97	7.95	-4.09	7.27	12.20	14.35
Import	9.81	5.54	6.35	5.32	6.40	4.13	-5.86	7.37	15.06
Total	8.66	5.15	5.70	4.84	6.49	3.59	-5.06	7.67	15.02

Source: Chattogram port authority.

Table I.8: Trends in Private Sector Credit

(in billion BDT)

Institutions	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂ ^R	Q ₃ ^P
Outstanding									
Banks ¹	14943	16,412	15,131	15,707	15,985	16,412	16,522	16,853	17,195
Non-banks ²	725	764	729	735	744	746	738	751	763
Microfinance institutions ³	1032	1,064	1,028	1,057	1,079	1,064	1,031	1,079	1,097
Total	16,700	18,222	16,888	17,498	17,808	18,222	18,291	18,683	19,055
growth in percent (y-o-y)									
Banks	10.59	9.83	9.69	10.13	10.49	9.83	9.20	7.30	7.57
Non-banks	4.53	2.99	3.50	4.32	4.51	2.99	1.28	2.21	2.52
Microfinance institutions*	18.10	3.06	14.89	8.93	5.90	3.06	0.24	2.09	1.68
Total	10.71	9.12	9.71	9.80	9.93	9.12	8.31	6.77	7.00

Sources: ¹Monetary Policy Department; ²Department of Financial Institutions and Markets, Bangladesh Bank;³The data cover 10 microfinance institutions as shown in Table I.11.

* The growth of FY23 has been calculated using data for seven microfinance institutions due to data unavailability.

P = Provisional, R= Revised.

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

Sectors	FY24								
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	FY25 Q ₂ ^R	Q ₃ ^P
Outstanding									
a. Agriculture	680	689	688	736	685	689	672	702	683
Crops	625	646	634	697	643	646	624	654	634
Others	55	43	54	39	42	43	47	49	48
b. Industry	5,743	6,634	5,887	6,082	6,363	6,634	6,839	7,078	7,199
Term loan	2,919	3,411	2,992	3,027	3,285	3,411	3,568	3,766	3,854
Working capital financing	2,824	3,224	2,894	3,055	3,077	3,224	3,271	3,313	3,345
c. Construction	1,154	1,230	1,200	1,228	1,258	1,230	1,187	1,248	1,229
d. Transport	68	69	70	66	67	69	68	68	70
e. Trade and commerce	4,625	5,031	4,674	4,990	4,924	5,031	5,150	5,337	5,513
f. Other institutional loan	332	325	332	332	329	325	308	347	331
g. Consumer finance	1,314	1,369	1,305	1,329	1,360	1,369	1,396	1,448	1,473
h. Miscellaneous	95	120	97	104	112	120	84	95	99
Grand total	14,011	15,467	14,251	14,867	15,098	15,467	15,703	16,324	16,598
growth in percent (y-o-y)									
a. Agriculture	13.39	1.32	9.99	15.17	4.32	1.32	-2.31	-4.61	-0.35
Crops	13.80	3.31	8.71	18.64	7.29	3.31	-1.44	-6.19	-1.40
Others	8.87	-21.23	27.63	-24.17	-26.80	-21.23	-12.59	23.33	15.79
b. Industry	8.53	15.52	12.30	12.91	14.84	15.52	16.17	16.39	13.15
Term loan	11.40	16.83	15.16	11.65	16.95	16.83	19.23	24.42	17.33
Working capital financing	5.71	14.17	9.48	14.19	12.66	14.17	13.01	8.43	8.69
c. Construction	10.84	6.59	9.28	11.91	8.45	6.59	-1.07	1.62	-2.30
d. Transport	5.11	1.55	4.35	-4.09	-0.63	1.55	-2.35	3.31	4.75
e. Trade and commerce	9.36	8.77	4.44	8.50	8.40	8.77	10.20	6.95	11.96
f. Other institutional loan	14.66	-2.02	20.06	6.55	-1.51	-2.02	-7.20	4.43	0.54
g. Consumer finance	23.48	4.18	15.99	3.08	12.48	4.18	6.97	9.01	8.33
h. Miscellaneous	35.37	26.77	27.68	25.06	22.22	26.77	-13.77	-8.66	-11.76
Grand total	10.75	10.40	9.76	10.33	11.00	10.40	10.19	9.80	9.93
share in percent									
a. Agriculture	4.85	4.45	4.82	4.95	4.54	4.45	4.28	4.30	4.11
Crops	4.46	4.17	4.45	4.69	4.26	4.17	3.98	4.01	3.82
Others	0.39	0.28	0.38	0.26	0.28	0.28	0.30	0.30	0.29
b. Industry	40.99	42.89	41.30	40.91	42.14	42.89	43.67	43.36	43.38
Term loan	20.83	22.05	21.00	20.36	21.76	22.05	22.72	23.07	23.22
Working capital financing	20.15	20.84	20.31	20.55	20.38	20.84	20.94	20.29	20.15
c. Construction	8.24	7.95	8.42	8.26	8.33	7.95	7.53	7.64	7.40
d. Transport	0.49	0.45	0.49	0.44	0.45	0.45	0.44	0.42	0.42
e. Trade and commerce	33.01	32.53	32.79	33.56	32.61	32.53	32.72	32.69	33.22
f. Other institutional loan	2.37	2.10	2.33	2.23	2.18	2.10	1.94	2.13	2.00
g. Consumer finance	9.38	8.85	9.16	8.94	9.01	8.85	8.89	8.87	8.88
h. Miscellaneous	0.67	0.78	0.68	0.70	0.74	0.78	0.54	0.58	0.59
Grand total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.00	100.00

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

Table I.9 (a): Performance Indicators of NBFIs
(in billion BDT)

Sectors	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃ ^P
Loans and advances of NBFIs (outstanding in private sector)									
a. Agriculture	5.6	7.3	5.5	6.5	6.9	7.3	7.1	6.4	7.0
Crops	4.6	6.7	4.5	5.5	5.9	6.7	6.5	5.8	6.5
Others	0.9	0.6	1.0	1.0	1.0	0.6	0.6	0.6	0.5
b. Industry	287.2	310.0	292.5	297.0	305.7	310.0	309.9	323.9	329.8
Term loan	231.0	253.5	237.9	241.0	252.2	253.5	257.0	273.2	279.5
Working capital financing	50.1	51.4	49.2	49.6	47.9	51.4	48.4	45.8	46.4
Factoring	6.1	5.0	5.4	6.4	5.6	5.0	4.5	4.9	3.9
c. Construction	99.9	93.9	103.9	104.8	87.7	93.9	90.5	94.0	95.7
d. Transport	17.0	15.7	17.1	16.6	16.7	15.7	17.8	16.9	16.3
e. Trade and commerce	167.8	163.5	168.4	162.2	169.9	163.5	160.3	157.2	156.8
f. Other institutional loan	46.3	49.1	47.9	46.1	49.7	49.1	48.4	54.2	57.3
g. Consumer finance	99.2	107.8	96.7	96.9	107.5	107.8	106.5	107.4	106.0
h. Miscellaneous	0.3	1.0	0.2	6.3	0.2	1.0	0.2	0.1	0.1
Total loans and advances	723.1	748.3	732.2	736.5	744.3	748.3	740.6	760.0	768.9
Fixed deposits	432.9	437.5	434.0	435.1	429.2	465.4	464.0	465.4	478.7
Recurring deposits	8.5	7.6	7.1	7.4	8.5	7.6	8.4	8.6	8.1
Special purpose deposits	4.8	5.6	5.4	5.1	5.1	5.6	5.4	5.6	7.2
Restricted (blocked) deposits	0.7	0.4	0.6	0.6	0.4	0.4	0.6	0.6	0.8
Total deposits	446.8	451.2	447.2	448.3	443.0	479.1	478.4	480.3	494.9
Deposit rate	7.93	9.83	8.15	8.45	9.19	9.83	10.24	10.51	10.61
Advances rate	8.20	12.79	11.58	11.68	12.16	12.79	13.47	13.72	13.79
Spread	0.27	2.96	3.43	3.23	2.97	2.96	3.23	3.21	3.18
growth in percent (y-o-y)									
a. Agriculture	6.35	31.12	-2.73	16.17	21.87	31.12	28.22	-1.87	1.73
Crops	12.73	44.15	-0.62	22.72	26.64	44.15	42.89	5.12	10.32
Others	-16.61	-32.31	-11.31	-10.89	-1.02	-32.31	-38.74	-41.62	-51.03
b. Industry	6.70	7.94	9.53	7.87	9.43	7.94	5.92	9.03	7.87
Term loan	9.44	9.76	12.18	11.39	13.19	9.76	8.02	13.36	10.82
Working capital financing	-5.20	2.75	-0.36	-6.05	-5.52	2.75	-1.74	-7.72	-3.20
Factoring	16.12	-18.46	-3.19	3.77	-4.12	-18.46	-16.89	-24.38	-30.04
c. Construction	2.88	-6.01	6.73	9.11	-10.97	-6.01	-12.89	-10.30	9.21
d. Transport	1.62	-7.99	-0.33	-4.46	-3.14	-7.99	4.35	1.62	-2.59
e. Trade and commerce	9.76	-2.53	7.58	4.15	1.86	-2.53	-4.82	-3.07	-7.69
f. Other institutional loan	13.34	6.19	17.06	5.11	7.27	6.19	1.18	17.52	15.26
g. Consumer finance	-6.79	8.69	-8.87	-7.85	12.83	8.69	10.19	10.84	-1.44
h. Miscellaneous	-11.50	305.47	-12.22	220.97	-89.21	305.47	-23.10	-98.53	-55.84
Total loans and advances	5.01	3.48	5.97	5.04	4.68	3.48	1.15	3.20	3.32

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

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

	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Program/Target (July-June)	308.1	350.0	350.0	350.0	350.0	350.0	380.0	380.0	380.0
Total disbursement	328.3	371.5	88.2	95.0	83.5	104.8	64.6	98.0	86.0
Crop	146.6	164.6	39.1	43.7	37.7	44.1	27.7	48.5	40.6
Irrigation	2.7	2.0	0.5	0.6	0.5	0.3	0.2	1.0	0.3
Agricultural equipment	2.3	2.1	0.6	0.5	0.5	0.5	0.3	1.1	0.4
Live-stock & Poultry Firm	75.1	89.8	20.9	24.0	20.0	24.9	16.3	22.9	21.8
Fisheries	42.0	55.0	12.8	13.4	12.2	16.6	11.5	13.3	12.5
Grain storage & marketing	1.7	2.0	0.3	0.5	0.6	0.6	0.2	0.4	0.3
Poverty alleviation	21.9	21.5	6.8	4.5	3.6	6.7	2.6	3.4	3.9
Others	36.1	34.6	7.3	7.8	8.2	11.3	5.8	7.3	6.2
Total recovery	330.1	355.7	80.1	97.7	76.3	101.6	92.1	99.1	83.2
Total overdue	65.4	93.7	86.7	80.8	101.8	93.7	117.5	116.0	101.0
Outstanding	527.0	581.2	541.6	554.0	565.7	581.2	549.3	560.2	569.7
Overdue as percent of outstanding	12.41	16.12	16.00	14.59	17.99	16.12	21.40	20.71	17.72
growth in percent									
Total disbursement	13.86	13.17	34.02	-5.79	12.01	20.36	-26.82	3.15	3.03
Total recovery	20.20	7.76	13.25	4.40	-2.05	15.60	14.92	1.45	9.07

Source: Agricultural Credit Department, Bangladesh Bank.

Table I.11: Microcredit Operations of Large NGOs

(in billion BDT)

Institutions	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃ ^P
1. Total disbursement	1722.2	1755.4	415.9	477.1	461.2	401.1	375.6	490.3	476.9
i) Grameen Bank	247.4	246.8	57.8	69.7	66.1	53.2	55.4	66.5	67.1
ii) BRAC	658.3	704.5	167.1	190.5	184.7	162.3	145.4	201.1	197.7
iii) ASA	543.4	505.9	120.0	142.6	130.9	112.4	102.9	135.5	121.7
iv) Proshika	20.5	23.9	5.8	6.3	6.4	5.5	5.8	6.2	5.7
v) TMSS	88.6	94.8	22.8	23.3	26.3	22.4	22.9	26.9	28.2
vi) RDRS Bangladesh	20.7	22.9	5.6	5.8	5.9	5.6	5.7	6.4	6.5
vii) CARITAS Bangladesh	8.9	8.9	2.3	2.4	2.2	1.9	2.0	2.2	2.2
viii) Jagoroni Chakra Foundation(JCF)	41.8	50.3	11.1	11.7	12.5	15.1	13.5	16.7	17.9
ix) Society for Social Services	66.7	69.4	16.8	17.9	18.6	16.1	17.0	20.8	22.4
x) Shakti Foundation	26.0	28.0	6.7	7.1	7.6	6.5	5.1	8.0	7.4
2. Total recovery	1644.9	1809.0	440.2	472.0	454.1	442.7	431.7	464.6	448.8
i) Grameen Bank	232.0	242.3	59.4	67.1	63.3	52.5	58.1	65.8	64.6
ii) BRAC	660.4	751.2	176.3	190.2	186.7	198.0	187.6	193.4	187.0
iii) ASA	505.1	533.9	136.1	142.4	133.4	122.0	115.9	127.7	119.2
iv) Proshika	20.6	24.5	6.1	6.9	6.0	5.6	6.1	6.3	5.9
v) TMSS	81.0	88.4	21.8	22.7	21.9	22.1	21.9	25.8	24.4
vi) RDRS Bangladesh	19.0	21.4	5.2	5.5	5.5	5.3	5.5	6.0	6.0
vii) CARITAS Bangladesh	8.0	8.8	2.3	2.4	2.2	2.0	2.0	2.1	2.1
viii) Jagoroni Chakra Foundation(JCF)	36.5	43.8	10.5	10.6	11.1	11.6	12.1	12.9	14.0
ix) Society for Social Services	62.3	68.6	16.4	18.0	17.5	16.7	16.2	17.8	19.1
x) Shakti Foundation	20.1	26.1	6.2	6.4	6.6	6.9	6.3	6.7	6.7
3. Loans outstanding	1032.3	1063.8	1028.1	1056.9	1078.9	1063.8	1030.6	1078.7	1097.0
4. Loans overdue	35.4	55.0	38.4	46.4	53.9	55.0	66.1	68.5	76.1
5. Overdue as percent of outstanding	3.43	5.17	3.74	4.39	5.00	5.17	6.41	6.35	6.94

Source: Research Department, Bangladesh Bank. P = Provisional.

Table I.12: Microcredit Operations of MFIs

(in billion BDT)

Indicators				FY22		FY23		FY24	FY25 ^P
	FY22	FY23	FY24	Jan-Jun/22	July-Dec/22	Jan-Jun/23	July-Dec/23	Jan-Jun/24	July-Dec/24
Total disbursement	1918.3	2493.0	2638.2	1027.6	1137.9	1355.1	1211.2	1427.0	1326.2
Total recovery	1652.7	2112.4	2617.1	928.2	937.1	1175.4	1177.9	1439.1	1295.9
Loans outstanding	1241.5	1504.2	1562.8	1241.5	1402.7	1504.2	1536.7	1562.8	1645.2
Loans overdue	101.5	153.9	162.1	101.5	135.5	153.9	158.0	162.1	159.6
Overdue as percent of outstanding	8.17	10.23	10.37	8.17	9.66	10.23	10.28	10.37	9.70

Source: Microcredit Regulatory Authority. P = Provisional.

Table II.1: Trend in Inflation

(Base year: 2021-22=100)

Period	Point-to-point			12-Month average		
	General	Food	Non-food	General	Food	Non-food
2022						
September	9.10	9.08	9.13	6.96	7.04	6.84
October	8.91	8.50	9.58	7.23	7.32	7.10
November	8.85	8.14	9.98	7.48	7.55	7.37
December	8.71	7.91	9.96	7.70	7.75	7.62
2023						
January	8.57	7.76	9.84	7.92	7.92	7.92
February	8.78	8.13	9.82	8.14	8.08	8.23
March	9.33	9.09	9.72	8.39	8.31	8.53
April	9.24	8.84	9.72	8.64	8.53	8.81
May	9.94	9.24	9.96	8.85	8.61	9.13
June	9.74	9.73	9.60	9.02	8.73	9.39
July	9.69	9.76	9.47	9.20	8.84	9.64
August	9.92	12.54	7.95	9.24	9.08	9.55
September	9.63	12.37	7.82	9.29	9.37	9.44
October	9.93	12.56	8.30	9.37	9.73	9.33
November	9.49	10.76	8.16	9.43	9.95	9.17
December	9.41	9.58	8.52	9.48	10.08	9.05
2024						
January	9.86	9.56	9.42	9.59	10.22	9.02
February	9.67	9.44	9.33	9.66	10.32	8.98
March	9.81	9.87	9.64	9.69	10.37	8.98
April	9.74	10.22	9.34	9.73	10.52	8.78
May	9.89	10.76	9.19	9.73	10.63	8.74
June	9.72	10.42	9.15	9.73	10.67	8.72
July	11.66	14.10	9.68	9.90	11.02	8.88
August	10.49	11.36	9.74	9.95	10.93	9.03
September	9.92	10.40	9.50	9.97	10.76	9.17
October	10.87	12.66	9.34	10.05	10.79	9.25
November	11.38	13.8	9.39	10.22	11.06	9.35
December	10.89	12.92	9.26	10.34	11.33	9.41
2025						
January	9.94	10.72	9.32	10.34	11.42	9.40
February	9.32	9.24	9.38	10.30	11.39	9.41
March	9.35	8.93	9.70	10.26	11.29	9.41

Source: Bangladesh Bureau of Statistics (BBS).

Note: a) Food includes food, beverage & tobacco. b) The data before April 2023 used 2005-06 as base year

Table II.2: Commodity Prices in the International Markets

	FY24				FY25		
	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Rice (USD/MT)	600.7	610.7	632.3	617.3	586.3	517.7	446.7
Wheat (USD/MT)	237.1	244.2	240.8	237.2	214.6	230.9	233.9
Soybean oil (USD/MT)	1124.6	1087.4	987.9	1087.3	1093.7	1188.6	1069.3
Sugar (USD /kg)	0.54	0.54	0.49	0.43	0.43	0.45	0.41
Crude Petroleum (Dubai) (USD/Barrel)	86.7	83.8	81.6	85.0	78.4	73.6	75.6
Palm Oil (USD/MT)	856.3	816.1	881.6	889.5	937.2	1145.2	1068.4

Source: World Bank. Notes: MT=Metric Ton;

Table II.3: Inflation in South Asia

(point-to-point)

Countries	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Bangladesh	9.74	9.72	9.63	9.41	9.81	9.72	9.92	10.89	9.35
Bhutan	3.83	1.84	5.03	4.32	4.99	1.84	1.35	2.02	3.52
India	4.81	5.08	5.02	5.69	4.85	5.08	5.49	5.22	3.34
Pakistan	29.40	12.60	31.44	29.66	20.70	12.60	6.90	4.10	0.70
Sri Lanka	10.80	2.40	0.80	4.20	2.50	2.40	-0.20	-2.0	-1.90
Vietnam	2.00	4.34	3.66	3.58	3.97	4.34	2.63	2.94	3.13

Source: Central Banks and Statistics departments of respective countries.

Note: Quarterly data indicate end quarter.

Table III.1: Movements in Reserve Money

(in billion BDT)

	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂ ^R	Q ₃ ^P
Outstanding									
1. Net foreign assets of BB	2,875	2,458	2,590	2,482	2,269	2,458	2,317	2,358	2,403
2. Net domestic assets of BB	961	1,679	853	1,241	1,299	1,679	1,436	1,637	1,625
a) Claims on public sector	1,613	1,501	1,330	1,309	1,320	1,501	1,076	969	1,073
i) Claims on govt. (net)	1,574	1,459	1,290	1,267	1,278	1,459	1,038	900	1,001
ii) Claims on other public sector	39	42	39	42	42	42	38	69	71
b) Claim on private sector	74	88	77	84	85	88	93	94	93
c) Claims on DMBs	618	1,701	754	1,246	1,191	1,701	1,641	1,981	1,987
d) Other items (net)	-1,344	-1,612	-1,309	-1,398	-1,297	-1,612	-1,374	-1,406	-1,528
3. Currency issued	3,119	3,203	2,773	2,797	2,912	3,203	3,110	3,049	3,212
i) Currency outside banks	2,919	2,904	2,535	2,549	2,612	2,904	2,836	2,764	2,964
ii) Cash in tills	200	299	238	248	300	299	275	286	247
4. Deposits of banks with BB	716	933	669	927	656	933	643	946	816
5. Reserve money (RM)	3,836	4,136	3,442	3,723	3,568	4,136	3,753	3,995	4,027
6. Money multiplier (M2/RM)	4.92	4.92	5.45	5.13	5.43	4.92	5.4	5.1	5.3
growth in percent (y-o-y)									
1. Net foreign assets of BB	-17.3	-14.5	-18.8	-16.6	-19.5	-14.5	-10.5	-5.0	5.9
2. Net domestic assets of BB	16230.2	74.7	305.1	50.4	104.3	74.7	68.4	31.9	25.1
a) Claims on public sector	176.4	-6.9	76.6	20.1	14.4	-6.9	-19.1	-26.0	-18.7
i) Claims on govt. (net)	186.6	-7.3	80.1	20.3	14.3	-7.3	-19.5	-29.0	-21.7
ii) Claims on other public sector	13.3	8.1	8.1	15.3	15.5	8.1	-3.6	64.3	70.4
b) Claim on private sector	26.7	19.5	28.7	34.1	18.6	19.5	19.9	12.4	8.5
c) Claims on DMBs	283.6	175.1	175.8	87.1	104.9	175.1	117.6	58.9	66.9
3. Currency issued	21.8	2.7	6.0	-4.4	4.4	2.7	12.2	9.0	10.3
4. Deposits of banks with BB	-21.3	30.3	-14.7	5.7	-1.6	30.3	-4.0	2.1	24.4
5. Reserve money (RM)	10.5	7.8	1.2	-2.0	3.2	7.8	9.0	7.3	12.9

Source: Statistics Department, Bangladesh Bank.

P = Provisional, R= Revised.

Table III.2: Movements in Broad Money

(in billion BDT)

	FY23	FY24	Q ₁	FY24			Q ₁	FY25	
				Q ₂	Q ₃	Q ₄		Q ₂ ^R	Q ₃ ^P
Outstanding									
1. Net foreign assets	3,167	2,911	2,933	2,775	2,594	2,911	2,651	2,553	2,673
2. Net domestic assets	15,704	17,421	15,839	16,317	16,778	17,421	17,601	17,984	18,477
a) Domestic credit	19,268	21,155	19,306	19,712	20,364	21,155	21,063	21,512	22,236
Credit to public sector	4,325	4,743	4,175	4,006	4,379	4,743	4,541	4,659	5,041
Credit to govt. (net)	3,873	4,249	3,709	3,517	3,904	4,249	4,068	4,156	4,541
Credit to other public sector	452	494	466	489	475	494	472	503	500
Credit to private sector	14,943	16,412	15,131	15,707	15,985	16,412	16,522	16,853	17,195
b) Other items (net)	-3,563	-3,734	-3,466	-3,395	-3,586	-3,734	-3,462	-3,528	-3,759
3. Narrow Money	4,919	5,009	4,400	4,517	4,554	5,009	4,765	4,749	4,896
a) Currency outside banks	2,919	2,904	2,535	2,549	2,612	2,904	2,836	2,764	2,964
b) Demand deposits	2,000	2,105	1,865	1,969	1,942	2,105	1,929	1,985	1,932
4. Time deposits	13,953	15,323	14,372	14,574	14,819	15,323	15,487	15,788	16,254
5. Broad money	18,872	20,332	18,772	19,091	19,372	20,332	20,251	20,537	21,150
growth in percent (y-o-y)									
1. Net foreign assets	-13.06	-8.08	-12.56	-13.13	-16.06	-8.08	-9.62	-8.00	3.05
2. Net domestic assets	16.86	10.93	14.17	13.42	14.17	10.93	11.12	10.22	10.13
a) Domestic credit	15.25	9.80	12.89	11.89	12.14	9.80	9.10	9.13	9.19
Credit to public sector	34.99	9.66	26.27	19.34	18.63	9.66	8.75	16.32	15.11
Credit to govt. (net)	36.65	9.69	26.81	19.77	20.29	9.69	9.68	18.18	16.31
Credit to other public sector	22.29	9.42	22.08	16.39	6.57	9.42	1.39	2.94	5.26
Credit to private sector	10.57	9.84	9.69	10.13	10.49	9.84	9.20	7.30	7.57
3. Narrow money	15.49	1.84	5.15	-0.18	4.62	1.84	8.28	5.13	7.52
4. Time deposits	8.82	9.82	10.18	11.64	10.31	9.82	7.75	8.33	9.69
5. Broad money	10.48	7.74	8.96	8.60	8.92	7.74	7.88	7.57	9.18

Source: Statistics Department, Bangladesh Bank.

P = Provisional, R= Revised.

Table III.3: Interest Rates Developments

Instruments	Mar.23	Jun.23	Sep.23	Dec.23	Mar.24	Jun.24	Sep.24	Dec.24	Mar.25
T - bills									
91 - day	6.18	6.80	7.24	10.89	11.33	11.64	11.48	11.51	10.47
182 - day	7.01	7.07	7.40	11.09	11.38	11.80	11.74	11.87	10.73
364 - day	7.40	7.90	7.97	11.28	11.59	12.00	11.88	11.97	10.84
BGTB									
2 - year	7.97	8.09	8.65	8.69	11.90	12.25	12.21	12.26	10.94
5 - year	8.14	8.71	8.99	10.35	12.02	12.43	12.36	12.36	11.36
10 - year	8.37	...	9.20	10.46	12.09	12.59	12.52	12.41	11.89
15-year	...	...	9.49	11.06	12.14	12.70	12.49	12.65	12.23
20-year	...	...	9.76	11.16	12.24	12.79	12.69	12.25	12.4
Repo									
1-3 day	6.00	6.00	...	...	...	...	...	...	...
Reverse repo									
1-3 day	4.25	4.25	...	...	...	...	...	...	...
Policy Rate	...	...	6.50	7.75	8.00	8.50	9.50	10.00	10.00
SDF Rate	...	...	4.50	5.75	6.50	7.00	8.00	8.50	8.50
SLF Rate	...	...	8.50	9.75	9.50	10.00	11.00	11.50	11.50
Call money rate	6.03	6.06	6.41	8.84	8.75	9.08	9.14	10.08	10.01
Lending rate									
All banks	7.29	7.34	7.84	9.32	10.54	11.70	11.92	12.05	12.20
State owned banks	6.45	6.44	6.80	9.11	10.38	10.59	10.73	11.07	11.11
Private banks	7.53	7.63	8.17	9.39	10.60	12.03	12.27	12.34	12.52
(a) Domestic	7.54	7.63	8.18	9.40	10.62	12.08	12.31	12.41	12.60
(b) Foreign	7.40	7.57	7.87	9.16	10.23	10.91	11.04	10.64	10.72
Specialized banks	6.96	6.30	6.62	8.80	9.93	10.73	11.15	11.22	11.07
Islamic banks	7.17	7.35	7.83	8.87	10.20	11.77	12.02	12.18	12.55
Deposits rate									
All banks	4.37	4.41	4.55	4.74	5.20	5.52	5.88	6.04	6.25
State owned banks	4.13	4.27	4.45	4.64	4.89	4.88	5.16	5.35	5.49
Private banks	4.40	4.40	4.52	4.72	5.26	5.69	6.07	6.22	6.44
(a) Domestic	4.64	4.63	4.76	4.97	5.53	5.96	6.36	6.52	6.75
(b) Foreign	1.14	1.17	1.26	1.23	1.30	1.45	1.61	1.72	1.78
Specialized banks	5.66	5.86	5.96	6.07	6.35	6.70	7.17	7.19	7.50
Islamic banks	5.07	5.03	5.21	5.29	5.99	6.45	6.85	6.98	7.32
National savings certificate									
5 – year Bangladesh sanchayapatra ^a	11.28	11.28	11.28	11.28	11.28	11.28	11.28	11.28	12.40
3 – year sanchayapatra (tin mas antar munafa vittik) ^b	11.04	11.04	11.04	11.04	11.04	11.04	11.04	11.04	12.30
5 – year pensioner sanchayapatra ^c	11.76	11.76	11.76	11.76	11.76	11.76	11.76	11.76	12.55
5 – year paribar sanchayapatra ^d	11.52	11.52	11.52	11.52	11.52	11.52	11.52	11.52	12.50

Sources: Monetary Policy Department and Statistics Department, Bangladesh Bank; Department of National Savings;

... = No auction;

^aThe interest rates are 12.40% & 12.37% for upto Tk 7.5 lac & above 7.5 lac, respectively.

^bThe interest rates are 12.30% & 12.25% for upto Tk 7.5 lac & above 7.5 lac, respectively.

^cThe interest rates are 12.55% & 12.37% for upto Tk 7.5 lac & above 7.5 lac, respectively.

^dThe interest rates are 12.30% & 12.25% for upto Tk 7.5 lac & above 7.5 lac, respectively.

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

Instruments	Mar.23	Jun.23	Sep.23	Dec.23	Mar.24	Jun.24	Sep.24	Dec.24	Mar.25
Bangladesh Banks Bills									
30-day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
T - bills									
91 - day	279.7	362.1	352.9	357.4	521.2	639.0	767.9	513.1	416.0
182 - day	292.0	412.8	418.3	280.1	163.3	146.5	264.7	433.8	457.3
364 - day	433.5	518.0	724.7	724.7	727.5	632.2	522.1	685.5	730.4
Sub total	1005.2	1292.9	1495.8	1362.1	1412.0	1417.7	1554.7	1632.4	1603.7
BGTB									
2 - year	443.0	485.0	482.0	479.7	494.2	541.0	388.0	660.6	675.6
5 - year	879.6	969.6	1037.5	1037.1	1055.2	1072.4	1146.2	1206.3	1286.3
10 - year	1089.7	1112.7	1146.0	1160.8	1202.0	1251.7	1318.1	1376.7	1486.7
15-year	549.6	552.1	549.7	555.9	567.6	598.5	619.2	647.8	689.8
20-year	536.0	541.5	543.4	553.5	580.7	614.8	658.6	698.6	743.6
Sub total	3497.8	3660.8	3758.6	3787.1	3899.5	4078.3	4130.0	4589.8	4881.8
National savings certificate	3598.4	3607.1	3594.4	3546.4	3481.6	3395.8	3479.1	3373.4	3325.7
Total (excluding BB bills)	8101.4	8560.8	8848.9	8695.6	8793.1	8891.8	9163.8	9595.6	9811.2

Sources: Monetary Policy Department, Bangladesh Bank; Department of National Savings

Table IV.1: Government Fiscal Operations

(in billion BDT)

Items	FY24						FY25		
	FY24	Q ₁	Q ₂	Q ₃	Q ₄	FY25 ^{RB}	Q ₁	Q ₂	Q ₃
Total revenue and foreign grants	4143	961.35	917.02	1002	1262	5224	1008	956	1140
Total revenue	4094	955.98	914.71	999	1225	5180	1000	954	1137
a) NBR tax revenue	3616	758.09	826.73	911	1120	4635	743	849	959
i) Taxes on income	1231	230.72	274.54	310	416	1690	233	287	345
ii) Value added tax	1393	315.16	329.69	330	419	1786	307	326	335
iii) Supplementary duty	537	108.46	116.55	138	174	604	99	128	143
iv) Customs duty	386	94.19	94.70	97	100	478	94	94	95
v) Excise duty	44	4.63	4.66	29	5	51	4	8	36
vi) Other taxes	24	4.93	6.59	6	6	25	5	6	6
b) Non- NBR tax revenue	79	19.65	18.15	20	21	145	18	20	21
c) Non- tax revenue	399	178.24	69.83	67	84	400	240	85	156
Foreign grants	49	5.37	2.31	4	38	44	8	2	3
Total expenditure	6007	792.76	1153.35	1347	2714	7440	963	1295	1611
a) Operating expenditure	4007	620.60	863.88	955	1568	5124	826	1037	1286
i) Pay and allowances	678	121.33	185.81	190	181	792	158	160	229
ii) Goods and services	401	33.00	102.94	91	174	459	47	76	93
iii) Interest payments	1149	220.69	273.49	273	382	1215	424	202	336
iv) Subsidies, incentives and current transfers	1638	234.52	279.12	379	745	2344	189	571	597
v) Acquisitions of assets and works	130	3.88	22.52	16	87	182	7	29	25
vi) Investment in shares and equities	5	0.44	0.00	5	0	49	0	1	5
vii) Foreign financial assets	7	6.74	0.00	0	0	0	0	0	0
b) Development expenditure	1979	155.16	274.47	357	1192	2316	106	302	304
i) ADP	1863	152.90	264.11	329	1117	2160	105	286	290
ii) Non-ADP	83	0.75	7.28	24	51	109	0	7	13
iii) Development program finance from revenue	34	1.51	3.08	4	25	47	0	9	1
c) Others	21	17.00	15.00	35	-46	82	32	-44	21
Budget surplus/deficit (including grants)	-1864	168.59	-236.33	-345	-1452	-2216	45	-339	-471
Financing	1852	-114.62	182.84	325	1459	2216	-41	357	488
a) Domestic financing	1172	-98.51	19.74	240	1011	1170	-10	188	477
i) Bank financing	1242	66.15	14.64	363	798	990	-11	349	514
ii) Non-bank financing	-70	-164.66	5.10	-123	213	180	1	-162	-38
b) Foreign financing	680	-16.11	163.10	85	448	1046	-31	169	11

Table IV.1: Government Fiscal Operations (Contd.)

(in percentage of GDP)

Items	FY24					FY25 ^{RB}	FY25		
	FY24	Q ₁	Q ₂	Q ₃	Q ₄		Q ₁	Q ₂	Q ₃
Total revenue and foreign grants	8.28	1.92	1.83	2.00	2.52	9.41	1.81	1.72	2.05
Total revenue	8.18	1.91	1.83	2.00	2.45	9.33	1.80	1.72	2.05
a) NBR tax revenue	7.23	1.52	1.65	1.82	2.24	8.35	1.34	1.53	1.73
i) Taxes on income	2.46	0.46	0.55	0.62	0.83	3.04	0.42	0.52	0.62
ii) Value added tax	2.79	0.63	0.66	0.66	0.84	3.22	0.55	0.59	0.60
iii) Supplementary duty	1.07	0.22	0.23	0.28	0.35	1.09	0.18	0.23	0.26
iv) Customs duty	0.77	0.19	0.19	0.19	0.20	0.86	0.17	0.17	0.17
v) Excise duty	0.09	0.01	0.01	0.06	0.01	0.09	0.01	0.01	0.06
vi) Other taxes	0.05	0.01	0.01	0.01	0.01	0.04	0.01	0.01	0.01
b) Non- NBR tax revenue	0.16	0.04	0.04	0.04	0.04	0.26	0.03	0.04	0.04
c) Non- tax revenue	0.80	0.36	0.14	0.13	0.17	0.72	0.43	0.15	0.28
Foreign grants	0.10	0.01	0.00	0.01	0.08	0.08	0.01	0.00	0.01
Total expenditure	12.01	1.58	2.31	2.69	5.43	13.40	1.73	2.33	2.90
a) Operating expenditure	8.01	1.24	1.73	1.91	3.13	9.23	1.49	1.87	2.32
i) Pay and allowances	1.35	0.24	0.37	0.38	0.36	1.43	0.28	0.29	0.41
ii) Goods and services	0.80	0.07	0.21	0.18	0.35	0.83	0.08	0.14	0.17
iii) Interest payments	2.30	0.44	0.55	0.55	0.76	2.19	0.76	0.36	0.61
iv) Subsidies, incentives and current transfers	3.27	0.47	0.56	0.76	1.49	4.22	0.34	1.03	1.08
v) Acquisitions of assets and works	0.26	0.01	0.05	0.03	0.17	0.33	0.01	0.05	0.05
vi) Investment in shares and equities	0.01	0.00	0.00	0.01	0.00	0.09	0.00	0.00	0.01
vii) Foreign financial assets	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Development expenditure	3.96	0.31	0.55	0.71	2.38	4.17	0.19	0.54	0.55
i) ADP	3.72	0.31	0.53	0.66	2.23	3.89	0.19	0.51	0.52
ii) Non-ADP	0.17	0.00	0.01	0.05	0.10	0.20	0.00	0.01	0.02
iii) Development program finance from revenue	0.07	0.00	0.01	0.01	0.05	0.08	0.00	0.02	0.00
c) Others	0.04	0.03	0.03	0.07	-0.09	0.15	0.06	-0.08	0.04
Budget surplus/deficit (including grants)	-3.73	0.34	-0.47	-0.69	-2.90	-3.99	0.08	-0.61	-0.85
Financing	3.70	-0.23	0.37	0.65	2.92	3.99	-0.07	0.64	0.88
a) Domestic financing	2.34	-0.20	0.04	0.48	2.02	2.11	-0.02	0.34	0.86
i) Bank financing	2.48	0.13	0.03	0.72	1.60	1.78	-0.02	0.63	0.93
ii) Non-bank financing	-0.14	-0.33	0.01	-0.25	0.43	0.32	0.00	-0.29	-0.07
b) Foreign financing	1.36	-0.03	0.33	0.17	0.89	1.88	-0.06	0.30	0.02
Memorandum item:									
GDP at current market price	50027	50027	50027	50027	50027	50027	55528	55528	55528

Source: Budget in Brief, Ministry of Finance and Monthly Fiscal Report, Ministry of Finance.

RB=Revised Budget.

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

	FY24						FY25 ^R		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Current account balance	-11633	-6602	-1898	-2000	-500	-2204	32	-381	-292
Trade balance	-27384	-22433	-5010	-6174	-4571	-6678	-4638	-5125	-5680
Export f.o.b.	43,364	40,807	10,051	10,066	10,829	9,861	10,552	11,770	11,537
of which: readymade garments	38,176	36,130	8,820	8,741	9,732	8,837	9,512	10,369	10,349
Import f.o.b.	70,748	63,240	15,061	16,240	15,400	16,539	15,190	16,895	17,217
Services	-3131	-4229	-960	-794	-1089	-1386	-938	-1297	-1458
Credit	6,971	6,285	1,458	1,673	1,534	1,620	1,591	1,876	1,631
Debit	10,102	10,514	2,418	2,467	2,623	3,006	2,529	3,173	3,089
Primary income	-3407	-4326	-952	-1044	-1220	-1110	-1108	-1365	-1298
Credit	443	550	123	145	158	124	143	182	196
Debit	3,850	4,876	1,075	1,189	1,378	1,234	1,251	1,547	1,494
Secondary income	22,289	24,386	5,024	6,012	6,380	6,970	6,716	7,406	8,144
Official transfers	88	74	9	14	19	32	27	15	13
Private transfers	22,201	24,312	5,015	5,998	6,361	6,938	6,689	7,391	8,131
of which : workers' remittances	21,611	23,912	4,907	5,893	6,275	6,838	6,542	7,233	8,009
Capital & financial account	7,365	5,069	-1,105	1,976	317	3,881	-725	1,682	110
Capital account	475	553	42	118	127	266	155	61	50
Capital transfers	475	553	42	118	127	266	155	61	50
Financial account	6889	4516	-1147	1858	190	3615	-880	1621	64
Foreign Direct Investment (net)	1649	1470	384	384	396	306	111	433	834
Portfolio investment	-30	-145	-36	-55	-17	-37	4	-57	-53
of which: investment by NRBs	118	92	30	24	17	21	23	22	34
Other investment	5270	3191	-1495	1529	-189	3346	-995	1245	-717
Net aid flows	6,959	7,688	583	2,348	1,086	3,671	62	1,937	411
Medium and long-term (MLT) loans	8,704	9,708	1,110	2,772	1,643	4,183	664	2,598	1,214
MLT amortization payments	1,745	2,020	527	424	557	512	602	661	803
Other long term loans (net)	434	209	96	343	114	-344	149	-101	-55
Other short term loans (net)	-1883	-1619	-621	-668	-507	177	-288	-653	165
Trade credit	2532	-1828	-887	-834	-442	335	-528	-236	-399
DMBs and NBDCs	-2772	-1259	-666	340	-440	-493	-390	298	-839
Assets	799	494	134	-675	207	828	-468	-340	1242
Liabilities	-1973	-765	-532	-335	-233	335	-858	-42	403
Net errors and omissions	-3953	-2767	148	-575	-1120	-1220	-766	-254	-478
Overall balance	-8222	-4300	-2855	-599	-1303	457	-1459	1047	-656
Reserve assets	8222	4300	2855	599	1303	-457	1459	-1047	656
Bangladesh Bank	8222	4300	2855	599	1303	-457	1459	-1047	656
Assets	-8766	-2901	-3484	513	-1888	1958	-2247	1946	-1396
Liabilities	-544	1399	-629	1112	-585	1501	-788	899	-740

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

	FY24						FY25 ^R		
	FY23	FY24 ^R	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Memorandum items									
Gross official reserves	31,203	26,714	26,911	27,130	25,232	26,714	24,863	26,215	25,512
Gross official reserves (As per BPM6)	24,754	21,686	21,060	21,868	19,913	21,686	19,861	21,395	20,386
In months of imports of goods & services	4.6	4.1	4.6	4.4	4.2	4.1	4.2	3.9	3.8
In months of imports of goods (cif)	5.0	4.6	5.1	4.8	4.7	4.6	4.6	4.4	4.2
Export growth (in percent)	-11.94	-5.90	-10.15	-11.45	2.06	-3.3	4.98	16.93	6.54
Import growth (in percent)	-14.24	-10.61	-22.88	-15.10	-4.53	3.6	0.86	4.03	11.80
Remittances growth (in percent)	2.75	10.64	-13.50	22.26	13.22	22.6	33.32	22.75	27.63

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

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

Items	FY24 ^R						FY25 ^P		
	FY23 ^R	FY24 ^R	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
1. Raw jute	203.8	161.3	45.4	31.2	41.6	43.1	34.5	46.8	26.7
2. Jute goods	775.7	764.1	192.2	219.9	201.0	151.0	172.1	208.6	205.5
3. Tea	2.3	3.5	0.7	1.0	1.1	0.7	1.5	1.0	0.9
4. Leather	124.7	143.3	34.6	36.9	35.4	36.4	27.5	35.0	36.9
5. Frozen shrimps and fish	385.2	326.2	85.6	105.4	72.3	62.9	89.5	128.7	84.8
6. Woven garments	17,817.7	16,862.4	3,880.2	4,088.6	4,804.4	4,089.2	4,164.5	4,882.1	5,040.4
7. Knitwear products	20,357.8	19,268.0	4,939.8	4,652.6	4,927.6	4,748.0	5,347.5	5,487.1	5,308.9
8. Terry towels	31.5	23.6	5.2	6.1	6.6	5.6	6.8	6.2	5.7
9. Others	6795.9	6922.5	1648.8	1788.9	1792.4	1692.4	1,814.0	2,080.6	1,942.4
Total exports	46,495	44,475	10,833	10,931	11,882	10,829	11,658	12,876	12,652
of which: exports from EPZ	6,462	5,679	1,317	1,368	1,505	1,488	1,603	1,723	1,718
Total exports (adjusted)	43,364	40,807	10,051	10,066	10,829	9,861	10,552	11,770	11,537

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

Table V.3: Major Destination-wise RMG Related Exports

(in million USD)

			FY24				FY25 ^P		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Exports of RMG	38,176	36,130	8,820	8,741	9,732	8,837	9,512	10,369	10,349
European countries	23,912	23,084	5,517	5,461	6,423	5,683	4,580	5,285	5,196
USA	7,371	6,624	1,619	1,651	1,626	1,728	1,852	1,990	1,895
Other countries	6,893	6,423	1,684	1,630	1,683	1,426	3,080	3,095	3,258
Woven garments	17,818	16,862	3,880	4,089	4,804	4,089	4,165	4,882	5,040
European countries	9,261	9,274	2,035	2,156	2,882	2,201	1,636	2,126	2,208
USA	5,136	4,370	1,012	1,108	1,107	1,142	1,169	1,326	1,270
Other countries	3,420	3,219	834	824	815	746	1,360	1,430	1,563
Knitwear products	20,358	19,268	4,940	4,653	4,928	4,748	5,347	5,487	5,309
European countries	14,650	13,810	3,482	3,305	3,541	3,482	2,944	3,158	2,988
USA	2,234	2,254	607	542	519	586	684	664	626
Other countries	3,473	3,204	850	806	868	680	1,720	1,665	1,695
growth in percent (y-o-y)									
Exports of RMG	-10.41	-5.36	-9.24	-13.30	3.37	-1.38	7.84	18.62	6.34
European countries	-10.90	-3.46	-7.30	-12.83	5.50	1.35	-16.99	-3.23	-19.10
USA	-18.22	-10.13	-16.93	-15.72	0.10	-6.01	14.41	20.53	16.56
Other countries	1.93	-6.83	-7.34	-12.33	-1.14	-5.85	82.89	89.90	93.57
Woven garments	-8.15	-5.36	-9.23	-13.52	3.94	-2.47	7.33	19.41	4.91
European countries	-10.64	0.13	-1.67	-9.30	8.47	1.99	-19.58	-1.38	-23.39
USA	-12.84	-14.92	-23.21	-21.40	-3.73	-9.18	15.48	19.61	14.65
Other countries	8.84	-5.90	-6.11	-12.36	-0.01	-4.00	63.09	73.48	91.76
Knitwear products	-12.30	-5.35	-9.24	-13.11	2.82	-0.42	8.25	17.94	7.74
European countries	-11.07	-5.74	-10.30	-14.99	3.21	0.94	-15.47	-4.43	-15.61
USA	-28.39	0.87	-3.81	-1.12	9.42	0.85	12.61	22.42	20.65
Other countries	-4.07	-7.74	-8.51	-12.30	-2.18	-7.79	102.31	106.69	95.27

Source: Statistics Department, Bangladesh Bank.

P=Provisional.

Table V.4: Trends in the Commodity Composition of Imports
(in million USD)

	FY23	FY24 ^R	FY24 ^R				FY25 ^P		
			Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
A. Food grains	2,599	2,058	398	370	580	711	392	491	796
1. Rice	572	25	2	8	7	9	2	79	411
2. Wheat	2,028	2,033	396	362	573	702	390	411	384
B. Consumer goods	5,652	4,928	1,130	1,185	1,208	1,405	1,101	1,271	2,068
3. Milk & cream	374	395	110	84	84	116	106	82	119
4. Spices	417	481	104	96	136	145	123	105	119
5. Edible oil	2,893	2,193	502	638	436	616	492	604	967
6. Pulses (all sorts)	938	704	77	127	238	263	207	199	455
7. Sugar	1,030	1,155	336	240	314	265	174	281	408
C. Intermediate goods	44,270	40,264	9,466	10,458	9,738	10,601	10,075	11,200	10,429
Petroleum goods	5,773	6,128	1,604	1,528	1,195	1,801	1,409	1,498	1,181
8. Crude petroleum	628	944	238	342	145	219	211	159	146
9. POL	5,145	5,184	1,366	1,186	1,050	1,582	1,198	1,339	1,035
RMG related goods	17,315	16,758	3,680	4,246	4,247	4,586	4,471	4,954	4,551
10. Raw cotton	4,274	3,610	831	809	943	1,026	956	822	841
11. Yarn	2,795	3,221	665	858	800	898	877	917	942
12. Textile and articles thereof	7,944	7,718	1,667	1,991	1,934	2,126	2,062	2,507	2,179
13. Staple fibre	1,448	1,376	306	380	368	322	350	479	376
14. Dyeing and tanning materials	854	834	211	207	203	214	228	228	212
Other intermediate goods	21,182	17,377	4,183	4,685	4,296	4,214	4,195	4,748	4,697
15. Clinker	1,164	939	214	234	267	224	182	214	245
16. Oil seeds	1,239	1,188	232	252	310	393	165	260	421
17. Chemicals	3,491	3,313	846	809	813	846	937	953	830
18. Pharmaceutical products	364	335	86	83	82	84	109	106	124
19. Fertilizer	4,913	2,698	529	925	851	393	447	844	957
20. Plastics and rubber articles thereof	3,349	2,965	745	709	729	783	861	868	830
21. Iron, steel & other base metals	6,661	5,940	1,530	1,673	1,244	1,492	1,495	1,503	1,291
D. Capital goods & others	13,581	10,602	2,882	2,705	2,481	2,535	2,462	2,378	2,378
22. Capital machinery	4,847	4,144	1,047	1,012	789	1,296	796	647	729
23. Others capital goods	8,733	6,458	1,835	1,694	1,692	1,238	1,666	1,731	1,649
E. Others	8,960	8,874	2,034	2,368	2,215	2,256	2,140	2,640	2,534
Grand total c.i.f.(A+B+C+D+E)	75,062	66,725	15,909	17,086	16,222	17,508	16,171	17,980	18,205
Of which import by EPZ	3,915	3,706	812	906	989	999	983	1,170	1,092
Grand total f.o.b.(adjusted)	70,748	63,240	15,061	16,240	15,400	16,539	15,190	16,895	17,217

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

P = Provisional, R= Revised.

Table V.5: Sector wise Comparative Statement of the Opening and Settlement of Import LCs
(in million USD)

Items	FY24				FY25 ^P					
	Q ₃		Q ₄		Q ₁		Q ₂		Q ₃	
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement
Consumer goods	1,935	1,593	1,487	1,862	1,348	1,376	1,917	1,661	2,070	1,944
Intermediate goods	1,167	1,159	1,181	1,131	1,031	1,150	1,055	1,046	1,277	1,234
Industrial raw materials	6,363	5,726	5,769	5,412	5,828	5,756	6,541	6,022	6,082	6,137
Capital machinery	535	678	718	523	398	493	502	555	457	469
Machinery for misc. industries	524	540	605	560	552	588	518	592	649	506
Petroleum and petroleum products	2,284	2,084	2,095	2,060	2,157	2,413	2,358	2,475	2,414	2,529
Others	4,997	4,496	5,404	5,005	5,048	4,665	5,677	5,196	5,819	5,334
Total	17,805	16,274	17,259	16,553	16,361	16,443	18,568	17,547	18,768	18,152
of which back to back	2,774	2,388	2,233	2,298	2,912	2,484	2,801	2,628	2,693	2,788
	growth in percent (y-o-y)									
Consumer goods	-9.07	-14.06	2.48	8.89	-7.35	-17.52	11.81	5.77	6.96	22.05
Intermediate goods	-23.96	-9.15	-21.78	-18.64	-6.69	-13.15	-8.21	-14.73	9.37	6.50
Industrial raw materials	17.35	4.54	13.26	7.32	8.10	8.78	10.90	12.85	-4.42	7.18
Capital machinery	-48.15	-13.29	27.23	-22.65	-40.66	-24.03	-27.27	-30.80	-14.59	-30.78
Machinery for misc. industries	-8.06	-4.14	-5.68	-2.94	-18.65	-0.24	-0.55	-5.64	23.99	-6.32
Petroleum and petroleum products	5.41	3.01	-5.54	6.59	-20.22	-0.12	8.69	-0.56	5.68	21.35
Others	14.32	4.34	22.30	18.12	6.63	-0.20	21.08	8.90	16.46	18.64
Total	3.37	-0.05	8.57	6.34	-2.24	-1.03	10.32	4.30	5.41	11.54
of which back to back	27.75	9.66	25.69	14.12	19.90	19.08	24.76	27.17	-2.92	16.74

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

Table V.6: Country-wise Workers' Remittances

(in million USD)

Countries	FY24						FY25 ^P		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Gulf region	11,126	11,783	2,547	2,815	2,990	3,431	3,041	3,059	3,506
Saudi Arabia	3,765	2,741	815	611	542	774	859	864	1,047
UAE	3,034	4,634	828	1,172	1,304	1,330	1,032	995	1,093
Qatar	1,453	1,150	255	273	311	312	265	269	314
Oman	791	1,122	228	218	252	424	328	368	437
Kuwait	1,555	1,497	324	391	387	395	359	381	462
Bahrain	528	639	97	150	195	197	198	182	153
Euro region	1,833	2,235	503	633	575	546	637	566	621
Italy	1,186	1,462	318	445	346	353	426	354	398
France	292	358	80	84	105	90	87	66	88
Greece	131	145	32	38	40	35	45	55	39
Germany	112	125	22	32	38	33	38	44	57
Others Euro region	112	145	52	34	45	36	42	46	40
Asia Pacific region	2,008	2,549	437	694	667	696	1,012	1,020	1,050
Malaysia	1,126	1,744	267	502	460	516	620	646	629
Singapore	423	632	94	147	192	199	202	216	239
South Korea	119	116	19	22	39	36	41	44	58
Australia	130	116	20	29	32	35	45	36	45
Japan	113	77	15	26	21	15	39	23	21
Others Asia Pacific region	97	145	25	25	37	58	66	55	59
Rest of the world	6,643	7,367	1,420	1,788	1,992	2,164	1,853	2,589	2,831
USA	3,522	2,962	512	614	818	1,018	921	1,575	1,445
UK	2,080	2,793	589	781	774	649	566	634	966
South Africa	235	308	67	77	76	88	67	81	92
Canada	139	143	26	30	41	46	60	49	57
Mauritius	110	164	92	23	27	22	39	35	31
Others countries	558	962	150	168	193	178	201	216	240
Total	21,611	23,912	4,907	5,893	6,275	6,838	6,543	7,234	8,008

Note: Euro Region is a geographic area consists of 19 countries that have fully incorporated the euro as their national currency.

Source: Statistics Department, Bangladesh Bank.

P=Provisional.

Table V.7: Exchange Rate Movements

(BDT 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
2022-23								
September	95.62	96.00	108.43	104.54	94.79	93.46	0.67	0.67
October	96.62	97.00	109.09	112.65	95.06	96.66	0.66	0.66
November	97.62	98.00	114.55	117.16	99.53	101.22	0.69	0.71
December	98.85	99.00	120.33	119.34	104.49	105.55	0.73	0.74
January	99.89	100.00	122.17	123.52	107.60	108.46	0.77	0.77
February	100.96	101.00	122.06	121.85	108.17	107.15	0.76	0.74
March	101.96	102.00	123.70	125.59	109.15	110.62	0.76	0.77
April	102.92	103.00	127.89	129.51	112.65	113.53	0.77	0.76
May	104.39	104.50	130.33	129.73	113.54	112.18	0.76	0.75
June	105.88	106.00	133.63	134.75	114.58	115.44	0.75	0.74
2023-24								
July	108.76	109.00	140.08	140.08	120.23	120.07	0.77	0.77
August	109.46	109.50	139.17	139.28	119.48	119.64	0.76	0.75
September	109.97	110.25	136.57	134.04	117.67	116.56	0.74	0.74
October	110.49	110.50	134.52	134.47	116.70	117.30	0.74	0.74
November	110.88	110.50	137.61	140.28	119.79	121.22	0.74	0.75
December	110.15	110.00	139.41	140.04	120.89	121.41	0.76	0.78
January	110.00	110.00	139.75	139.69	120.08	119.26	0.75	0.75
February	110.00	110.00	138.93	139.29	118.67	119.22	0.74	0.73
March	110.00	110.00	139.89	138.87	119.63	118.74	0.73	0.73
April	110.00	110.00	137.87	138.19	118.19	117.93	0.72	0.70
May	115.03	117.70	145.31	149.58	124.30	127.14	0.74	0.75
June	117.94	118.00	150.13	149.20	127.14	126.44	0.75	0.73
2024-25								
July	117.93	118.00	151.78	151.46	127.95	127.62	0.75	0.77
August	118.73	120.00	153.59	158.30	130.85	133.45	0.81	0.83
September	120.00	120.00	158.38	160.49	133.14	133.96	0.84	0.84
October	120.00	120.00	156.84	155.55	130.93	130.27	0.80	0.78
November	120.00	120.00	153.08	152.15	127.66	126.79	0.78	0.79
December	120.00	120.00	151.79	150.62	125.71	124.89	0.78	0.77
January	121.93	122.00	150.78	151.91	126.28	127.13	0.78	0.79
February	122.00	122.00	152.87	154.62	127.07	127.91	0.80	0.82
March	122.00	122.00	157.35	157.98	131.60	131.78	0.82	0.81

Source: Statistics Department, Bangladesh Bank.

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

	FY24						FY25 ^P		
	FY23	FY24 ^R	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
a. Grants (i+ii)	563	625	51	132	145	298	183	75	63
i) Food aid	53	30	6	5	9	11	15	10	10
ii) Project aid	511	595	45	127	137	287	167	65	53
b. Loans (MLT)	8,704	9267	1,231	2,650	1,422	3,963	664	2,598	1,214
A. Total (a+b)	9,267	9892	1,282	2,782	1,568	4,260	846	2,674	1,277
B. Amortization(1+2)	2,670	3372	870	697	1,004	800	1,127	855	1,230
1) Principal	1,735	2022	492	434	590	505	686	549	777
2) Interest	936	1350	379	263	413	295	441	307	453
C. Net foreign financing (A-1)	7,533	7870	790	2,348	977	3755	161	2,125	500

Source: Statistics Department, Bangladesh Bank

P= Provisional.

Table VI.1: Gross NPL Ratios by Type of Banks
(in percent)

Type of banks	2023				2024				2025
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
State owned commercial banks	19.87	25.01	21.70	20.99	26.97	32.77	40.35	42.83	45.79
Specialized banks	12.80	12.14	12.10	13.87	13.88	13.11	13.21	14.37	14.47
Private commercial banks	5.96	6.46	7.04	5.93	7.28	7.94	11.88	15.60	20.16
Foreign commercial banks	4.90	4.80	5.07	4.82	5.20	4.74	4.99	4.13	4.83
All banks	8.80	10.11	9.93	9.00	11.11	12.56	16.93	20.20	24.13

Source: Banking Regulation and Policy Department, Bangladesh Bank.

Table VI.2: Net NPL Ratios by Type of Banks
(in percent)

Type of banks	2023				2024				2025
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
State owned commercial banks	5.24	10.78	6.85	6.21	13.00	18.32	22.71	32.86	32.67
Specialized banks	1.49	0.90	0.92	1.68	1.53	1.14	1.22	2.98	3.11
Private commercial banks	-0.88	-0.46	-0.03	-0.72	0.17	0.77	2.85	6.19	12.39
Foreign commercial banks	-0.50	-0.27	-0.04	-0.41	-0.13	-0.50	-0.48	-0.63	0.08
All banks	0.30	1.58	1.22	0.59	2.44	3.68	5.89	10.57	15.00

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	2023				2024			
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
State owned commercial banks	5.90	6.76	6.03	6.13	5.80	5.44	-2.48	-8.42
Specialized banks	-38.35	-37.79	-38.91	-40.90	-43.84	-41.31	-42.2	-41.02
Private commercial banks	13.08	12.81	12.82	13.48	12.49	12.29	9.38	10.98
Foreign commercial banks	31.48	32.91	35.72	37.30	38.93	39.46	43.67	42.09
All banks	11.23	11.19	11.08	11.64	10.85	10.64	6.86	3.08

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)*				
	2024				2025	2024				2025
	Mar.	Jun.	Sep.	Dec.	Mar.	Mar.	Jun.	Sep.	Dec.	Mar.
State Owned Commercial Banks	-0.65	-0.37	-0.25	-0.37	-0.51	-19.10	-11.40	-7.21	-12.20	-18.80
Specialized Banks	-3.12	-2.54	-3.31	-2.35	-2.59	-11.49	-10.08	-12.84	-9.17	-10.23
Private Commercial Banks	0.34	0.48	0.39	0.51	-0.30	5.90	8.75	7.22	9.43	-6.11
Foreign Commercial Banks	3.92	4.08	4.56	4.30	4.07	19.87	19.33	21.09	19.09	18.02
All Banks	0.23	0.40	0.38	0.43	-0.18	4.32	7.85	7.42	8.7	-3.99

Source: Department of Off - site Supervision, Bangladesh Bank; *=All are annualized except the quarter of December.

Table VII.1: Indicators of Capital Market Developments

	FY24					FY25			
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Number of listed securities ¹	411	420	411	413	420	420	421	421	421
Issued equity and debt (billion taka)	968.8	1016.1	973.1	977.5	999.1	1016.1	1017.6	1018.7	1018.3
Market capitalization (billion taka)	4565.8	3673.9	4547.3	4541.3	3949.1	3673.9	3909.3	3617.9	3547.5
Turnover (billion taka)	1910.9	1496.9	380.9	297.2	508.6	310.2	415.3	249.6	247.7
DSE broad index	6344.1	5328.4	6284.6	6246.5	5829.7	5328.4	5624.5	5216.4	5219.2
DSE -30 index	2192.8	1909.6	2140.4	2093.8	2021.3	1909.6	2053.4	1939.7	1914.7
growth in percent (y-o-y)									
Number of listed securities	1.99	2.19	1.73	1.23	2.69	2.19	2.43	1.94	0.24
Issued equity and debt	4.40	4.88	4.20	3.20	4.95	4.88	4.57	4.22	1.92
Market capitalization	0.00	-19.53	-1.18	1.56	-12.01	-19.53	-14.03	-20.33	-10.17
Turnover	-39.71	-21.66	-48.00	-33.43	70.91	-28.59	9.04	-16.03	-51.29
DSE broad index	-0.52	-16.01	-3.50	0.64	-6.08	-16.01	-10.50	-16.49	-10.47
DSE -30 index	-4.48	-12.91	-8.16	-4.62	-8.52	-12.91	-4.06	-7.36	-5.27

Source: Dhaka Stock Exchange

¹Include debenture but exclude govt. bond.

Table VII.2: Group-wise Market Capitalisation of Dhaka Stock Exchange
(in billion BDT)

Name of group	FY24						FY25		
	FY23	FY24	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Banks	675.1	615.0	680.7	686.5	677.9	615.0	758.2	676.4	675.6
Financial institutions	187.4	109.4	186.5	186.9	125.2	109.4	119.2	113.2	104.1
Mutual funds	37.6	31.2	37.4	41.5	34.0	31.2	28.3	27.7	28.8
Engineering	530.3	352.2	526.3	531.9	379.1	352.2	325.6	281.7	279.2
Food and allied product	399.9	295.7	397.8	391.9	330.5	295.7	338.9	314.3	288.6
Fuel and power	450.1	328.9	447.8	446.5	338.9	328.9	313.9	293.7	287.6
Jute industry	3.7	3.6	3.9	4.0	4.2	3.6	4.1	3.2	2.7
Textile industry	172.3	125.8	168.9	171.7	142.2	125.8	120.2	113.9	118.2
Pharmaceuticals and chemicals	720.0	607.8	717.7	721.5	636.6	607.8	583.2	560.3	553.4
Paper and printing	42.3	31.5	39.7	38.9	41.3	31.5	22.8	18.1	21.0
Services and real estate	29.3	23.4	28.5	27.5	24.1	23.4	18.6	17.5	18.3
Cement industry	123.2	110.9	122.7	121.4	117.7	110.9	110.9	93.3	84.9
Insurance	184.3	141.8	188.1	175.7	156.9	141.8	137.5	127.8	121.6
Telecommunication	580.2	476.9	580.2	580.2	488.2	476.9	644.2	608.1	594.5
Miscellaneous	389.1	230.9	380.1	232.5	243.0	230.9	229.2	230.9	230.7
Corporate bond	40.9	42.3	40.9	45.2	43.1	42.3	35.9	34.1	33.1
Total market capitalisation	4566	3668	4547	4541	3949	3668	3909	3617	3547

Source: Dhaka Stock Exchange.

Annexure-2

Major Policy Announcement: January-March, 2025

02/01/25 BRPD Circular Letter No. 01: L/C Margin for importing Car.	BB has relaxed the requirement for a 100% cash margin on all motorcar imports. To encourage the use of environmentally friendly and fuel-efficient vehicles, the cash margin requirement for importing hybrid and electric cars has been eased based on the bank–client relationship. However, a cash margin of 50% must be maintained for importing non-hybrid and non-electric cars.
02/01/25 FE Circular NO. 01: Application of spread between buying and selling of foreign currency.	To prevent discriminatory practices in currency exchange, Authorized Dealers (ADs) are limited to a maximum spread of 1.00 (one) Taka between the buying and selling rates of foreign currency. Furthermore, regardless of transaction size, an Authorized Dealer must maintain a uniform buying spot rate and a uniform selling spot rate for all transactions on each business day.
08/01/25 FE Circular No.02: Issuance of Bank Guarantee/Standby Letter of Credit on behalf of importer in favour of foreign suppliers.	Subject to the approval of the relevant ministry, to facilitate the import of emergency goods and services by the government's competent authorities/entities under the power and energy sector, BB has instructed that ADs may provide bank guarantees or standby letters of credit in favour of foreign suppliers as payment security on behalf of importers. ADs must ensure that the underlying import transaction will be carried out under sales-purchase contracts when issuing guarantees or standby letters of credit.
12/01/25 DFIM Circular Letter NO. 01: Appointment of Independent Directors in a Finance Company.	A policy has been implemented to enhance transparency and strengthen the authority of independent directors. It has been decided that BB will establish a panel of independent directors, based on recommendations from financial institutions. Financial institutions may appoint independent directors from this panel. If the position of an independent director becomes vacant, the financial institutions must inform the BB within three business days. Additionally, they are required to notify at least 30 business days prior to the expiration of the current term of the independent directors. The independent director is required to notify BB in writing right away if any irregularities are observed within the financial institution, if independent opinions are blocked, or if dissenting opinions are not represented in the minutes of board meetings. Independent directors will not be considered defaulters if the finance company defaults in compliance with Section 16(5) of the Finance Company Act 2023.

<p>13/01/25</p> <p>FE Circular No.04: Retention of foreign currency in Agent's Retention Quota accounts.</p>	<p>Like exporters, resident companies/firms working as agents/trade facilitators need to make payments abroad for bonafide business purposes. To meet bonafide needs, it has been decided that such companies/firms can open and maintain foreign currency accounts with Authorized Dealers (ADs) in the name of Agent's Retention Quota (ARQ), subject to observance of the following instructions:</p> <p>(a) Companies/firms shall have valid permissions from competent authorities, if applicable, and are active members of trade associations representing the relevant sectors.</p> <p>(b) Earnings shall have to be in foreign currency.</p> <p>(c) ARQ accounts can be credited upto 10 percent of the receipts in foreign currency.</p> <p>(d) Funds from these accounts will be usable for bonafide payments abroad as per stipulation of paragraph 28, chapter 13 of GFET; including payments by international cards as per paragraph 29 <i>ibid</i>.</p>
<p>14/01/25</p> <p>BRPD Circular No. 01: Taking Prior Approval of Bangladesh Bank to Appoint Alternate Director in Bank Companies.</p>	<p>As per BRPD Circular No. 2, dated 11 February 2024, all required documents and relevant information concerning the appointment of an alternate director must be submitted to BB within seven (7) working days of such appointment.</p> <p>It is important to note that, under the revised policy, an alternate director may only be appointed if a director has been abroad for more than three (3) consecutive months. Furthermore, without obtaining prior approval from BB, the alternate director shall not be permitted to attend any board meetings or assume any responsibilities associated with the position.</p>
<p>14/01/25</p> <p>FE circular No.07: Credit report of the foreign suppliers.</p>	<p>The limit of non-requirement to obtain credit reports has been enhanced to USD 30,000 and USD 40,000 from USD 10,000 and USD 20,000, respectively, to facilitate import trade. ADs shall obtain the credit report for a supplier during the period of its validity.</p>

<p>19/01/25</p> <p>FE Circular Letter No. 02: Wage Remittance: Amendment of Drawing Arrangement and Security Deposit.</p>	<p>To cope with the changing situation, BB has amended its policies by the provisions of the drawing arrangement framework. For the draft drawing modality, the AD bank should communicate with its foreign counterpart having drawing arrangements under this modality and convert it (draft drawing) to a "Pre-Fund" modality to ensure compliance with current regulations regarding drawing arrangements. On the other hand, for the "Pre-Fund" modality, AD banks must inform their foreign partners to adjust the security deposits maintained in Non-Resident Foreign Currency (NRFC) accounts by disbursing the remitted funds. In the case of the 'Post-Fund' modality, the minimum balance requirement in Non-Resident Taka (NRT) account shall be Tk 2.00 million instead of an Equivalent Taka of USD 25,000.00. For delivery of remittances under 'Post-Fund' modality, AD banks shall take reimbursement against their Taka disbursement in equivalent foreign currency, converted by the prevailing exchange rate, from their respective foreign counterparts within the time frame as per the underlying tie-ups, not more than T+2 days.</p>
<p>20/01/25</p> <p>FE Circular No. 8: Extension of usance period against imports of industrial raw materials</p>	<p>The usance period of 360 days for importing industrial raw materials, including back-to-back imports and imports of agricultural implements and chemical fertilizers under suppliers'/buyers' credit, shall remain in effect until December 31, 2025. However, the extended usance period will not be applicable for imports made through loans of the Export Development Fund of BB.</p>
<p>22/01/25</p> <p>DMD Circular Letter No. 5: Regarding Sukuk Allotment Quota</p>	<p>BB has set specific quotas for the allocation of Sukuk. Of the total allocation, 70 percent is reserved for Shariah-compliant banks, financial institutions, and insurance companies. 10 percent is allocated to Islamic branches and windows of conventional banks, while the remaining 20 percent is designated for individual investors, provident funds, and deposit insurance.</p>
<p>23/01/25</p> <p>BRPD Circular Letter No. 3: Implementation of ECL-based Loan Classification and Provisioning under IFRS 9.</p>	<p>BB has planned to implement the Expected Credit Loss (ECL) methodology-based provisioning system for banks in accordance with International Financial Reporting Standard (IFRS 9) by 2027. A rule-based loan classification and provisioning system is now being followed. To enhance the risk management capabilities of banks and increase the transparency of financial reporting, an ECL-based loan classification and provisioning system for banks under IFRS 9 has been decided to adopt.</p>

26/01/25 FE C Circular No. 9 : Forward sale and purchase in foreign exchange	To maintain orderly discipline in the foreign exchange market, it has been decided that ADs may apply a forward premium not exceeding the policy rates of the respective currencies, as in effect on the banking day immediately preceding the first day of the deal period, for forward dealings with customers and/or relevant counterparties. This forward premium shall be applicable to the declared spot rates for both forward sale and purchase. For the early settlement of a forward contract, the premium needs to be adjusted for the actual tenure.
26/01/25 FE Circular No. 10: Repatriation facilities by PSPs to ITES exporters	BB stated that export proceeds against small value service exports in a non-physical form, such as data entry/data processing, offshore IT service, and business process outsourcing, could be repatriated through MFSPs and PSPs. To widen the scope, BB has decided to include Payment Service Providers (PSPs) licensed by the BB as facilitators for the repatriation of small-value export proceeds against legitimate IT-related service exports in association with foreign PSPs.
09/02/25 FE Circular Letter No. 08 : Flexibility in exchange rate management	According to FE circular No. 01 of January 02, 2025; 1.00 (one) taka spread has been allowed for buying and selling of foreign currency. Now, to enhance flexibility in exchange rate management, it has been decided that spot exchange rates may vary between transactions within a business day, provided the variations remain within the prescribed band of the crawling peg mid-rate, as determined by BB from time to time.
12/02/25 FE Circular Letter No. 10: Issuance of repayment commitments as collaterals against external borrowing by resident entities	Authorized Dealers (ADs) were permitted to issue repayment commitments on behalf of resident borrowers favoring foreign lenders, subject to eligible collaterals with a 5 percent cash margin of the commitment amount, among others. The decision has been made to increase the cash margin from 5 percent to 25 percent. The borrowers must also have a sufficient amount of funds in their credit lines with the appropriate banks.
19/02/25 FE Circular No. 12: Outward remittances on account of service payments by subsidiaries of foreign companies	To facilitate transactions between subsidiaries and parent/group companies, it has been decided that ADs may allow remittances on behalf of local subsidiaries against services from or through parent/group companies or their associates, provided that: (a) The services are not locally available; (b) The subsidiaries are controlled by parent/group companies by holding shares exceeding 50 percent; (c) Gross remittable amount (before deduction of source tax) shall not exceed 10 percent of net profit in an accounting year.

04/03/25 MPD Circular No. 01: Change of Cash Reserve Ratio (CRR)	BB reduced the daily Cash Reserve Ratio (CRR) to 3 percent from 3.5 percent. The biweekly CRR requirement remains at 4 percent.
10/03/25 BRPD Circular Letter No. 05: Exit Policy for Recovery/Settlement of Loans.	BB stated that the borrowers seeking an exit must now make a minimum down payment of 5 per cent of the outstanding loan amount in cash. The bank must process and resolve the application within 60 days. The circular has expanded the authority of bank management in approving principal loans of up to Tk 20 lakh. However, the defaulted loans under the exit facility cannot be rescheduled or restructured. If a borrower fails to repay the loan under this facility, the bank must take legal action to recover the loan.
27/03/25 FEID Circular No. 02: Establishment of legal entities abroad	According to the Foreign Exchange Regulation Act, 1947, general permission is granted to establish legal entities abroad with an amount up to USD 10,000 or equivalent by way of investment for supporting a start-up business in Bangladesh. However, applicants are required to submit applications to the Authorized Dealers after effecting remittances up to USD 10,000 or equivalent on behalf of a resident enterprise. They shall report the same to BB within one month of registration/incorporation of such legal entities abroad, but not later than six months from the date of remittance. Additional important instructions outlined in this circular are provided in detail within the document itself.
17/03/2025 SFD Circular Letter No. 02: Target Fixation of Green CMSME and Women Entrepreneur Sector Finance	<p>To promote green finance towards CMSMEs and women entrepreneurs, a mandatory target has been introduced:</p> <ul style="list-style-type: none"> • At least 5 percent of the total loan portfolio of banks and financial institutions must be allocated to green finance, of which 25 percent should go to the CMSME sector, and • 20 percent specifically to women-led CMSMEs. <p>Banks and financial institutions are to incorporate green and inclusive finance strategies within their institutional policies and operational frameworks.</p>

Annexure-3 (Policy Note)

The Formulation of the Monetary Policy Statement H1FY26 and Beyond

Dr Akhand Mohammad Akhtar Hossain³

Chief Economist, Bangladesh Bank

1. Monetary policy in Bangladesh primarily aims to increase the stability of prices through achieving low and stable inflation within an ideal range of between three and four percent per annum. This rate of inflation is considered acceptable to Bangladeshi citizens, and according to empirical observations is perceived to be the optimal rate for supporting the growth of emerging market economies including Bangladesh.
2. Bangladesh's economy was confronted by significant macroeconomic challenges when the interim government under Professor Muhammad Yunus came to power in August 2024. The macroeconomic challenges faced by the government included a high inflation rate of 12 percent per annum which accordingly depreciated the exchange rate of Bangladesh's domestic currency, the Taka. Furthermore, the sharp decline in foreign exchange reserves, which are mostly held in US dollars, prompted the government to introduce restrictions on the import of even basic necessities. In addition to these problems, the financial sector was confronted with a dire situation in the form of massive non-performing loans and recurrent liquidity crises for many banks. The sector also has encountered governance problems while holding large-scale non-performing loans on the asset side of their balance sheets. Since then, the Bangladesh Bank (henceforth, the Bank) has outlined many forward-looking strategies to bring macroeconomic stability in general and price stability specifically. These strategies include the adoption of market-oriented monetary, credit and exchange rate policies and the introduction of banking and financial sector reforms for achieving and sustaining both price and financial stability respectively.
3. This present ongoing high inflation episode seems to have been generated primarily from the massive stimulus package operationalised during the COVID-19 pandemic of 2020-2023. Loose monetary and credit policies during the pandemic, which has created excess liquidity in the banking system, has contributed to flow-on effects for inflation and other macroeconomic

³ Views and opinions expressed in this note are the author's own and they do not necessarily represent the views of the Bangladesh Bank. However, some comments made in this note would be useful to comprehend the underlying principles behind the formulation of a forward-looking monetary policy for price stability under a flexible exchange rate system. The current monetary policy statement is an integral component of the broader monetary policy framework that is in the process of being formulated for implementation in the near future.

variables. Food prices have remained sensitive to high inflationary expectations, originating from expansionary monetary and credit policies introduced between at least 2020 and 2024. Similarly to the early 1970s, the effects of inflationary expectations on food prices have impacted both the demand and supply sides of food markets. One of the main objectives of the present contractionary monetary and credit policies is to lower inflationary expectations despite the absence of any pre-announced target rate for inflation. The present contractionary monetary and credit policies are expected to remain in force for a few months until the inflation rate declines to between three and four percent per annum within a year or so. The Bank expects the inflation rate to decline to about six percent per annum by December 2025.

4. The various strategies and policy measures introduced by the Bank have been successful in slowly and gradually contributing to the reduction of the inflation rate from 12 percent in August 2024 to its present level of eight percent per annum. This inflation rate is considered high as it has the potential to aggravate macroeconomic imbalances through real interest and exchange rate channels. To avoid these problems, the Bank introduced a floating exchange rate system in May 2025, which has been successful in keeping the exchange rate stable. The floating exchange rate system in particular has been useful in smoothing trade flows and in stabilising the economy by lowering inflation of about four percentage points. Owing to large-scale foreign remittances of about three billion US dollars per month and healthy export earnings over the past few months, the current account deficits have been reduced significantly. All these factors have contributed to the steady increase in foreign exchange reserves to its present level of approximately 30 billion US dollars. It is expected that the level of foreign exchange reserves will increase to about 40 billion US dollars within a year or so. This level of foreign reserves would be adequate for financing import payments for approximately six months. Furthermore, this level would increase citizen confidence in general and within the financial markets in particular due to the Bank's ability to stabilise the exchange rate even in the 'unlikely scenario' of any exchange-rate overshooting. Therefore, under the present circumstances, the Bank does not have the intention to intervene in foreign exchange markets unless the exchange rate becomes misaligned and/or comes under speculative attacks due to any unanticipated reasons. It is positive to see the dissipation of fears that the Taka would depreciate following the introduction of the floating exchange rate system. There is also no evidence of any panic in the foreign exchange markets which is partly due to the introduction of contractionary and disciplined credit policy measures by banks.
5. The Bank holds the view that some restrictions on capital flows, and the continuation of disciplined credit policy, are essential for avoiding speculative attacks on the domestic currency amid economic and political uncertainties. The Bank remains agile and committed to keeping the exchange rate, both nominal and real, stable to facilitate trade flows and to avoid creating any real

exchange rate misalignment. However, despite some restrictions on capital outflows, the Bank allows capital inflows which remain linked to investment and business activities. As it is required, foreign borrowings are allowed for investment under somewhat flexible terms and conditions. The general restrictions on foreign borrowings are designed to lower the possibility of over-borrowing in the presence of actual or perceived guarantees from the Bank and the government. The previous experiences of East Asian countries suggest that foreign borrowings carry exchange rate risks and cause problems for banks and business enterprises if the exchange rate of domestic currency depreciates sharply. Therefore, the Bank ensures that these risk factors are taken into consideration by borrowers while making decisions on foreign-currency denominated loans and supply credits.

6. The Bank's current half-yearly 'Monetary Policy Statement' (MPS) outlines its monetary policy stance which will be introduced in the first half of fiscal year 2025-26. This Statement has been prepared through consultations with major stakeholders and the analysis of macroeconomic conditions focusing on inflation. The MPS aims to explain the Bank's stance on monetary policy over the next six months while keeping it consistent with the medium-term framework of monetary policy which is currently being formulated. To increase the role of monetary policy in lowering inflation from eight percent to between three and four percent over a year or so, the Bank will keep the stance of monetary policy contractionary. In addition, the Bank will continue progressing financial sector reforms to the extent needed to bring financial stability, with a focus on improving the health of the banking sector. The Bank expects that bank credits will flow smoothly to small and medium enterprises once the financial sector is stabilised. Moreover, financially healthy and sound banks will conduct their banking operations, including deposit generation and lending, without bearing the burden of large-scale non-performing loans. There is evidence to suggest that current large-scale non-performing loans can be attributed to many unlawful lending practices and the willful default culture practiced by many interlocking interest groups in society. The Bank does not condone such practices and has tightened regulatory policies to bring discipline in the lending practices of banks, especially in case of large-scale loans that bring windfall gains to interlocking interest groups. Here it can be noted that the oligopolistic market structure of the banking sector has been able to contribute to more than normal profits. Bank regulators generally allow the existence of an imperfect market structure even in advanced economies so that the banks do not engage in speculative, risky investments that bring danger to depositors and contribute to the instability of the financial sector. The present monetary policy stance of the Bank accords well with ongoing banking sector reforms which will increase the financial health and soundness of the sector.
7. Current monetary, exchange rate and credit policies, as highlighted above, reveal that the Bank remains committed to reducing the inflation rate by keeping monetary and credit policies

contractionary to an ideal level between three and four percent per annum withinat least a year. The intended reduction of the inflation rate is needed: (1) to keep the exchange rate, nominal and real, stable; (2) to reduce the sufferingof impoverished citizens, and (3) to restore citizen confidence in the ability of the Bank to sustain low inflation. Low and stable inflation is ultimately expected to promote long-term investment and economic growth.

8. The current interim government is supportive of the Bank’s contractionary stance to monetary policy. The government has tightened fiscal policy and has brought fiscal discipline to the extent needed to make monetary and credit policies effective in lowering inflation and bringing stability in the financial sector. Although the rate of economic growth was relatively low in 2025 due to the ongoing restrictive policy measures imposed by the International Monetary Fund’s stabilisation programs, economic growth is likely to accelerate in a low-inflationary environment. In a stable environment, investment is likely to increase in response to the current government’s growth-enhancing policies which include financial reform and incentivisation of foreign investment. The increased availability of foreign reserves to support machinery and raw material imports would also help to promote both domestic and foreign investment.
9. At present, the Bank does not foresee the emergence of any credit-led boom-bust cycle due to its contractionary monetary and credit policies. Once financial sector reforms are complete and the inflation rate decreases, the Bank will consider the introduction of a rules-based monetary policy such that the inflationary expectations remain anchored to the target rate of inflation. At this stage, the Bank has not yet decided which specific monetary policy, whether monetary targeting, inflation targeting or any variant of each, will be implemented. Ultimately, it does not matter which strategy is adopted as long as the exchange rates are determined by the market forces of demand and supply. At the same time, the Bank will remain open to intervening in foreign exchange markets when needed to stabilise exchange rates. In addition, the Bank will continue exercising capital control policies needed to neutralise any actual or potential speculative attacks on the domestic currency.
10. Finally, the Bank looks forward to introducing a rules-based monetary policy once the inflation rate comes down to a low level acceptable to citizens of between three and four percent per annum. As it has been adopted in many countries, inflation targeting in a flexible sense could be an option for the Bank to consider as Bangladesh’s strategy for monetary policy. The introduction of inflation targeting would require sustaining the stability of the exchange rate and restraining inflationary expectations amid economic and political uncertainties. Accordingly, the Bank is working on the development of a general framework of monetary policy that would be analytically sound, easy to follow and remain credible to the public. Although a rules-based monetary policy is likely to be followed in principle, some discretion would remain for the Bank to formulate monetary policy as per the (amended) Bangladesh Bank Order. Consistently with

mandatory requirements, the Bank would maintain working relations with the government to coordinate monetary and fiscal policies. These policies remain interdependent. Although, as the banker of the government, the Bank would require the financing of some deficits, the present contractionary monetary policy, as represented through the positive real policy rate, seems to convey a message for both the government and the private sector that the Bank is determined to follow with the process of bringing the inflation rate down to a low level. The alternative is sustaining a high level of inflation that would create unsustainable macroeconomic imbalances amid actual or potential political uncertainties.

11. Once the inflation rate comes down to the acceptable level between three and four percent per annum, the policy interest rate will be lowered in a way that maintains the real policy interest rate within the range between two and three percent per annum. This positive real interest rate will match the neutral or natural real interest rate that is expected to prevail at the full-employment level of output, or at the natural unemployment rate that keeps the inflation rate stable at the target level (as defined in the context of a rule-based monetary policy such as inflation targeting).