

# Bangladesh Bank **Quarterly**

January-March, 2018  
Volume XV, No.3



## **Bangladesh Bank Quarterly**

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# **Economic and Financial Developments**

## *Executive Summary*

*Economic activity maintained its robust growth momentum in Q3FY18, supported by strong domestic demand. A surge in remittance inflows along with strong private sector credit growth boosted consumption demand. At the same time, higher growth in investment-related imports reflected robust investment demand in the economy. Export growth also maintained its momentum during this period. On the supply side, the growth impulse largely came from the industry sector and the vibrant service sector. The agriculture sector activities also remained solid during the period under review, supported by benign weather conditions, higher crop price, and timely supply of inputs and finance.*

*Headline inflation (p-t-p) inched down to 5.68 percent in Q3FY18, reflecting moderating food inflation, supported by a good harvest along with food import. Twelve-month average inflation, on the other hand, edged up to 5.82 percent at end-March due to higher point-to-point inflation that prevailed at the start of the current fiscal year. Non-food inflation remained mostly stable at a relatively low level with some upward bias.*

*In Q3 FY18, private sector credit growth (18.0 percent) and reserve money growth (10.2 percent) were close to the monetary policy program path for June 2018, while broad money (M2) grew at a moderate rate (9.25 percent) owing to the negative growth in credit to government and the sluggish growth in NFA due to the widening trade deficit. The lending, deposit, and call money rates showed some upward pressures in Q3FY18 due to shifting excess liquidity conditions as strong credit growth continued to outpace deposit growth.*

*Despite a large deficit, current account balance witnessed some improvements in Q3FY18, aided by a decline in trade deficit and strong remittance inflows. However, overall balance remained negative and widened during the first three quarters of FY18. Though market forces resulted in a depreciating pressure on BDT, net sale in the foreign exchange market by BB helped avoid excessive volatilities. Real effective exchange rate depreciated due to the depreciation of BDT against other major currencies.*

*The moderate growth in overall government expenditure against strong revenue collection led to a decline in the budget deficit in Q3FY18. Deficit financing, as in the recent past, relied entirely on domestic non-bank financing and foreign borrowing. The capital market witnessed a downturn during this period, as reflected in the stock index, turnover, and market capitalization. The DSE broad index (DSEX) declined to 5597.4 at the end of March 2018 from 6244.5 at the December 2017.*

*Looking ahead, output growth is expected to receive continued support from strong domestic demand. However, moderation of inflationary pressures needs to be closely monitored to ensure inflation expectations remain well-anchored. Managing macro-financial stability in the face of a sizeable current account deficit, changing global and domestic liquidity conditions would require continued careful calibration.*

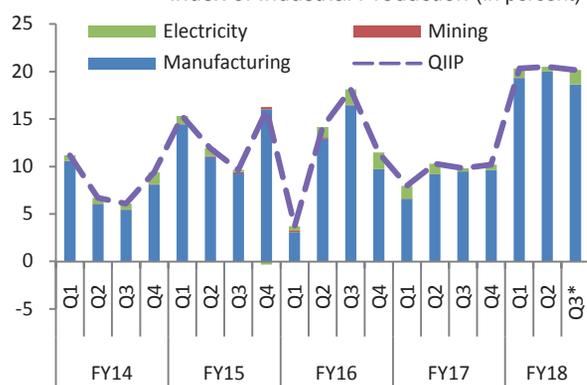
## I. Developments in the Real Economy

1.1 Economic activities maintained its robust growth momentum in Q3FY18, aided mainly by firm domestic demand. Strong private sector credit growth coupled with a surge in remittance inflows helped keep consumption demand buoyant while higher growth in investment-related imports indicates robust investment demand. Export growth also maintained its momentum this period. On the supply side, the strongest growth impulse stemmed from the industry sector, while the service sector activities seemed to have maintained its recent uptrend. After recovering from the flood-related shocks, the agriculture sector activities remained solid during the period under review.

1.2 The growth of agricultural output largely depends on rice production. In the current fiscal year, boro rice, the main rice crop in Bangladesh, has been cultivated on a slightly larger-than-targeted area. Though official data on boro production are yet to be finalized, indications are that boro production target will be achieved due to weather conditions, higher acreages, and a steady supply of inputs and finance.

1.3 Led by the manufacturing output, the industry sector maintained solid growth in Q3FY18. Aided by improving electricity supply and growing domestic demand, large- and medium-scale manufacturing output grew by 16.0 percent in January 2018 (y/y), with support from growth in food (41.7 percent), leather products (45.0 percent), textile (15.9 percent), and apparel (12.0 percent) productions. At the same time, electricity production increased by 28.3 percent. Robust growth in capital goods import and bank credit for working capital also validated robust industrial growth. In addition, strong growth in cement production in the first seven months of the fiscal year (32.2 percent), supporting public and private construction, points to buoyant construction activities in the economy.

Chart I.1: Growth Decomposition of Quantum Index of Industrial Production (In percent)



\* January 2018

Source: BB Staff's Calculation based on Bangladesh Bureau of Statistics (BBS) data

Chart I.2: Heat Map for Large and Medium Scale Manufacturing Output Growth (In percent)

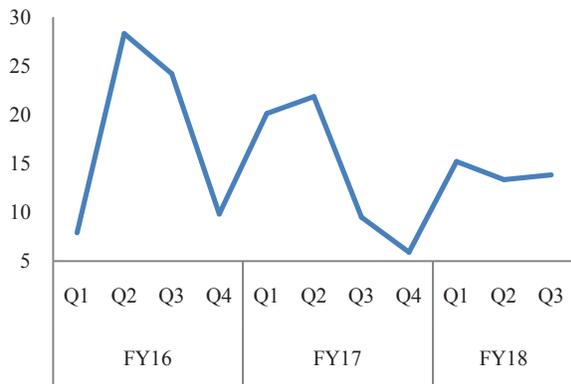
	Weight	FY16		FY17			FY18			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*
<b>General Index of Manufacturing</b>	<b>100</b>	17.8	10.6	7.3	10.0	10.3	10.6	21.4	21.8	16.0
Food products	10.8	28	4	-7	-11	1	5	31	55	42
Beverage	0.3	71	21	32	-26	-27	17	10	-13	-27
Tobacco product	2.9	-23	6	2	-1	26	-9	4	39	33
Textile	14.1	13	25	10	31	28	16	36	13	16
Wearing apparel	34.8	11	13	4	5	0	-3	10	13	12
Leather and related product	4.4	9	2	29	52	57	76	80	71	45
Wood and product of wood and cork	0.3	12	8	8	9	8	7	5	4	4
Paper and paper products	0.3	2	4	2	2	2	0	1	1	1
Printing and recorded media	1.8	3	3	5	5	6	5	3	4	3
Coke and refined petroleum product	1.3	14	87	103	143	63	4	-42	-40	-29
Chemical and chemical product	3.7	30	26	16	5	1	32	16	6	7
Pharmaceuticals products	8.2	12	-11	19	22	41	47	45	34	12
Rubber and plastic products	1.6	22	20	15	6	3	2	7	20	17
Non-metallic mineral product	7.1	49	38	29	31	34	33	26	15	5
Basic metal	3.2	27	-20	-8	-3	-34	-2	0	14	7
Fabricated metal product	2.3	15	11	17	22	30	22	18	18	6
Computer and electronic products	0.2	48	93	44	18	-6	-12	-18	-37	-57
Electrical equipments	0.7	25	25	59	84	68	34	33	-16	4
Machinery and equipments	0.2	40	46	47	42	52	41	46	43	25
Motor vehicles and trailers	0.1	101	50	103	124	11	38	-72	-59	-9
Transport equipment	0.7	175	58	-24	-6	4	6	18	12	15
Furniture	0.9	13	10	12	17	17	13	15	32	34

Sources: BB Staff's Calculation based on BBS data

\*January 2018

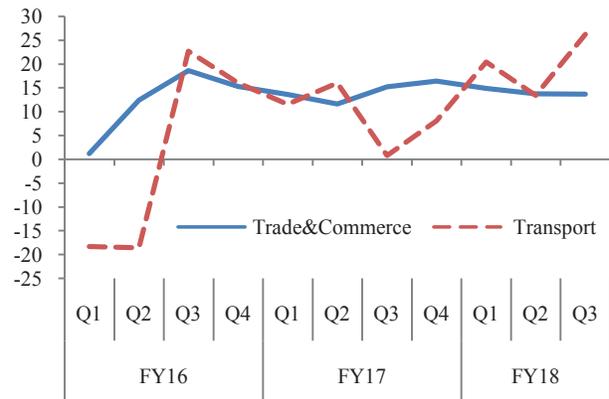
≤-10 -10 -5 -5-0 0-5 5-10 10-5≥15

Chart 1.3: Growth of Cargo Volume through Chittagong Port (In percent)



Source: Chittagong Port Authority

Chart 1.4: Growth of Bank Credit to Trade and Commerce and Transport (In percent)

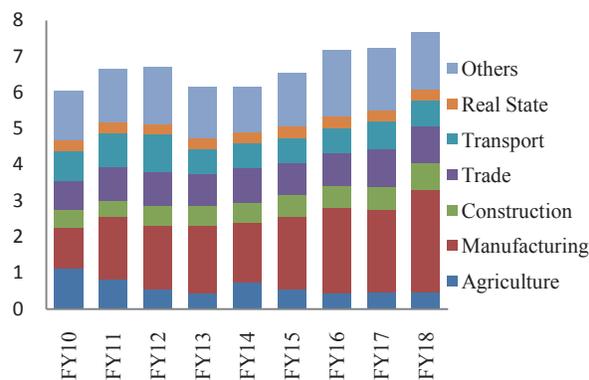


Source: Bangladesh Bank

1.4 The regained momentum in agricultural activities and strong growth in the industry sector supported service sector activities in Q3FY18, as reflected in the growth in cargo volume, and credit to trade and commerce, and transport sectors. The volume of cargo handled through the Chittagong port increased by 13.8 percent in Q3FY18 (y/y). At the same time, bank credit to trade and commerce, and transport grew by 13.7 and 26.3 percent, respectively.

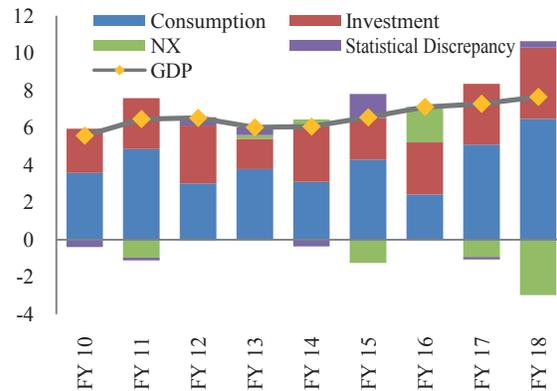
1.5 Bangladesh Bureau of Statistics (BBS) has released preliminary annual output growth estimates for FY18. According to BBS estimates, output growth is projected to increase to 7.65 percent in FY18 from 7.28 percent in the previous fiscal year, driven mainly by strong industry sector growth, particularly manufacturing growth. The industry sector, constituting around one-third of gross value added (GVA), accounts for 3.89 percentage point (more than 50 percent) out of 7.69 percent growths in GVA, while the service sector, comprising more than half of GVA, represents 3.35 percentage point (around 44 percent). The agriculture sector contributed only 0.45 percentage point to GVA.

Chart 1.5: Decomposition of GVA Growth (In percent)



Source: BB staff's calculation based on BBS data

Chart 1.6: Decomposition of GDP Growth (In percent)



Source: BB staff's calculation based on BBS data

1.6 On the expenditure side, strong domestic demand, particularly investment demand and flood-related food imports, led to a surge in total imports, resulting in a large trade deficit. In FY18, consumption and investment account for 6.47 and 3.82 percentage points, respectively out of 7.65 percent estimated GDP growth, while net exports served as a drag on growth (-2.98 percentage points).

## II. Price Developments

2.1 Headline CPI inflation (12-month average) crept up since May 2017 and reached 5.82 per cent in Q3FY18. During Q3, average headline CPI inflation was driven mainly by food inflation. Decomposition of headline inflation indicates that of the 5.82 percent inflation in March 2018, 4.40 percent (almost three-fourths of the increase) came from food inflation and the rest (1.42 percent) came from non-food inflation. Although favorable non-food inflation kept a lid on inflation pressures, it started to edge up during the quarter under review (Chart II.2).

2.2 On a point-to-point basis, the declining trend in headline CPI inflation since September 2017 continued in Q3FY18, reaching 5.68 percent in March 2018, aided by the recent decline in food inflation. Food inflation fell to 7.09 percent in March 2018 from 7.87 in September 2017, lower inflation in egg, meat and vegetables (Chart II.4). Rice prices, the main driver of food inflation, reflecting its weight in the CPI basket, contributed to the inflationary pressures despite some recent moderation. However, non-food inflation (p-t-p) showed an upward trend in Q3FY18.

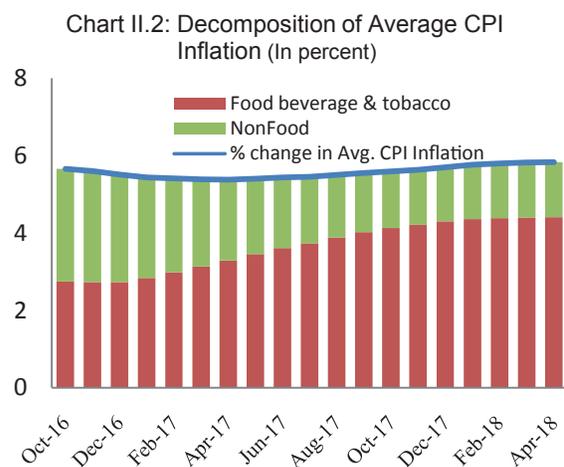
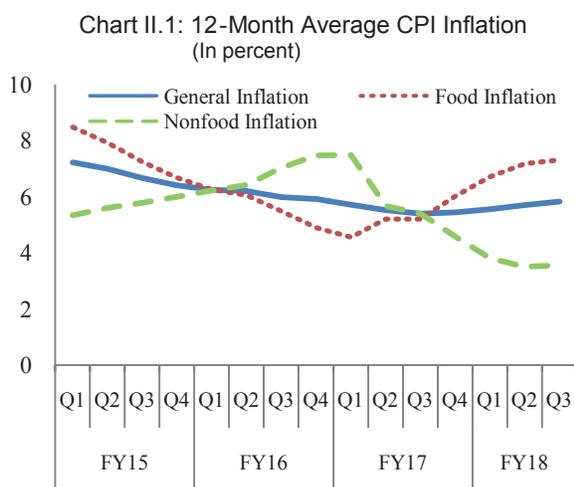
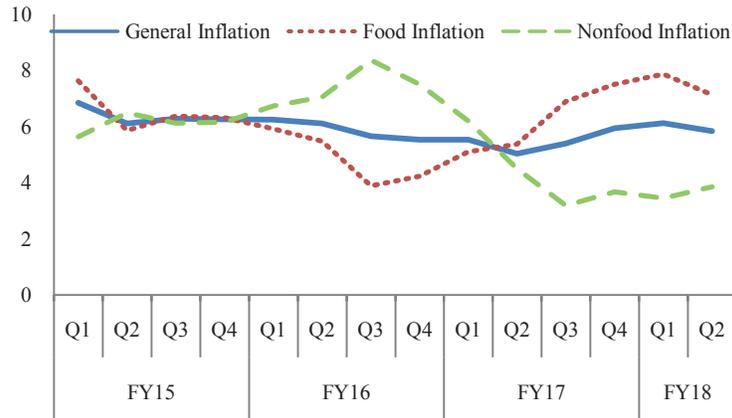


Chart II.3: Point-to-point CPI Inflation  
(In percent)



Source: Bangladesh Bureau of Statistics

Chart II.4: Heat Map for Point-to-Point CPI Inflation

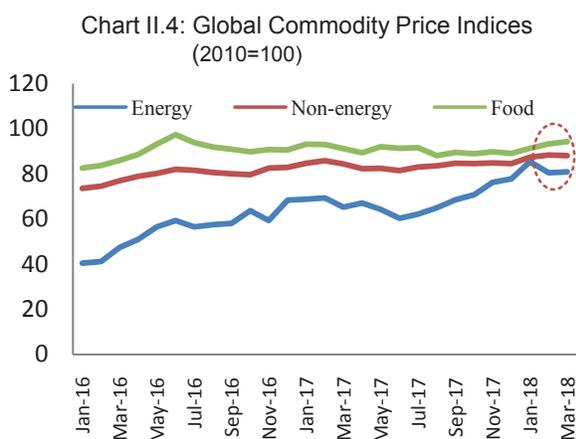
(In percent)	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
<b>General</b>	5.47	5.76	5.94	5.57	5.89	6.12	6.04	5.91	5.83	5.88	5.72	5.68
<b>Food, Bererage and Tobacco</b>	6.94	7.36	7.51	6.95	7.32	7.87	7.62	7.09	7.13	7.62	7.27	7.09
<b>1. Food</b>	7.59	8.57	8.68	7.81	8.25	8.78	8.46	7.82	7.93	8.40	6.86	6.42
(a) Cereals	8.93	18.97	22.25	18.49	19.83	26.04	15.18	13.93	17.68	15.87	18.24	19.81
(i) Rice	9.71	20.58	24.21	20.06	21.41	27.98	16.04	14.63	18.53	16.56	19.09	20.73
(ii) Others Cereals	-2.55	-2.72	-3.74	-3.12	-2.15	-1.50	1.85	3.14	4.66	4.71	4.53	4.85
(b) Pulses :	-12.18	-13.41	-13.85	-18.42	-20.84	-22.27	-15.73	-17.32	-18.26	-14.90	-9.60	-9.46
(c) Fish (fresh) & dry fish	2.47	5.47	-8.68	-8.90	-8.22	-6.11	-3.44	-3.74	-11.06	-10.30	-9.89	-8.50
(d) Eggs and Meat	8.81	7.97	7.11	13.20	12.56	13.38	13.69	13.93	10.88	11.22	7.28	3.86
(e) Vegetable	12.77	11.54	8.85	8.79	8.13	1.77	12.91	7.57	10.13	22.46	5.58	-0.07
(f) Fruits	26.77	9.06	4.15	3.16	-2.26	-8.53	-3.35	-3.46	-2.58	-0.40	4.31	8.08
(g) Spices	7.36	6.58	9.02	9.21	11.51	2.09	10.50	17.17	18.31	13.12	5.21	-0.08
(h) Edible oils & fats	4.54	4.53	4.57	4.67	3.77	3.58	3.78	3.13	2.36	1.46	1.11	1.73
(i) Milk and milk products	2.93	3.25	0.87	0.72	0.66	1.13	1.10	1.12	1.24	1.10	1.07	1.17
(j) Miscellaneous food items	9.61	9.23	9.46	6.76	7.19	3.18	2.86	4.06	5.14	4.28	3.83	3.83
<b>2. Beverage</b>	-0.29	0.07	0.44	0.44	0.76	0.95	1.14	1.13	1.13	0.75	0.28	0.38
<b>3. Tobacco &amp; Products</b>	1.64	-3.13	-2.77	-0.45	-0.92	-133	-0.19	.56	-0.12	0.72	13.44	15.97
<b>Non-food</b>	3.29	3.44	3.67	3.53	3.75	3.44	3.61	4.10	3.85	3.23	3.36	3.52
<b>I. Clothing and Footwear</b>	3.24	3.15	3.49	2.23	2.52	2.03	2.12	2.75	2.64	6.55	6.67	6.70
<b>II. Rent, Fuel &amp; Lighting</b>	3.64	4.45	4.76	4.88	4.65	4.48	4.49	4.58	4.77	1.89	1.91	1.64
<b>III. Household Furniture, operations and repaining</b>	2.96	2.67	2.88	3.78	4.44	4.32	5.46	6.55	5.72	5.75	5.81	6.66
<b>IV. Medical Care &amp; Health Expenses</b>	0.79	0.79	0.78	0.81	0.77	0.72	0.75	0.92	0.97	1.06	1.285	1.66
<b>V. Transport and Communication</b>	2.94	3.29	3.36	3.78	4.25	3.41	3.42	3.90	2.97	2.86	3.35	3.61
<b>VI. Recreation &amp; Educational Expenses</b>	6.14	6.12	6.12	5.83	5.87	5.87	5.91	5.94	6.24	0.99	1.06	1.02
<b>VII. Miscellaneous Goods &amp; Services</b>	2.8	1.7	2.1	1.1	2.1	1.8	1.8	3.3	2.2	2.5	2.5	3.3

Sources: BB Staff's calculation based on BBS dage

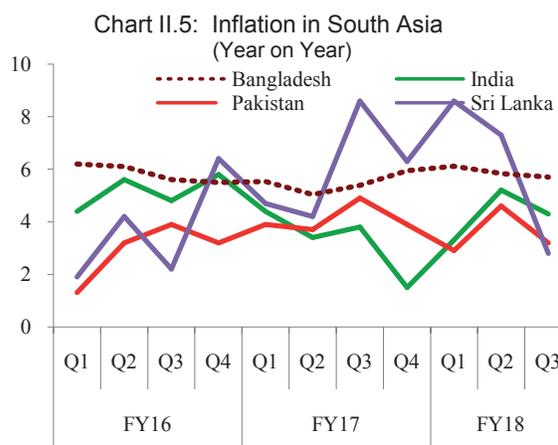


2.3 Global commodity prices continued its rising trend in Q3 FY18, supported by strong economic activities both in advanced and emerging markets economies (Chart II.4). Rising geopolitical tension and production cuts increased oil prices by over 8 percent during the quarter under review. Various policy actions in advanced economies such as additional tariff and any production cuts may complicate price pressures in the global commodity market.

2.4 During Q3FY18, from a regional perspective, inflation performance improved in South Asia. Inflation in Sri Lanka fell sharply to 2.8 percent from 7.3 percent in Q2FY18. Inflation in India and Pakistan marginally declined to 4.3 percent and 3.2 percent from 5.2 percent and 4.6 percent, respectively (Chart II.5).



Source: World Bank



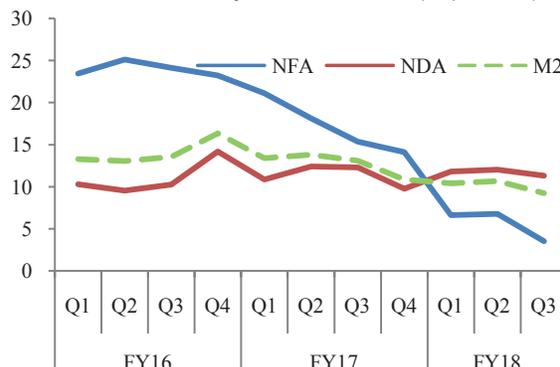
Source: Central Banks and Statistics Department of respective countries

2.5 Looking ahead, the pass-through effects of global prices on local prices may receive some offsets from good domestic harvests, as suggested by the recent domestic food price developments. However, upside risks to inflation stem from gradual increase in non-food price and imported inflation through the exchange rate pass-through effects of higher commodity prices.

### III. Money and Credit Market Developments

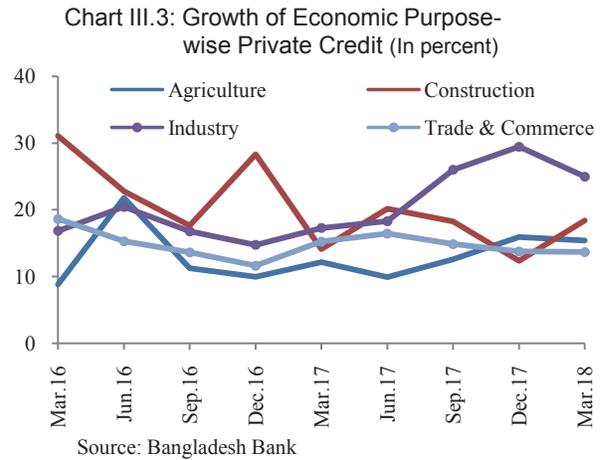
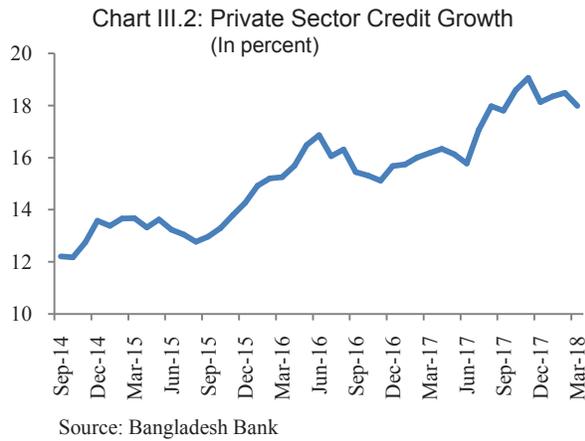
3.1 Monetary developments tightened somewhat in Q3FY18. Broad money growth remained modest at 9.3 percent (y/y) in March 2018, remaining well below the FY18 monetary program target of 13.3 percent. Lower growth of NFA mostly explains the slower growth in M2 (Chart III.1). Deceleration of NFA growth was driven by a larger current account deficit that resulted in a negative overall balance. Growth of NDA, on the other hand, was high due to strong private sector credit growth.

Chart III.1: Trend in Growth of Broad Money, NFA and NDA (In percent)

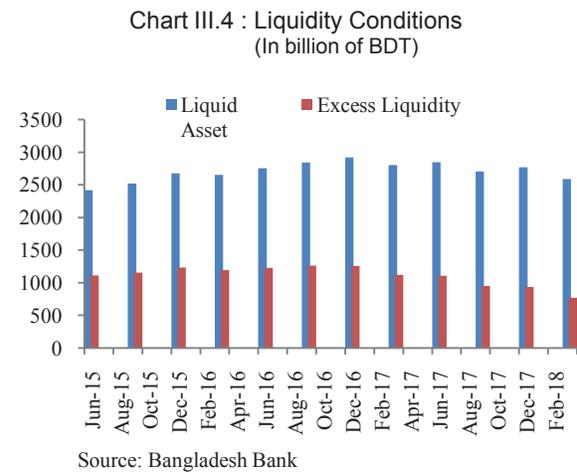


Sources: Bangladesh Bank

3.2 Private sector credit grew robustly during Q3FY18 (chart III. 2), reaching 18.0 percent (y/y) in March, 2018, exceeding the FY18 monetary program target of 16.8 percent. The growth supportive sectors, industry and service, were the major credit recipient of private sector loans. Around 40 percent loan went to industry and 35 percent to the trade and commerce sector. Credit to the construction sector picked up in March 2018 after being on a downward trajectory since June 2017(Chart III.3).



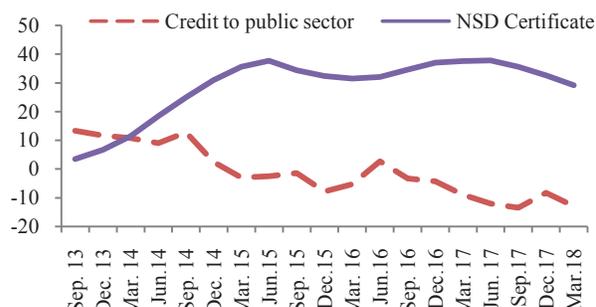
3.3 Strong credit growth in recent quarters, well above the deposit growth, gradually absorbed the excess liquidity that was prevalent in the banking system in recent years amid the backdrop of sizeable current account surpluses and positive overall balance (Chart III.4). Call money rate edged up to around 4.4 percent from their recent lows due to higher liquidity demand as some of the banks expanded their portfolios and recalibrated their liquidity management.



3.4 The growth in outstanding stock of National Savings Certificates (NSCs) declined marginally in Q3FY18 compared to Q2FY18. However, the outstanding stock reached 2,280 billion BDT, rising by 29.0 percent during Q3FY18. On the other hand, credit to public sector shrank by 13 percent as the Government relied more on NSCs for deficit financing.

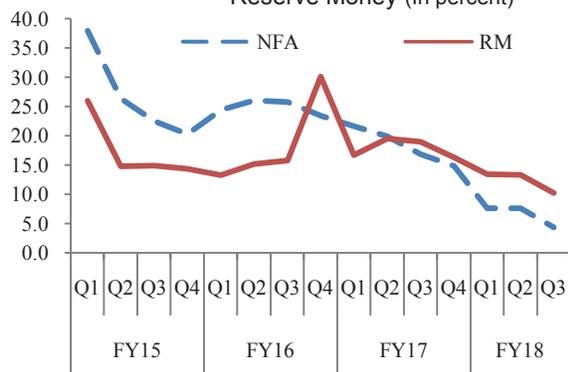
3.5 Reserve money growth continued its declining trend in Q3FY18, falling to 10.2 percent in March 2018 from 16.3 percent in June 2017. A sharp decline in growth of net foreign asset of RM was the major contributor behind this development.

Chart III.5: Growth of Public Sector Credit and Outstanding NSC (In percent)



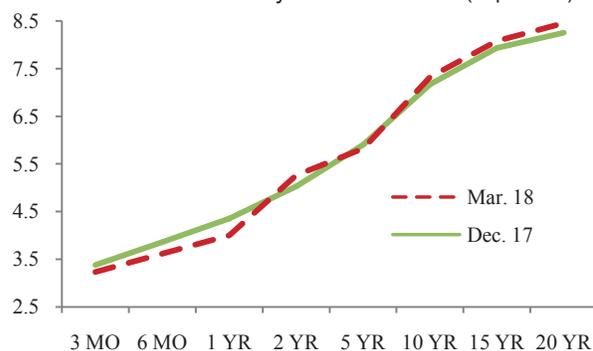
Sources: Bangladesh Bank; National Savings Directorate

Chart III.6: Growth Rates of NFA and Reserve Money (In percent)



Source : Bangladesh Bank

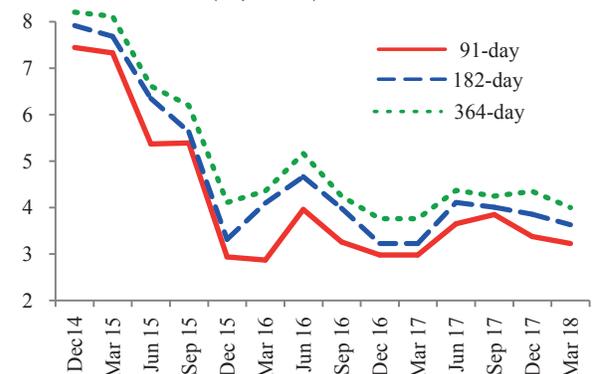
Chart III.7: Weighted Average Yield of Government Treasury Bills and Bonds (In percent)



Source: Bangladesh Bank

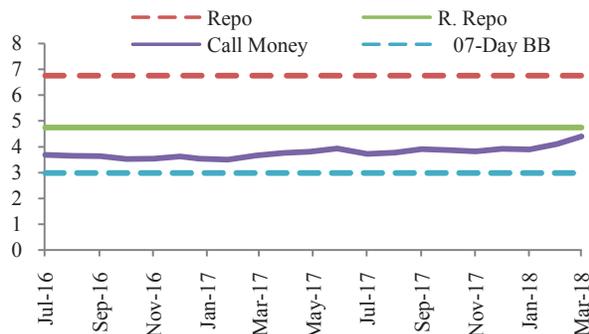
3.6 Yield on T-bills fell in Q3FY18, compared to Q2FY18. The yield on 91-day, 182-day and 364 - day T-bill were 3.23, 3.63 and 4.0 percent, respectively, at the end of March 2018. On the other hand, yields on BGTBs with maturities of 2-year, 5-year, 10-year, 15-year and 20-year rose slightly to 5.26, 5.82, 7.32, 8.08 and 8.45, respectively. Outstanding stock of Bangladesh Bank bills, treasury bills and bonds decreased in this quarter compared to December 2017, as budget financing relied mostly on NSCs.

Chart III.8: Yield on T-Bills (In percent)



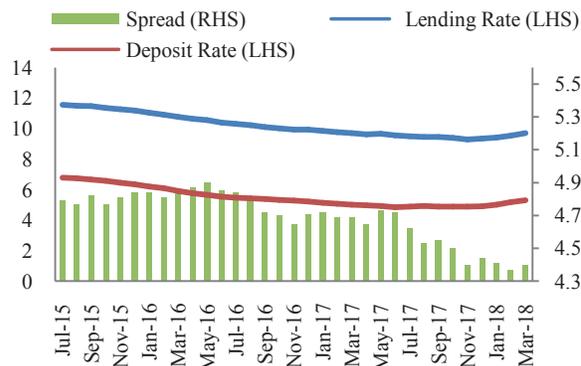
Source: Bangladesh Bank

Chart III.9: Policy Rates, BB Bill and Call Money rate (In percent)



Source: Bangladesh Bank

Chart III.10: Lending-Deposit Rates and Spread (In percent)



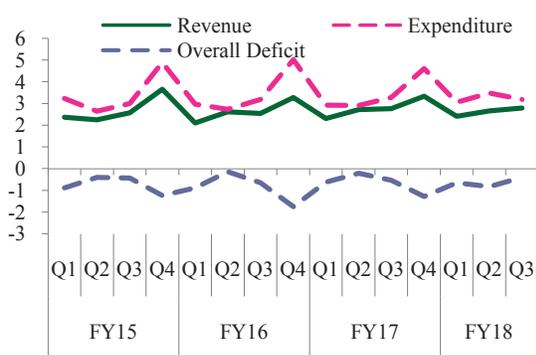
Source: Bangladesh Bank

3.7 The fall in excess reserve due to strong private credit growth nudged the call money rate up slightly to 4.4 percent at the end of March 2018. Although interest rates faced some upward pressures reflecting both demand and supply conditions, average lending and deposit rates increased to 9.7 and 5.3 percent in March, up by 0.35 and 0.39 percentage point respectively, resulting in a spread of 4.4 percent.

#### IV. Fiscal Developments

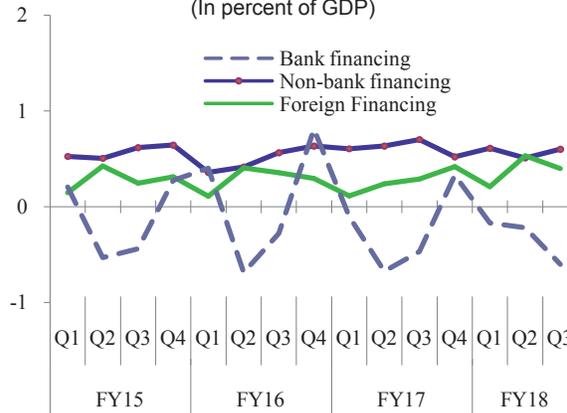
4.1 Overall fiscal performance remained relatively cautious in Q3FY18. The higher pace of revenue collection over moderate expenditure growth helped lower fiscal deficit during Q3FY18. The fiscal deficit reduced by 10.4 percent to BDT 92.1 billion in Q3FY18. The entire amount of deficit financing was met from non-bank and foreign sources during Q3FY18. During the first nine months of FY18, budget deficit as percent of GDP stood at 1.9 percent, well below the target of 4.8 percent of GDP in the revised budget.

Chart IV.1: Trends in Government Revenue and Expenditure (In percent of GDP)



Sources: Bangladesh Bank; National Board of Revenue

Chart IV.2: Financing of Budget Deficit (In percent of GDP)

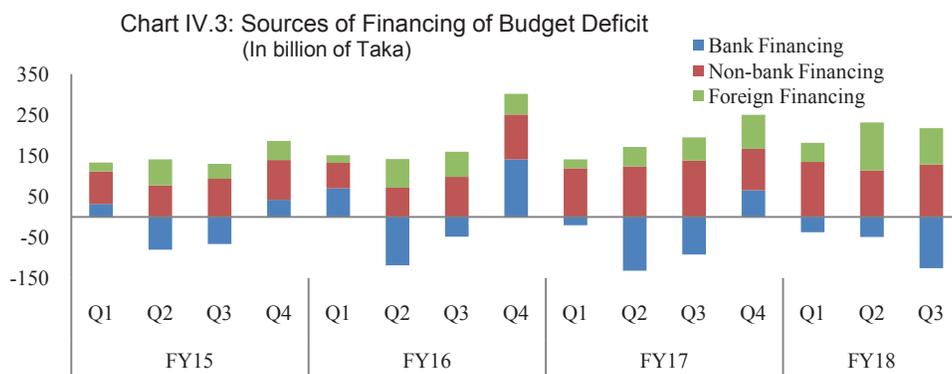


Sources: Bangladesh Bank; National Board of Revenue

4.2 The overall revenue collection grew by 12.2 percent to BDT 605.6 billion in Q3FY18 compared to the corresponding period of the last fiscal year, which is mostly in line with the nominal growth of GDP. In Q3FY18, NBR tax revenue collection rose by 11.0 percent to BDT 515.1 billion over Q3FY17, but growth in non-tax revenue (23.4 percent) performance was stronger. With regards to the NBR revenue collection, value added tax (12.1 percent), customs duties (8.6 percent), and income tax (8.4 percent) were the main drivers. During the first three quarters of FY18, revenue collection amounted to BDT 1739.0 billion which was 67.0 percent of the annual revised budget target.

4.3 Growth in aggregate fiscal spending moderated in Q3FY18, due mainly to the slower growth in current expenditure. The overall expenditure grew by 8.6 percent to BDT 697.7 billion in Q3FY18. Of the total expenditure in Q3FY18, current spending rose slightly by 1.2 percent to BTD 365.7 billion and ADP expenditure increased by 35.9 percent. During the first three quarters of FY18, total expenditure achieved 58.1 percent of annual revised budget target of BDT 3715.0 billion.

4.4 The fiscal deficit narrowed in Q3FY18 owing to higher revenue collection over modest growth in expenditure. The deficit reached BDT 92.1 billion during Q3FY18, which was about 10.4 percent lower than in Q3FY17. During the first three quarters of FY18, budget deficit as percent of GDP stood at 1.9 percent as against 4.8 percent of the yearly revised target.

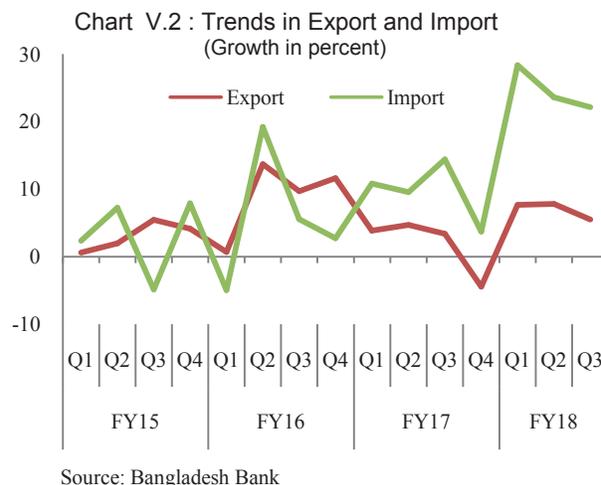
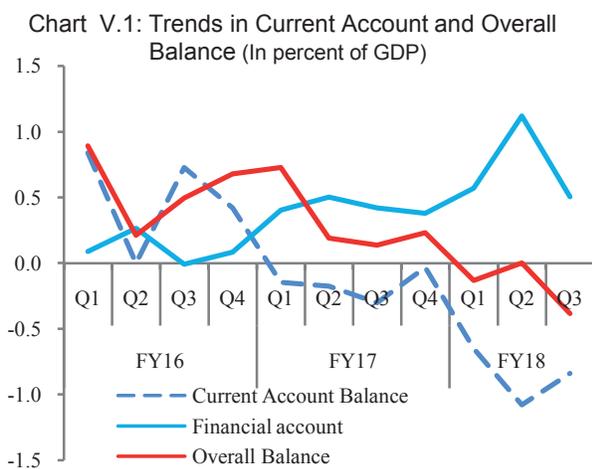


Sources: Ministry of Finance; Bangladesh Bank

4.5 Deficit financing during Q3FY18 mostly relied on non-bank and foreign sources. Of the total deficit financing, domestic sources contributed BDT 2.9 billion in Q3FY18, which was much lower than that in Q3FY17. The foreign financing amounted to BTD 89.3 billion which was 56.6 percent higher than Q3FY17. The widening of repayment bank financing continued in Q3FY18 (Chart IV.3).

## V. External Developments

5.1 Overall balance turned into a deficit, due to a sizeable current account deficit, accompanied by modest financial inflows during the first three quarters of FY18. However, quarter to quarter data show that current account deficit slightly narrowed in Q3FY18 due to a decrease in trade deficit and strong remittance inflows. During the quarter under review, remittance inflows grew by 26.5 percent, the highest in the last 25 quarters.

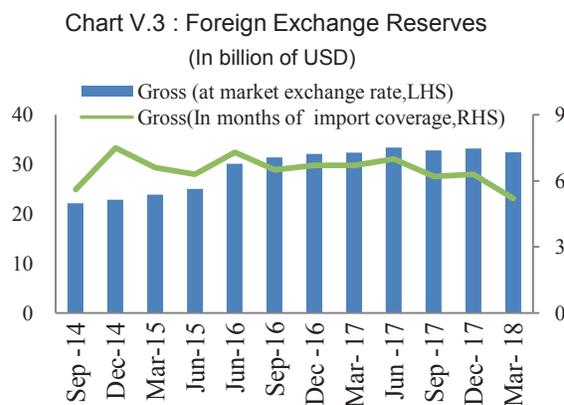


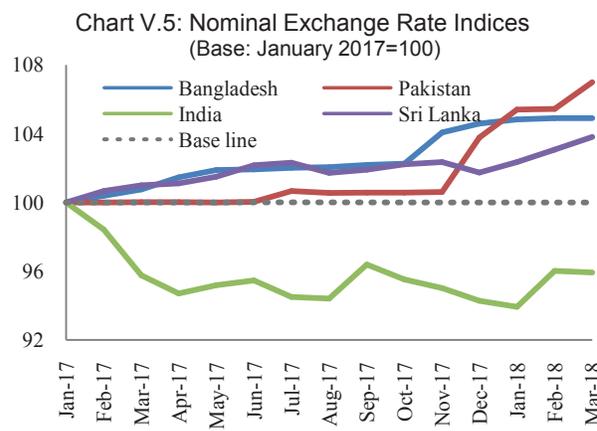
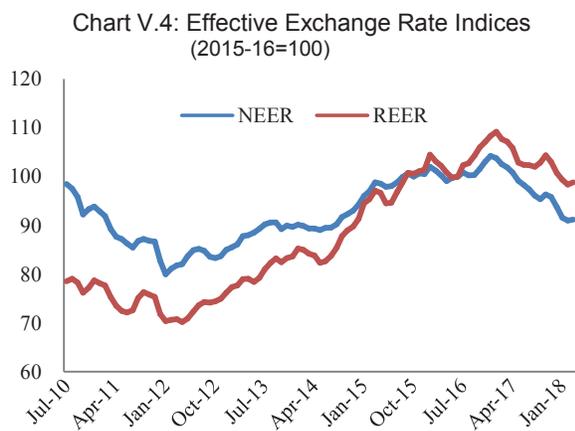
5.2 Trade deficit narrowed slightly in Q3FY18 due to steady export growth and a slight moderation in import growth compared with Q2FY18 from slowing food imports growth. Capital goods import surge continued in Q3FY18, accounting for about 28 percent in overall import during the period under review.

5.3 In Q3FY18, capital and financial inflows declined by 54 percent from the level of Q2FY18, partly reflecting the lumpy nature of such flows. Lower foreign direct investment (FDI) and other investment including medium and long-term (MLT) explained the movements in capital and financial account during Q3FY18. About 60 percent of current account balance deficit was financed by capital and financial account surplus.

5.4 Remittance growth continued its positive trajectory in Q3FY18, reflecting a confluence of factors, including higher oil price, depreciation of BDT, and policy measures to facilitate the remittance inflows through the formal channel. Remittance inflows from the Middle Eastern economies constituted around 57 percent of total remittance during the quarter under review. Remittance inflows from the Euro area and Asia Pacific region also maintained positive growth, in line with the stronger economic activities, during the quarter under review.

5.5 Foreign exchange market reflected some market forces while avoiding excessive volatility Q3FY18 through some sales in foreign exchange reserves. As a result, foreign exchange reserve coverage edged down at the end of Q3FY18, hovering around 5 months of imports. Given the recent movements in Taka against US Dollar and the shifts in major currencies, NEER and REER depreciated in Q3FY18 by 2.7 and 2.1 percent from Q2FY18, supporting export competitiveness.



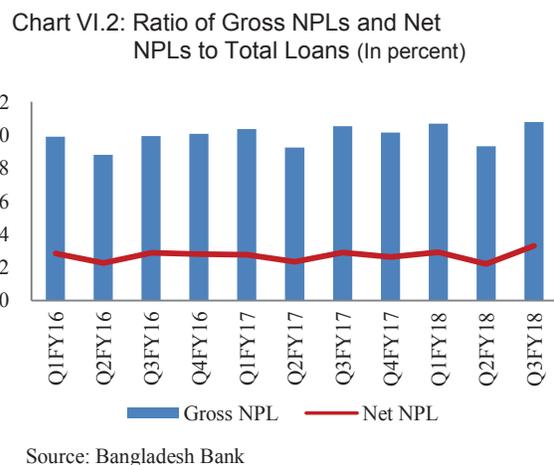
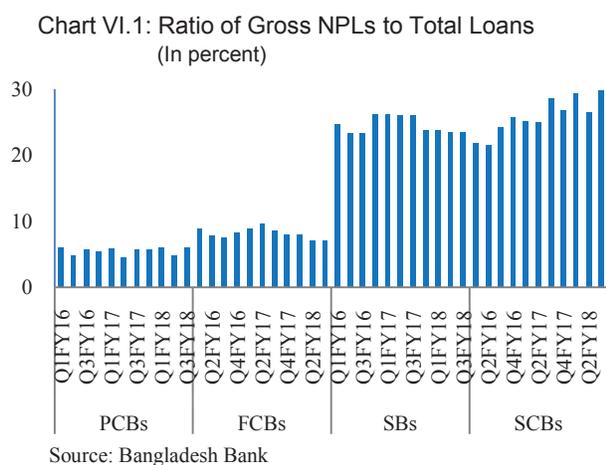


5.6 Looking ahead, favorable oil prices and resumed construction activities in some of the Middle Eastern economies are expected to support remittance inflows, providing support to current account deficit. Strong export growth is contingent on the continued buoyancy in the global economic activities, assuming geopolitical tension and trade disputes do not disrupt the global growth momentum. Import payments are expected to moderate as food and other one-off items import taper over the coming quarters.

## VI. Banking Sector Performance

6.1 Banking sector's performance remained mixed during Q3FY18, as reflected in non-performing loan, capital adequacy, provision shortfall position and liquidity condition. During Q3FY18, overall NPL edged up, driven mainly by state owned commercial banks (SCBs). Although liquidity condition remains broadly stable, strong private credit growth over moderate deposit growth has impacted overall liquidity conditions during the quarter under review, which was addressed through BB's subsequent policy actions.

6.2 Among the banking groups, gross NPL for private commercial banks (PCBs) is the lowest but rose modestly from 5.7 percent in Q3FY17 to 6.0 percent in Q3FY18. However, the provisioning remained adequate (Table VI.1 and Chart VI.1). NPLs in SCBs remained elevated at 29.8 percent in March 2018, reflecting a weaker provisioning (Table 6.1). The system-wide gross NPL went up by 1.4 percentage point during this quarter to 10.8 percent (Table VI.2 and Chart VI.2).



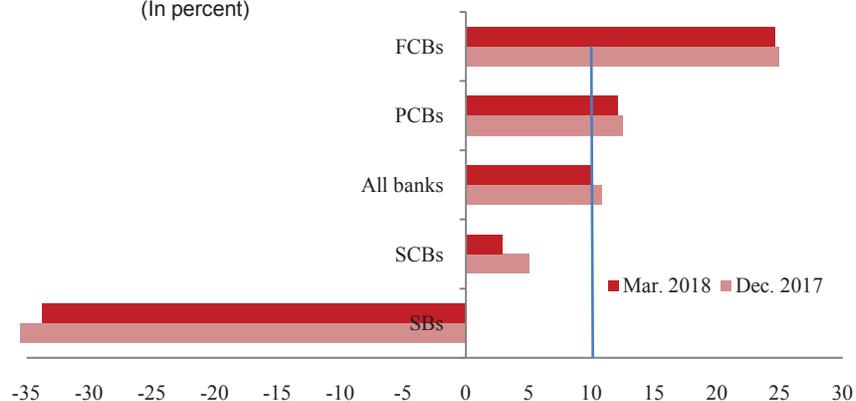
6.3 Despite some softening, overall capitalization of the banking system remained stable at end-March 2018. CRAR for private commercial banks declined modestly from 12.5 percent in Q2FY18 to 12.1 percent at Q3FY18 and private banks remained well capitalized. Capital position of SCBs has fallen from 5.0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

**Table 6.1: Comparative Position of Classified Loan and Provision Maintained**

(In billion of BDT)

Quarter	Items	SCBs	SBs	PCBs	FCBs	All Banks
Q4 FY17	Total classified loan	345.8	55.2	317.3	23.2	741.5
	Required provision	205.3	27.8	186.1	17.1	436.4
	Provision maintained	131.7	28.8	196.3	17.7	374.5
	Excess(+)/shortfall(-)	-73.6	0.9	10.2	0.6	-61.9
Q1 FY18	Total classified loan	385.2	55.2	339.7	23.0	803.1
	Required provision	220.9	27.8	197.4	16.9	463.1
	Provision maintained	145.3	28.8	208.2	17.5	399.7
	Excess(+)/shortfall(-)	-75.7	0.9	10.8	0.5	-63.4
Q2 FY18	Total classified loan	373.3	54.3	294.0	21.5	743.0
	Required provision	216.9	26.1	184.3	15.6	443.0
	Provision maintained	134.3	26.2	198.2	16.5	375.3
	Excess(+)/shortfall(-)	-82.6	0.1	13.9	0.9	-67.7
Q3 FY18	Total classified loan	436.9	54.3	372.9	21.9	885.9
	Required provision	243.1	26.1	207.5	15.7	492.4
	Provision maintained	147.8	27.6	221.0	16.4	412.8
	Excess(+)/shortfall(-)	-95.3	1.5	13.4	0.8	-79.6

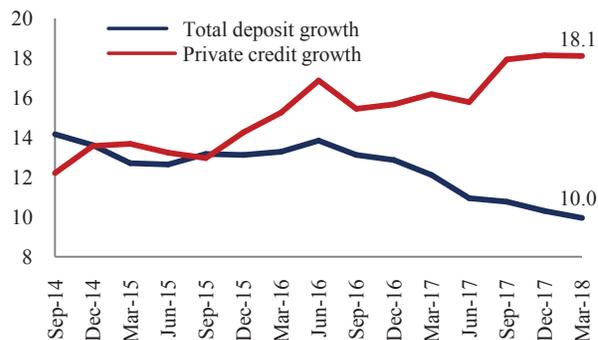
**Chart VI.3: Capital to Risk Weighted Assets Ratio (CRAR)**  
(In percent)



Source: Bangladesh Bank

6.4 Private sector credit growth by the scheduled banks has been hovering around at 18 percent in recent month, a five-year high and far exceeding the deposit growth at around 10 percent (including Government deposit) (Chart VI.4). Overall advance deposit ratio (ADR) in the banking system rose to 77.0 percent in Q3FY18 from 75.9 percent in Q2FY18, remaining below the maximum regulatory ceiling. In Q3FY18, ADR for PCB indicated over-exuberance in lending compared to Q3FY17 (Chart VI.5 and Table 6.2).

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



Source: Bangladesh Bank

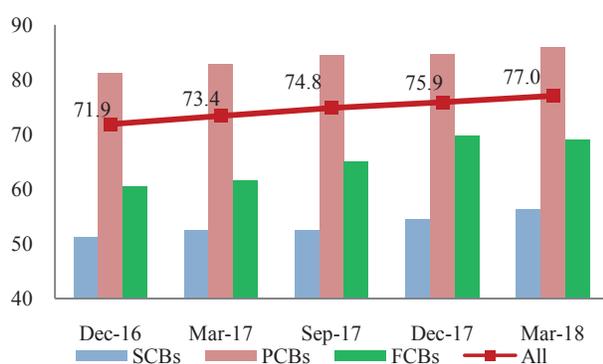
6.5 Overall liquidity has moderated gradually during the last four quarters, although liquidity condition of the banking system remains broadly stable in Q3FY18 (Table 6.3). Excess liquidity, the excess of SLR as percent of total demand and time liabilities (TDTL), has been declining in recent months (Chart VI.6), suggesting the need for adhering to a prudent asset-liability management and aligning the credit growth in line with the deposit growth.

Table 6.2: Deposit and Advance Position of Scheduled Banks (end of the month)

Bank groups	Year-on-year growth of deposit, % (excluding interbank)*		Year-on-year growth of advances, % (excluding interbank)		Advance Deposit Ratio (ADR)	
	Mar. 18	Dec. 17	Mar. 18	Dec. 17	Mar. 18	Dec. 17
SCBs	7.9%	6.5%	15.4%	12.7%	56.2%	54.6%
SBs	5.9%	10.3%	5.0%	6.0%	76.3%	77.3%
PCBs	12.2%	12.6%	18.5%	19.9%	85.8%	84.7%
FCBs	5.5%	8.1%	16.5%	21.6%	69.0%	69.7%
All	10.5%	10.6%	17.4%	18.1%	77.0%	75.9%

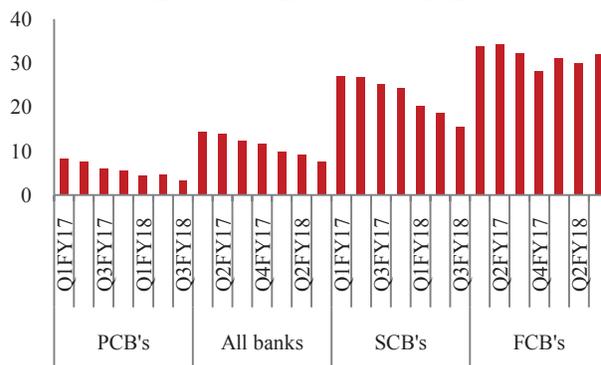
Source: Bangladesh Bank. \*Adjusted deposits growth for ADR

Chart VI.5: Advance Deposit Ratio (In percent)



Source: Bangladesh Bank

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



Source: Bangladesh Bank, Staff's calculation

**Table 6.3: Liquidity Position of the Scheduled Banks**

(In billion of BDT)

Bank groups	CRR			SLR		
	CRR requirement	Balance with BB in local currency	Excess(+)/shortfall (-) in reserve	SLR	SLR eligible liquid assets of banks**	Excess(+)/shortfall (-) of SLR
1	2	3	4=3-2	5	6	7=6-5
As of end-March, 2018						
SCBs	173.9	175.7	1.8	344.0	765.1	421.2
SBs*	17.6	18.0	0.3	0.0	0.0	0.0
PCBs (other than Islamic)	301.0	305.4	4.5	601.9	757.1	155.2
Private Banks (Islamic)	136.1	174.4	38.2	115.2	171.3	56.2
FCBs	27.0	32.1	5.1	52.6	188.9	136.3
All	655.6	705.6	49.9	1113.6	1882.5	768.9
As of end-December, 2017						
SCBs	172.6	178.8	6.2	341.9	844.0	502.1
SBs*	17.4	18.0	0.6	0.0	0.0	0.0
PCBs (other than Islamic)	290.2	303.8	13.5	580.5	786.5	206.0
Private Banks (Islamic)	132.4	207.4	75.0	112.1	213.1	101.0
FCBs	27.6	37.5	9.9	53.8	178.6	124.8
All	640.3	745.5	105.2	1088.3	2022.1	933.8

Source: Bangladesh Bank

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

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

Note: According to the circular No-MPD-02, 2013 with effect from February 01, 2014 SLR has been calculated separately (excluded CRR of 6.5%) as 13% for conventional banks and 5.5% for Islamic banks of the total demand and time liabilities.

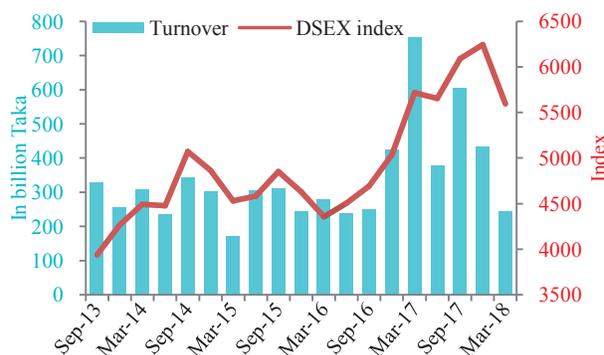
6.6 While banking sector developments reflected some liquidity mismatch concerns during Q3FY18, the recent initiative to cut CRR and repo by 100 and 75 basis points eased the liquidity conditions. The focus remains on managing the credit growth and ensuring that credit reaches productive sectors that support inclusive growth and macro-financial stability is maintained.

## VII. Capital Market Developments

7.1 Capital markets underwent some corrections during Q3FY18 after rallying consecutively for the last seven quarters, as reflected in price indices, market capitalization, price earnings ratio, and turnover. The corrections reflected both domestic and external market developments, including the price corrections in the global equity markets

7.2 In Q3FY18, the key indicators of the capital market, the DSE broad index (DSEX) and DSE-30 index had some price corrections. The DSEX index

Chart VII.1: Trends in DSEX Index and Turnover



Source: DSE Monthly Review, Various Issues

declined by 10.4 percent in Q3FY18 from December 2017 and by 2.1 percent from March 2017. DSE- 30 index decreased by 7.8 percent from December 2017 but it rose 0.7 percent from March 2017. (Chart VII.1 and Table VII.1).

7.3 In Q3FY18, overall price-earnings (PE) ratio of the DSE decreased compared to the previous quarter. The average price earnings ratio reached 15.84 in March 2018 from 17.28 at the end of December 2017. Sector-wise PE data show that banking sector's PE score was the lowest position while that of the food and allied products sector was highest (Chart VII.2) in Q3FY18.

7.4 In Q3FY18, turnover moderated but issued capital expanded. During Q3FY18, the value of issued equity and debt increased by 0.5 percent and one new company was listed in the capital market. Thus the number of listed securities increased to 349 at the end of Q3FY18. Total turnover value dropped by 43.6 percent during Q3FY18 compared to previous quarter (Chart VII.1). Market liquidity as measured by Turnover Velocity Ratio (TVR)<sup>1</sup> dropped to 29.1 percent in Q3FY18 from 47.2 percent in Q2FY18.

7.5 The net investment by foreign and non-resident Bangladeshi increased during Q3FY18 to BDT 15.2 billion from BDT 14.8 billion in Q2FY18 while decreasing share sales to BDT 12.7 billion from BDT 15.4 billion in Q2FY18. As a result, net investment of foreign and non-resident Bangladeshi rose to BDT 2.5 billion in Q3FY18 as compared to BDT -0.7 billion in Q2FY18.

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



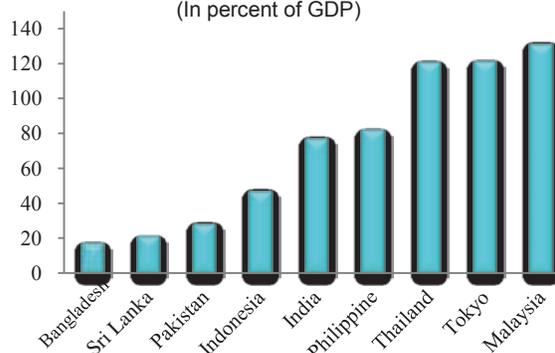
Source: DSE Monthly Review, March, 2018

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

Country	Price Earnings Ratio	Dividend Yield
Bangladesh	15.84	3.47
India	23.01	1.18
Sri Lanka	11.19	1.35
Thailand	18.17	2.06
Hong Kong	15.96	-
China	18.29	-

Source: DSE Monthly Review, March 2018

**Chart VII.3:** Selected Countries; Stock Market Capitalization March 2018 (In percent of GDP)



Source: DSE Monthly Review, April 2018

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



# Boxes

## Box-1

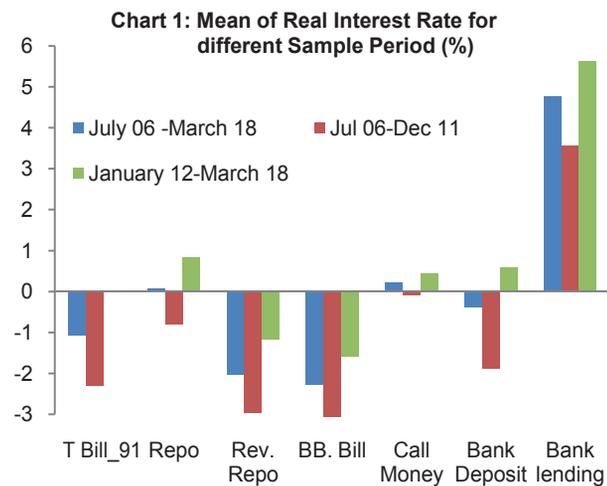
### Estimating Neutral Real Interest Rate in Bangladesh\*

A neutral real interest rate (NRI) is the real interest rate at which GDP is growing at its trend rate, and inflation is stable. It is also referred to as the equilibrium interest rate. Central banks estimate neutral real interest rate for setting policy rate to preserve price stability. The gap between the current real interest rate and the neutral real interest rate can be thought of as a rough measure of assessing monetary policy stance. NRI is a hypothetical construct, hence one cannot observe it. It provides an indicative benchmark for policy-makers to compare with many other market interest rates in the economy, by informing them whether a given level of the interest rate is likely to be contractionary or expansionary. It may be estimated from observed data and it varies over time due to the change in economy's potential growth rate, financial market depth, the composition of demographic structure, and the risk attitude of the households and firms. There are many methods (structural model, filtering and historical average) that are generally employed to estimate NRI. This box shares some results from a study that estimates NRI for Bangladesh by employing two different methods such as historical average and filtering (Hodrick-Prescott) methods, given their wide usages in the literature.

**Table 1: Estimated Neutral Real Interest Rate (%)**

Name of Variable	Method-1: Historical Average	Method-2: HP Filter	Average of Two Methods
Repo	0.82	1.07	0.95
Reverse Repo	-1.18	-0.92	-1.05
BB Bill	-1.59	-3.16	-2.38
91-day T. Bill	0.01	-2.91	-1.45
Call Money	0.44	-2.27	-0.91
Bank Deposit	0.59	-1.01	-0.21
Bank Lending	5.56	3.42	4.49
5-Year Bond	2.36	0.6	1.48
10-year Bond	3.28	0.68	1.98

Source: BB staff estimates.



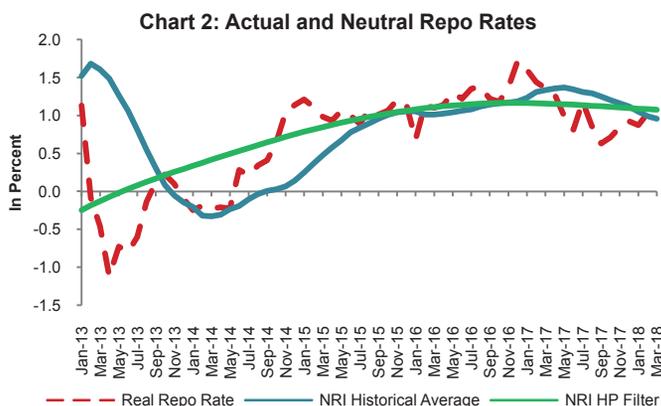
Source: BB staff estimates.

\*The team comprising of Md. Habibour Rahman, Mahmud Salahuddin Naser and Md. Ezazul Islam of Chief Economist's Unit. The detailed paper will be published in the forthcoming Monetary Policy Review, 2018. The views expressed in the paper are authors' own and does not reflect those of Bangladesh Bank.

This study computes the average of the real interest rates over a business cycle. The cyclical component of interest rates should average out to zero. The whole sample period (July 2006-March 2018) has been divided into two sub-samples such as July 2006-December 2011 and January 2012- March 2018 on the basis of the negative and positive mean (Chart 1). Mean of the different real interest rates (inflation adjusted) are quite different and diverges across different sample periods. For example, during July 2006-December 2011, mean of repo real interest rate is negative while it is positive for the period of January 2012-March 2018. Considering the sample period of positive real interest rates, an estimated NRI for different real interest rates are calculated<sup>1</sup>. An average of the positive real interest rate is used as a proxy of neutral rate. According to the estimates, NRI for different real interest rates is shown in Table 1.

There are cross country differences in what are used as the policy interest rates. Bangladesh Bank considers repo and reverse repo as the policy interest rates. Estimated neutral interest rates for Bangladesh indicate that it varies across methods and time. The NRI for repo shows that it ranges between 0.82 percent and 1.07 percent. Behera et.al (2015)<sup>2</sup> estimates the neutral interest rate of India for the period Q4 of 2014-15 lies between 1.6 percent and 1.8 using the sample period of 1996-2015.

Chart 2 provides an illustration of how the real repo neutral interest rate has changed for last five years. The results suggest that monetary policy stance has remained accommodative, as reflected in the neutral rate of interest and repo rates. Currently, monetary policy stance is very close to the neutral rate.



The limitation of the estimate is that these methods are suffering from end sample bias. However, research is continually being undertaken to improve the estimation.

<sup>1</sup>In India, the Report of the Expert Committee to Review and Strengthen the Monetary Policy Framework (Chairman: Dr Urjit Patel) has recommended adoption of a simple policy rule defined in terms of a real policy rate, which should be positive, on average, when inflation exceeds the inflation target, and the Monetary Policy Committee (MPC) should decide the magnitude by which it may be positive.

<sup>2</sup>Behera H.K. et. al (2015). Natural Interest Rate: Assessing the stance of India's monetary policy under uncertainty, RBI working paper, WPS (DEPR), 05/2015.

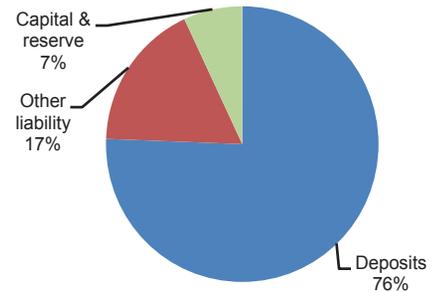
## Box-2

### Bank Deposit Dynamics in Bangladesh\*

This paper tries to understand the relationship between interest rate and bank deposit growth in Bangladesh. As in many developing countries, deposit serves as a prime and stable source of funding for banks operating in Bangladesh and constitutes the majority (around 76 percent) of the bank's liabilities (Chart-1).

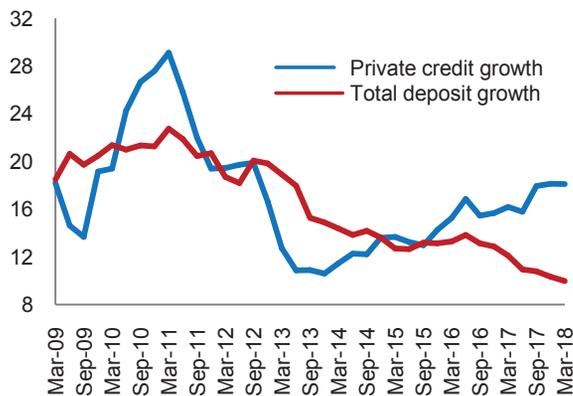
In recent years, deposit growth has gradually declined from 18.5 percent in March 2009 to 10.0 percent in March 2018, resulting in a divergence between private sector credit growth and bank deposit growth (Chart-2). The falling tendency of bank deposit growth can be attributed to various factors, including the differential between the deposit rate and the interest rate of alternative savings instruments, i.e. National Savings Certificates (NSCs), term deposits of NBFIs, and earnings from alternative investment opportunities like stock markets. In Bangladesh, average real deposit rate has declined and, during 2010-2016, was lower compared to some of the peer economies (Chart-3).

**Chart 1: Banking Sector Liability Structure, December 2017**

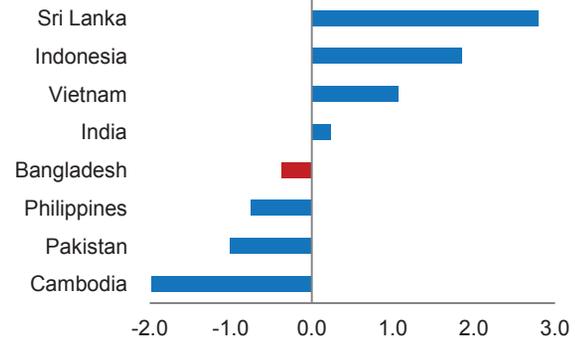


Total bank deposit growth (including government deposits) and weighted average deposit interest rates are positively related (Chart-4), with a correlation coefficient of 0.47. It should be noted that private sector deposit account for the largest share of deposits (83 percent over the last decade).

**Chart 2: Private Credit and Deposit Growth (In percent)**



**Chart 3: Bank's Real Deposit Rates (In percent; simple average over 2010-2016)**



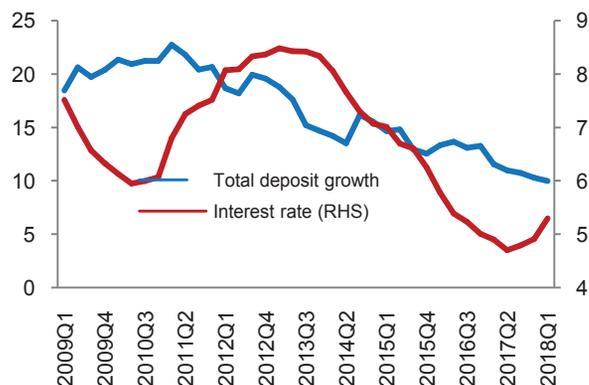
Since government deposit behavior appears to be less sensitive to interest rates, this study focus on the impact of interest rates on private sector deposit. Chart-5 suggests that the growth of fixed deposits (term deposits of banks, which accounts for 43 percent of total deposit) have steadily declined since 2011 while the growth of savings deposits which can be accessed at any time, have moderated. Based on contemporaneous correlation analysis, both fixed and savings deposit growths are closely related to the real

\*The team comprising of Md. Rashel Hasan, Raju Ahmed, Mahmud Salahuddin Naser and Md. Ezazul Islam of Chief Economist's Unit. The detailed paper will be published in forthcoming Monetary Policy Review, 2018. The views expressed in the paper are authors' own and does not reflect those of Bangladesh Bank.

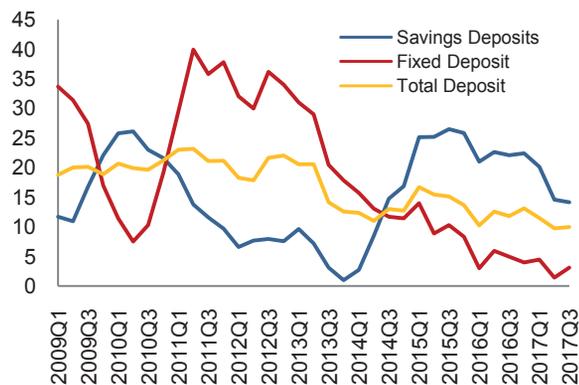
interest rates (with correlation coefficients of 0.48 and 0.34 respectively), although the relationship is tighter for fixed deposits, reflecting the long-term maturity structure.

In order to understand the reason behind the falling trends in fixed deposit growth, the study looks at the relationship between the interest rate on fixed deposits (with a maturity of 3 years or more) and the interest rate on NSC with a comparable maturity. Chart 8 shows that as the interest gap widened in favor of NSCs, the net sales of NSCs went up significantly, implying portfolio substitution in favor of NSCs, a risk-free asset.

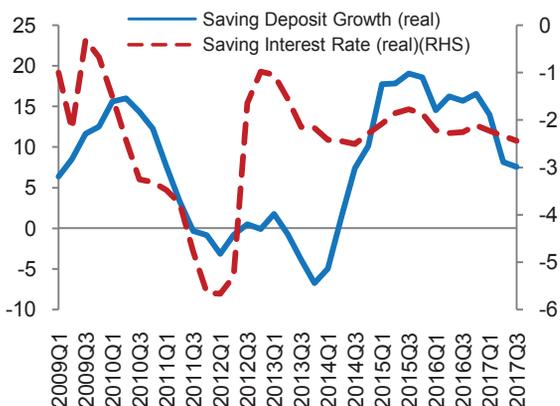
**Chart 4: Bank's Deposit Growth and Interest Rate**



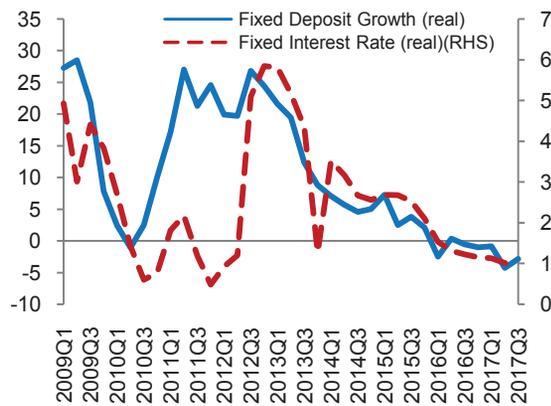
**Chart 5: Fixed and Saving Deposit Growth**



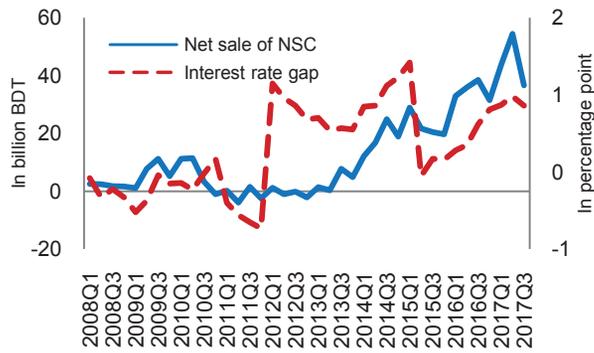
**Chart 6: Saving Deposit and Saving Interest Rate**



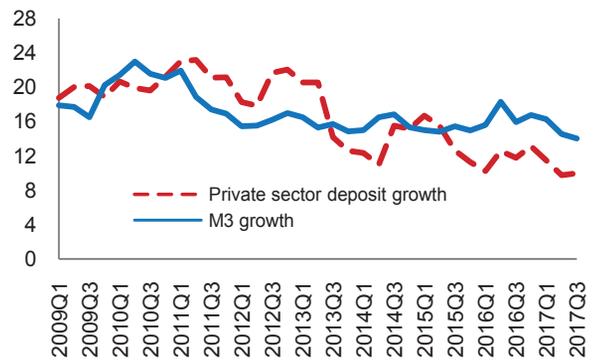
**Chart 7: Fixed Deposit and Fixed Interest Rate**



**Chart 8: Net Sale of NSC and Interest Rate Gap**



**Chart 9: Growth of M3 and Total Deposit (In percent)**



Low or negative real rates for a prolonged period have implications for financial deepening and financial inclusion as investor search for higher yields into other assets, including the stock market and real estate. That said, looking at the growth of M3, a broader definition of financial depth that includes deposits from NSCs, financial deepening has continued at a relatively steady pace (Chart-9).

# Tables

Table I.I: Macroeconomic Framework: Key Economic Indicators

Indicators	FY14	FY15	FY16	FY17	FY18 <sup>P</sup>
	<b>Growth in percent</b>				
<b>Real GDP</b>	<b>6.06</b>	<b>6.55</b>	<b>7.17</b>	<b>7.28</b>	<b>7.65</b>
GDP deflator	5.70	5.80	6.80	5.30	5.24
CPI Inflation (average)	7.35	6.41	5.50	5.94	5.76
CPI Inflation (point to point)	6.97	6.25	5.90	5.44	5.63
	<b>As percent of GDP</b>				
<b>Gross domestic investment</b>	<b>28.58</b>	<b>28.89</b>	<b>29.65</b>	<b>30.51</b>	<b>31.47</b>
<b>Total revenue</b>	<b>11.20</b>	<b>10.90</b>	<b>10.50</b>	<b>11.10</b>	<b>7.80</b>
Tax	9.00	9.00	9.00	9.40	6.74
Nontax	1.90	1.50	1.20	1.40	1.05
<b>Total expenditure</b>	<b>13.80</b>	<b>13.80</b>	<b>13.90</b>	<b>13.70</b>	<b>9.67</b>
Current expenditure	7.00	8.00	7.50	7.10	5.52
Annual Development Program	4.40	4.70	5.00	5.20	3.21
Other expenditure (residual)	2.40	1.10	1.40	1.40	0.94
<b>Overall balance (excluding grants)</b>	<b>-2.60</b>	<b>-2.90</b>	<b>-3.40</b>	<b>-2.60</b>	<b>-1.87</b>
<b>Financing (net)</b>	<b>-2.60</b>	<b>-2.90</b>	<b>-3.40</b>	<b>-2.60</b>	<b>-1.87</b>
Domestic financing	1.50	1.80	2.20	1.50	0.74
Banking System	0.50	-0.50	0.20	-0.90	-0.95
Non-bank	1.10	2.30	2.00	2.50	1.68
	<b>Growth in percent</b>				
<b>Money and credit</b>					
Private sector credit	12.29	13.19	16.56	15.66	12.58
Broad money (M2)	16.08	12.42	16.43	10.88	3.74
	<b>Growth in percent</b>				
<b>External Sector</b>					
Exports, f.o.b.	12.00	3.10	8.90	1.70	6.98
Imports, f.o.b.	8.90	3.00	5.90	9.00	24.51
	<b>As percent of GDP</b>				
Current account balance	0.81	1.79	1.93	-0.61	-2.62
Overall balance	3.17	2.24	2.28	1.31	-0.52
	<b>In million of U.S. dollars</b>				
Exports, f.o.b.	29765	30697	33441	34019	27098
Imports, f.o.b.	36571	37662	39901	43491	40300
Gross official reserves	21309	25021	30176	33407	32403
In terms of month of imports	5.80	6.50	7.20	7.00	5.20
<u>Memorandum items:</u>					
<b>Nominal GDP (in billion Taka)</b>	<b>13436.7</b>	<b>15158.0</b>	<b>17328.6</b>	<b>19758.2</b>	<b>22385.0</b>

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

P = provisional

Table I.2: Real GDP Growth by Sectors

Sectors	FY14	FY15	FY16	FY17	FY18 <sup>P</sup>
<b>1 Agriculture</b>	<b>4.37</b> <b>(16.50)</b>	<b>3.33</b> <b>(16.00)</b>	<b>2.79</b> <b>(15.35)</b>	<b>2.97</b> <b>(14.74)</b>	<b>3.06</b> <b>(14.10)</b>
a) Agriculture and forestry	3.81	2.45	1.79	1.96	2.01
i) Crops and horticulture	3.78	1.83	0.88	0.96	0.98
ii) Animal farmings	2.83	3.08	3.19	3.31	3.40
iii) Forest and related services	5.01	5.08	5.12	5.60	5.51
b) Fishing	6.36	6.38	6.11	6.23	6.30
<b>2 Industry</b>	<b>8.16</b> <b>(29.55)</b>	<b>9.67</b> <b>(30.42)</b>	<b>11.09</b> <b>(31.54)</b>	<b>10.22</b> <b>(32.42)</b>	<b>11.99</b> <b>(33.71)</b>
a) Mining and quarrying	4.68	9.6	12.84	8.89	8.48
b) Manufacturing	8.77	10.31	11.69	10.97	13.18
i) Large & medium scale	9.32	10.7	12.26	11.2	13.77
ii) Small scale	6.33	8.54	9.06	9.82	10.34
c) Power, gas and water supply	4.54	6.22	13.33	8.46	8.36
d) Construction	8.08	8.6	8.56	8.77	10.11
<b>3 Service</b>	<b>5.62</b> <b>(53.95)</b>	<b>5.80</b> <b>(53.58)</b>	<b>6.25</b> <b>(53.12)</b>	<b>6.69</b> <b>(52.85)</b>	<b>6.33</b> <b>(52.18)</b>
a) Wholesale and retail trade	6.73	6.35	6.50	7.37	7.17
b) Hotel and restaurants	6.70	6.83	6.98	7.13	7.28
c) Transport , storage & communications	6.05	5.96	6.08	6.76	6.33
d) Financial intermediations	7.27	7.78	7.74	9.12	7.90
e) Real estate, renting and business activity	4.25	4.40	4.47	4.80	4.80
f) Public administration and defence	6.89	9.82	11.43	9.15	9.24
g) Education	7.26	8.01	11.71	11.35	7.93
h) Health and social works	5.06	5.18	7.54	7.63	7.02
i) Community , social and personal service	3.27	3.28	3.30	3.62	3.65
<b>GDP (at constant market price)</b>	<b>6.06</b>	<b>6.55</b>	<b>7.11</b>	<b>7.28</b>	<b>7.65</b>

Source : Bangladesh Bureau of Statistics

Figures within the parentheses indicate the percentage share of total producer

P=Provisional

Table I.3: Nominal GDP by Sectors

(In billion Taka)

Sectors	FY14	FY15	FY16	FY17	FY18 <sup>p</sup>
<b>1 Agriculture</b>	<b>2062.8</b>	<b>2240.8</b>	<b>2433.9</b>	<b>2650.3</b>	<b>2909.4</b>
<b>a) Agriculture and forestry</b>	<b>1639.7</b>	<b>1765.0</b>	<b>1903.1</b>	<b>2054.0</b>	<b>2238.6</b>
i) Crops and horticulture	1179.0	1261.2	1343.2	1437.0	1556.8
ii) Animal farmings	276.7	298.8	331.7	360.3	396.2
iii) Forest and related services	184.0	204.9	228.3	256.7	285.6
<b>b) Fishing</b>	<b>423.1</b>	<b>475.8</b>	<b>530.8</b>	<b>596.3</b>	<b>670.8</b>
<b>2 Industry</b>	<b>3535.3</b>	<b>4067.1</b>	<b>4738.7</b>	<b>5483.1</b>	<b>6426.7</b>
<b>a) Mining and quarrying</b>	<b>210.8</b>	<b>238.8</b>	<b>285.8</b>	<b>341.3</b>	<b>401.0</b>
<b>b) Manufacturing</b>	<b>2232.2</b>	<b>2544.8</b>	<b>2951.1</b>	<b>3418.3</b>	<b>4022.5</b>
i) Large & medium scale	1803.8	2059.9	2401.6	2792.2	3303.4
ii) Small scale	428.4	484.9	549.5	626.1	719.2
<b>c) Power, gas and water supply</b>	<b>184.0</b>	<b>198.7</b>	<b>238.3</b>	<b>262.4</b>	<b>286.9</b>
<b>d) Construction</b>	<b>908.3</b>	<b>1084.8</b>	<b>1263.5</b>	<b>1461.1</b>	<b>1716.3</b>
<b>3 Service</b>	<b>7206.9</b>	<b>8142.0</b>	<b>9300.5</b>	<b>10565.9</b>	<b>11828.7</b>
a) Wholesale and retail trade	1725.8	1925.9	2142.6	2439.6	2766.5
b) Hotel and restaurants	130.3	149.3	170.6	193.2	210.6
c) Transport, storage & communications	1343.2	1500.3	1691.6	1870.8	2042.1
d) Financial intermediations	485.6	557.6	636.0	732.0	837.3
e) Real estate, renting and business activity	912.3	1060.6	1237.4	1445.4	1588.8
f) Public administration and defence	447.3	506.7	667.1	784.4	928.0
g) Education	327.7	376.2	465.1	568.6	650.0
h) Health and social works	269.2	301.4	347.6	389.9	440.6
i) Community, social and personal service	1565.5	1764.0	1942.5	2142.1	2364.7
<b>GDP at current market price</b>	<b>13436.7</b>	<b>15158.0</b>	<b>17328.6</b>	<b>19758.2</b>	<b>22385.0</b>

Source : Bangladesh Bureau of Statistics

Figures within the parentheses indicate the percentage share of total producer price GDP at constant price  
p=provisional.

**Table I.4 : Crop-wise Agricultural Production**

Crops	Actual for FY16		Actual for FY17		Actual / Target for FY18	
	Area	Production	Area	Production	Area	Production
	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)
Aus	10.3	24.7	9.4	21.3	10.8	27.1*
Aman	56.5	135.6	55.8	136.6	56.2	138.6
Boro	48.0	190.0	44.8	180.1	47.3	190.4
<b>Total Rice</b>	<b>114.7</b>	<b>350.2</b>	<b>110.0</b>	<b>338.0</b>	<b>114.7</b>	<b>355.6</b>
Wheat	4.9	13.6	4.2	13.1	4.0	12.8
Maize	3.7	25.7	4.3	35.8	4.6	38.2
<b>Total Cereal</b>	<b>123.3</b>	<b>389.5</b>	<b>118.5</b>	<b>386.9</b>	<b>123.4</b>	<b>406.6</b>
Jute	7.3	13.6	7.4	14.8	7.9	80.1*
Potato	5.0	103.0	5.0	102.2	5.0	100.0
Vegetables	8.3	152.6	8.5	160.4	8.7	162.6
Moong	2.1	2.3	3.2	2.1	2.3	2.5
Mosur	2.5	2.7	2.7	3.6	2.7	3.6
Gram	0.1	0.1	0.0	0.1	0.7	0.8
Mustard	5.8	7.0	5.5	7.1	5.6	7.2
Onion	2.2	21.3	2.1	21.5	2.1	21.6

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

\* Actual production

**Table I.5 : Quantum Index of Medium and Large-scale Manufacturing Industries, Mining and Electricity**

**Base: 2005-06**

	FY16				FY17				FY18		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*
<b>Manufacturing</b>	252.7	244.1	273.8	290.3	268.5	283.9	302.1	321.0	325.9	361.3	362.8
<b>Mining</b>	182.2	186.0	187.1	185.9	182.5	188.3	185.3	185.8	187.4	188.7	191.1
<b>Electricity</b>	223.8	207.7	206.1	250.7	261.8	227.2	216.4	268.1	291.7	217.0	267.7

Source : Bangladesh Bureau of Statistics

\* denotes data up to january 2018

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

	Weight	FY17				FY18		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3*
General Index	100.00	268.5	283.9	302.1	321.0	325.9	361.3	362.8
Food products	10.84	367.0	340.0	375.0	416.3	481.1	510.4	507.7
Beverage	0.34	275.6	214.7	228.7	311.4	303.7	149.0	155.8
Tobacco product	2.92	129.5	139.0	145.6	144.2	134.1	183.3	193.2
Textile	14.07	132.4	180.7	172.6	187.9	179.7	234.0	192.8
Wearing apparel	34.84	323.5	341.0	351.7	358.6	357.4	429.4	440.4
Leather and related product	4.40	152.6	167.9	206.1	249.9	274.4	290.8	309.4
Wood and product of wood and cork	0.33	317.4	324.5	328.0	331.2	334.6	338.5	339.6
Paper and paper products	0.33	183.0	183.5	183.9	184.2	184.6	185.1	185.4
Printing and reproduction of recorded media	1.83	153.5	154.9	156.6	157.5	158.7	160.9	161.2
Coke and refined petroleum product	1.25	186.6	186.0	186.1	172.3	108.9	187.3	115.1
Chemical and chemical product	3.67	94.2	100.6	112.5	108.9	109.1	96.0	112.2
Pharmaceuticals and medicinal chemical	8.23	375.3	371.9	419.0	525.0	544.0	455.6	485.0
Rubber and plastic products	1.56	365.0	346.1	361.0	367.1	388.9	417.4	419.9
Other non-metallic mineral product	7.12	272.7	330.4	386.8	377.5	342.8	385.3	390.9
Basic metal	3.15	178.9	163.7	174.2	179.4	179.5	187.7	187.7
Fabricated metal product	2.32	224.1	234.6	259.4	266.0	264.8	269.4	275.6
Computer, electronic and optical product	0.15	229.9	224.0	270.7	254.7	189.2	112.6	136.6
Electrical equipments	0.73	294.1	379.9	365.2	331.9	392.2	398.6	374.8
Machinery and equipment	0.18	344.4	370.0	454.5	456.5	503.4	559.2	579.3
Motor vehicles and trailers	0.13	715.8	679.3	346.5	496.4	202.4	306.6	259.9
Other transport equipment	0.73	477.9	550.5	633.7	578.0	565.7	625.7	621.2
Furniture	0.88	146.1	150.9	152.0	156.8	167.4	184.0	200.3

Source : Bangladesh Bureau of Statistics

\* denotes data up to January 2018

**Table I.7 : Cargo Handled by Chittagong Port**

(In Thousand Metric Tons)								
	FY17	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>
Quantity								
Export	6709.8	1509.4	1828.7	1746.2	1625.4	1713.9	1827.1	1765.7
Import	66464.3	14478	17715.5	17748.6	16522.3	16702.0	20323.1	20425.2
<b>Total</b>	<b>73174.0</b>	<b>15987</b>	<b>19544.2</b>	<b>19494.8</b>	<b>18147.62</b>	<b>18415.9</b>	<b>22150.2</b>	<b>22190.9</b>
<b>Growth (in percent)<sup>1</sup></b>								
Export	12.4	6.9	28.4	12.1	3.1	13.5	-0.1	1.1
Import	14.0	21.7	21.2	9.2	6.2	15.4	14.7	15.1
<b>Total</b>	<b>13.8</b>	<b>20.1</b>	<b>21.8</b>	<b>9.5</b>	<b>5.9</b>	<b>15.2</b>	<b>13.3</b>	<b>13.8</b>

Source: Chittagong Port Authority.

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

**Table I.8 : Trends in Private Sector Credit**

Institutions	FY17	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>
<b>Outstanding (in billion Taka)</b>								
Banks	7760.6	6801.4	7170.2	7386.4	7760.6	8012.3	8470.2	8714.3
Non-banks	581.7	528.6	546.2	557.6	581.7	596.0	602.3	630.3
Microfinance institutions	463.3	376.9	406.4	435.7	463.3	465.65	555.6	568.8
<b>Total</b>	<b>8805.6</b>	<b>7706.9</b>	<b>8122.8</b>	<b>8379.7</b>	<b>8805.6</b>	<b>9073.9</b>	<b>9628.1</b>	<b>9913.4</b>
<b>Growth (in percent)<sup>1</sup></b>								
Banks	15.9	15.3	15.6	16.1	15.9	17.8	18.1	18.0
Non-banks	9.9	16.5	13.6	11.1	9.9	12.7	10.3	13.0
Microfinance institutions	24.5	25.1	26.6	26.3	24.5	23.5	36.7	30.5
<b>Total</b>	<b>15.9</b>	<b>15.9</b>	<b>15.9</b>	<b>16.2</b>	<b>15.9</b>	<b>17.7</b>	<b>18.5</b>	<b>18.3</b>

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

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

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

Sectors	FY17	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>
Outstanding (in billion Taka)								
a. Agriculture	354.5	320.9	325.5	340.7	359.2	361.2	377.3	393.2
<i>Of which : Crops</i>	325.4	294.3	296.5	311.8	325.1	335.4	348.5	363.9
<i>Others</i>	29.0	26.6	29.0	28.9	34.1	25.7	28.7	29.3
b. Industry	2763.4	2368.2	2456.0	2555.3	2753.4	2983.5	3179.0	3193.2
<i>Of which: Term Loan (Other than working capital finance)</i>	1316.0	1102.2	1165.0	1207.2	1281.8	1383.0	1470.1	1420.5
<i>Working capital financing (Excluding import &amp; export Finance)</i>	1447.4	1266.0	1290.9	1348.2	1471.6	1600.5	1708.9	1772.7
c. Construction	640.6	562.6	621.6	622.8	649.5	665.3	698.3	737.3
d. Transport	54.4	47.2	50.7	52.3	50.9	56.8	57.5	66.0
e. Trade & Commerce	2537.5	2204.1	2380.6	2425.6	2548.4	2531.7	2708.7	2756.8
f. Other Institutional loan	155.8	127.1	143.4	143.7	162.7	173.5	189.0	196.5
g. Consumer finance	568.4	524.7	559.7	573.7	556.7	565.6	579.6	597.2
h. Miscellaneous	50.5	49.8	52.7	53.6	50.5	31.5	40.1	39.1
<b>Grand Total :</b>	<b>7125.0</b>	<b>6204.6</b>	<b>6590.2</b>	<b>6767.6</b>	<b>7130.8</b>	<b>7369.1</b>	<b>7829.4</b>	<b>7979.2</b>
<b>Growth (in percent)</b>								
a. Agriculture	8.5	11.3	9.9	12.1	9.9	12.6	15.9	15.4
<i>Of which : Crops</i>	8.6	14.1	10.4	11.8	8.5	14.0	17.5	16.7
<i>Others</i>	6.2	-12.5	5.5	16.5	24.9	-3.4	-1.0	1.4
b. Industry	18.7	16.8	14.7	17.3	18.3	26.0	29.4	25.0
<i>Of which: Term Loan (Other than working capital finance)</i>	25.7	14.5	11.4	15.9	22.5	25.5	26.2	17.7
<i>Working capital financing (Excluding import &amp; export Finance)</i>	13.1	18.8	18.0	18.6	15.0	26.4	32.4	31.5
c. Construction	18.5	17.6	28.3	14.1	20.2	18.3	12.3	18.4
d. Transport	15.5	11.6	16.0	0.8	8.1	20.3	13.4	26.2
e. Trade & Commerce	15.9	13.6	11.6	15.3	16.4	14.9	13.8	13.7
f. Other Institutional loan	22.0	30.1	37.1	18.7	27.4	36.5	31.8	36.7
g. Consumer finance	6.8	12.7	14.2	15.3	4.6	7.8	3.6	4.1
h. Miscellaneous	14.3	38.3	51.0	22.7	14.3	-36.7	-23.9	-27.1
<b>Grand Total :</b>	<b>16.1</b>	<b>15.4</b>	<b>15.1</b>	<b>15.7</b>	<b>16.2</b>	<b>18.8</b>	<b>18.8</b>	<b>17.9</b>

Source: Statistics Department, Bangladesh Bank.

**Table I.10: Trends in Agricultural Credit**

	FY17	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>
<b>Programme/Target (July-June)</b>	<b>175.5</b>	<b>175.5</b>	<b>175.5</b>	<b>175.5</b>	<b>175.5</b>	<b>204.0</b>	<b>204.0</b>	<b>204.0</b>
<b>Total disbursement (In billion Taka)</b>	<b>210.0</b>	<b>34.0</b>	65.3	<b>58.8</b>	<b>51.9</b>	<b>42.4</b>	<b>65.2</b>	<b>54.6</b>
Crop	100.6	15.5	34.0	29.4	21.7	18.9	33.9	26.0
Irrigation	1.5	0.3	0.3	0.5	0.3	0.3	0.5	0.5
Agricultural equipment	1.5	0.2	0.7	0.3	0.4	0.3	0.6	0.2
Live-stock	30.6	6.0	7.8	8.3	8.5	7.9	9.0	7.1
Fisheries	24.3	4.1	7.5	7.1	5.6	5.6	6.6	6.5
Grain storage & marketing	1.1	0.2	0.3	0.2	0.4	0.2	0.4	0.2
Poverty alleviation	18.8	3.3	6.0	5.7	4.0	2.4	5.8	8.2
Others	31.7	5.0	8.3	7.3	11.1	6.8	8.3	5.7
<b>Total recovery (In billion Taka)</b>	<b>188.4</b>	<b>35.4</b>	<b>54.5</b>	<b>49.7</b>	<b>48.8</b>	<b>45.6</b>	<b>55.7</b>	<b>52.6</b>
<b>Total overdue</b>	<b>67.1</b>	<b>62.2</b>	<b>64.3</b>	<b>64.6</b>	<b>67.1</b>	<b>65.0</b>	<b>65.3</b>	<b>68.1</b>
<b>Outstanding (In billion Taka)</b>	<b>390.5</b>	<b>345.5</b>	<b>359.0</b>	<b>371.3</b>	<b>390.5</b>	<b>389.5</b>	<b>401.5</b>	<b>404.2</b>
Overdue as percent of outstanding	<b>17.2</b>	<b>18.0</b>	<b>17.9</b>	<b>17.4</b>	<b>17.2</b>	<b>16.7</b>	<b>16.3</b>	<b>16.8</b>
<b>Growth in percent<sup>1</sup></b>								
Total disbursement	19.0	6.1	17.7	44.9	7.3	24.6	-0.2	-7.1
Total recovery	10.5	13.6	2.7	17.8	10.5	28.8	2.2	5.8

Source : Agricultural Credit Department, Bangladesh Bank.

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

**Table : I.11 Micro- Credit Operations of Grameen Bank and Large NGOs**

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

Source : Grameen Bank, BRAC, ASA and Proshika.

**Table I.12 : Term Lending by Banks and NBFIs**

Lender	FY17	FY17				FY18	
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>
<b>Disbursement (in billion Taka)</b>							
SOBs	38.50	6.86	10.34	16.56	4.74	10.07	5.5
PCBs	465.32	96.04	141.05	114.92	113.31	119.33	140.5
Foreign banks	13.55	3.72	5.18	2.64	2.00	2.15	6.0
Specialized banks <sup>2</sup>	10.79	0.09	4.34	3.61	2.75	2.89	1.4
Non-bank financial institutions	93.38	23.74	34.83	20.10	14.71	23.22	25.4
<b>Total</b>	<b>621.55</b>	<b>130.45</b>	<b>195.75</b>	<b>157.83</b>	<b>137.52</b>	<b>157.66</b>	<b>178.8</b>
<b>Recovery (in billion Taka)</b>							
SOBs	40.42	8.42	9.85	8.73	13.42	7.34	13.2
PCBs	391.41	92.95	100.32	112.43	85.71	126.04	148.4
Foreign banks	11.72	2.18	3.85	3.29	2.40	2.96	4.6
Specialized banks <sup>2</sup>	9.12	0.34	2.34	5.14	1.30	2.33	2.3
Non-bank financial institutions	68.26	20.34	20.42	15.88	11.63	16.47	17.9
<b>Total</b>	<b>520.94</b>	<b>124.23</b>	<b>136.79</b>	<b>145.47</b>	<b>114.45</b>	<b>155.14</b>	<b>186.4</b>
<b>Outstanding (in billion Taka)</b>							
SOBs	331.10	314.73	273.82	276.43	331.10	343.52	364.1
PCBs	112.24	928.82	978.60	1034.60	112.24	1154.04	1201.2
Foreign banks	22.69	22.52	23.71	22.79	22.69	22.82	24.4
Specialized banks <sup>2</sup>	15.17	14.41	71.00	70.19	15.17	15.87	15.2
Non-bank financial institutions	218.48	196.68	207.85	208.27	218.48	222.27	245.2
<b>Total :</b>	<b>1709.88</b>	<b>1477.16</b>	<b>1554.99</b>	<b>1612.29</b>	<b>1709.88</b>	<b>1758.52</b>	<b>1850.2</b>
<b>Growth in Percent<sup>1</sup></b>							
<b>Disbursement</b>							
SOBs	28.95	-5.62	16.81	162.61	-31.11	46.70	-47.16
PCBs	-6.33	6.47	5.42	-22.65	-8.76	24.26	-0.41
Foreign banks	-38.52	-20.88	-21.03	-49.06	-64.15	-42.10	16.06
Specialized banks <sup>2</sup>	51.82	-97.08	83.41	259.79	160.43	3037.17	-67.09
Non-bank financial institutions	-6.34	9.54	30.90	-6.87	-50.70	-2.18	-27.00
<b>All Banks and NBFIs</b>	<b>-5.16</b>	<b>2.72</b>	<b>9.86</b>	<b>-13.59</b>	<b>-79.02</b>	<b>20.86</b>	<b>-8.65</b>
<b>Recovery</b>							
SOBs	52.16	33.56	37.20	103.63	-46.92	-12.83	33.50
PCBs	10.73	8.17	10.97	27.32	-75.75	35.60	47.92
Foreign banks	-47.86	-57.52	-13.25	-53.94	-89.34	35.54	20.62
Specialized banks <sup>2</sup>	-36.48	-82.03	-9.55	-1.93	-92.57	584.85	-3.54
Non-bank financial institutions	7.40	77.42	37.64	-18.13	-81.70	-18.99	-12.42
<b>All Banks and NBFIs</b>	<b>8.02</b>	<b>12.19</b>	<b>14.51</b>	<b>16.97</b>	<b>-76.27</b>	<b>24.88</b>	<b>36.26</b>
<b>Outstanding</b>							
SOBs	30.74	40.88	16.50	11.04	30.74	9.15	32.99
PCBs	-87.76	22.85	18.78	17.78	-87.76	24.25	22.75
Foreign banks	-26.08	-18.94	18.51	-24.56	-26.08	1.33	2.99
Specialized banks <sup>2</sup>	-76.89	-72.22	-6.46	-3.01	-76.89	10.18	-78.65
Non-bank financial institutions	12.48	11.92	10.10	8.76	12.48	13.01	17.96
<b>All Banks and NBFIs</b>	<b>17.03</b>	<b>19.62</b>	<b>15.73</b>	<b>13.43</b>	<b>17.03</b>	<b>19.05</b>	<b>18.98</b>

Source: SME & Special Programmes Department, Bangladesh Bank

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

**Table II.1 : Trends in Inflation**

(Base : 2005-06=100)

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

Source: Bangladesh Bureau of Statistics (BBS)

Note: Food includes food, beverage & tobacco.

**Table II.2 : Commodity Prices in the International Market**

	FY17*	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>
Rice (US\$/M.T) Thailand (Milled,5% broken)	384.0	413.7	369.0	371.3	419.7	404.0	400.7	432.3
Wheat (US\$/M.T)	172.2	161.1	164.3	177.0	176.8	183.8	175.1	178.3
Soyabean oil (US\$/M.T)	845.4	810.3	881.7	839.7	815.0	857.3	871.3	846.7
Sugar (US cents/pound) World	0.4	0.5	0.4	0.4	0.3	0.3	0.3	0.3
Crude Petroleum(Dubai) (US\$/Barrel)	50.2	43.4	47.9	52.9	49.7	50.6	59.2	64.0

Source : World Bank

\*Quarterly average.

**Table II.3 : Inflation in South Asian Countries  
(Point to Point)**

Country	FY17	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub> <sup>P</sup>
Bangladesh	5.94	5.50	5.03	5.39	5.94	6.12	5.83	5.68
India(CPI NS)	1.50	4.40	3.40	3.90	1.50	3.30	5.20	4.28
Pakistan	3.90	3.90	3.70	4.90	3.90	3.90	4.60	3.20
Sri Lanka (NCPI)	6.30	4.70	4.20	8.60	6.30	8.60	7.30	6.70

Source: Respective central banks.

Note: Quarterly data indicate end quarter data

P= Provisional

Table III.1 : Movements in Reserve Money

	FY17	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>
<b>Outstanding (in billion Taka)</b>								
<b>1. Net foreign assets of BB</b>	<b>2513.3</b>	<b>2330.7</b>	<b>2355.4</b>	<b>2423.7</b>	<b>2513.3</b>	<b>2508.1</b>	<b>2535.0</b>	<b>2529.1</b>
<b>2. Net domestic assets of BB</b>	<b>-266.7</b>	<b>-432.6</b>	<b>-440.4</b>	<b>-497.6</b>	<b>-266.7</b>	<b>-355.5</b>	<b>-365.1</b>	<b>-406.6</b>
a) Claims on public sector	151.36	29.9	68.0	16.3	151.4	88.5	114.0	122.8
i) Claims on govt. (net)	129.8	10	48.7	-2.2	129.8	66.9	92.4	100.7
ii) Claims on other public sector	21.578	19.9	19.3	18.5	21.6	21.5	21.6	22.1
b) Claims on private sector	49.788	48.3	49.2	48.7	49.8	48.4	49.9	49.6
c) Claims on banks	50.6	52.3	48.9	51.4	50.6	52.8	49.2	50.6
d) Other items (net)	-518.4	-563.1	-606.5	-613.9	-518.4	-545.2	-578.2	-629.6
<b>3. Currency issued</b>	<b>1512.6</b>	<b>1282.5</b>	<b>1233.6</b>	<b>1244.7</b>	<b>1512.6</b>	<b>1441.3</b>	<b>1406.9</b>	<b>1401.8</b>
i) Currency outside banks	1375.3	1181.3	1131.5	1141.1	1375.3	1328.2	1291.3	1281.3
ii) Cash in tills	137.3	101.2	102.0	103.6	137.3	113.1	115.6	120.4
<b>4. Deposits of banks with BB</b>	<b>734.0</b>	<b>615.6</b>	<b>681.4</b>	<b>681.4</b>	<b>734.0</b>	<b>711.3</b>	<b>763.0</b>	<b>720.7</b>
<b>5. Reserve money (RM)</b>	<b>2246.6</b>	<b>1898.1</b>	<b>1915</b>	<b>1926.1</b>	<b>2246.6</b>	<b>2152.6</b>	<b>2169.8</b>	<b>2122.5</b>
<b>6. Money multiplier (M2/RM)</b>	<b>4.5</b>	<b>4.9</b>	<b>5.0</b>	<b>5.0</b>	<b>4.5</b>	<b>4.8</b>	<b>4.9</b>	<b>5.0</b>
<b>Growth (in percent)</b>								
<b>1. Net foreign assets of BB</b>	<b>14.81</b>	<b>21.64</b>	<b>19.86</b>	<b>16.85</b>	<b>14.81</b>	<b>7.61</b>	<b>7.60</b>	<b>4.30</b>
<b>2. Net domestic assets of BB</b>	<b>3.77</b>	<b>-49.38</b>	<b>-21.30</b>	<b>-9.30</b>	<b>-3.77</b>	<b>17.80</b>	<b>17.10</b>	<b>18.30</b>
a) Claims on public sector	-1.65	-207.17	661.20	-75.85	-1.65	195.80	67.70	653.20
i) Claims on govt. (net)	-2.92	-120.33	246.70	-104.66	-2.92	566.50	89.60	4701.60
ii) Claims on other public sector	6.82	-6.57	-8.53	-8.87	6.82	8.40	12.10	19.70
b) i) Claim on private sector	0.18	2.77	0.61	1.25	0.18	0.30	1.30	1.90
ii) Claims on Banks	-15.95	-13.41	-17.82	-3.93	-15.95	0.90	0.70	-1.40
<b>3. Currency issued</b>	<b>14.33</b>	<b>14.10</b>	<b>21.76</b>	<b>18.50</b>	<b>14.33</b>	<b>12.38</b>	<b>14.00</b>	<b>12.60</b>
<b>4. Deposits of banks with BB</b>	<b>20.53</b>	<b>22.51</b>	<b>15.69</b>	<b>19.86</b>	<b>20.53</b>	<b>15.55</b>	<b>12.00</b>	<b>5.80</b>
<b>5. Reserve money (RM)</b>	<b>16.28</b>	<b>16.69</b>	<b>19.53</b>	<b>18.98</b>	<b>16.28</b>	<b>13.41</b>	<b>13.30</b>	<b>10.20</b>
<b>6. Money multiplier (M2/RM)</b>	<b>-4.71</b>	<b>-2.97</b>	<b>-4.42</b>	<b>-5.13</b>	<b>-4.71</b>	<b>-2.04</b>	<b>-2.00</b>	<b>0.00</b>

Source: Statistics Department, Bangladesh Bank.

**Table III.2 : Movements in Broad Money**

	FY17	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>
<b>Outstanding (in billion Taka)</b>								
<b>1. Net foreign assets</b>	<b>2660.0</b>	<b>2467.5</b>	<b>2472.5</b>	<b>2541.5</b>	<b>2660.0</b>	<b>2630.5</b>	<b>2640.2</b>	<b>2630.7</b>
<b>2. Net domestic assets</b>	<b>7500.8</b>	<b>6847.8</b>	<b>7068.1</b>	<b>7106.8</b>	<b>7500.8</b>	<b>7656.5</b>	<b>7919.9</b>	<b>7910.4</b>
a) Domestic credit	8906.7	8097.1	8320.4	8452.4	8906.7	9133.4	9525.3	9642.1
i) Credit to public sector	1146.1	1295.8	1150.2	1066.0	1146.1	1121.2	1055.1	927.7
Credit to govt. (net)	973.3	1136.6	986.4	903.1	973.3	944.4	872.7	745.8
Credit to other public sector	172.8	159.1	163.8	162.9	172.8	176.8	182.5	182
ii) Credit to private sector	7760.6	6801.4	7170.2	7386.4	7760.6	8012.3	8470.2	8714.3
b) Other items (net)	-1406.0	-1249.4	-1252.3	-1345.6	-1406	-1476.9	-1605.5	-1731.6
<b>3. Narrow Money</b>	<b>2400.8</b>	<b>2013.9</b>	<b>2044.5</b>	<b>2026.1</b>	<b>2400.8</b>	<b>2313.2</b>	<b>2337.7</b>	<b>2252.7</b>
a) Currency outside banks	1375.3	1181.3	1131.5	1141.1	1375.3	1328.2	1291.3	1281.3
b) Demand deposits	1025.5	832.6	912.9	885	1025.5	985.0	1046.4	971.4
<b>4. Time deposits</b>	<b>7760</b>	<b>7301.3</b>	<b>7496.1</b>	<b>7622.1</b>	<b>7760</b>	<b>7973.8</b>	<b>8222.3</b>	<b>8288.4</b>
<b>5. Broad money</b>	<b>10161</b>	<b>9315.2</b>	<b>9540.5</b>	<b>9648.2</b>	<b>10160.8</b>	<b>10287.0</b>	<b>10560.1</b>	<b>10541.1</b>
<b>Growth (in percent)</b>								
<b>1. Net foreign assets</b>	<b>14.09</b>	<b>21.09</b>	<b>18.12</b>	<b>15.35</b>	<b>14.09</b>	<b>6.61</b>	<b>6.78</b>	<b>3.50</b>
<b>2. Net domestic assets</b>	<b>9.78</b>	<b>10.86</b>	<b>12.41</b>	<b>12.30</b>	<b>9.78</b>	<b>11.81</b>	<b>12.05</b>	<b>11.31</b>
Domestic credit	11.16	11.89	12.34	12.18	11.16	12.80	14.48	14.08
i) Credit to public sector	-12.02	-3.27	-4.26	-8.93	-12.02	-13.48	-8.26	-12.97
Credit to govt. (net)	-14.79	-3.82	-4.69	-9.49	-14.79	-16.91	-11.53	-17.42
Credit to other public sector	7.66	0.82	-1.62	-5.67	7.66	11.09	11.40	11.73
ii) Credit to private sector	15.66	15.34	15.55	16.06	15.66	17.80	18.13	17.98
<b>3. Narrow money</b>	<b>13.02</b>	<b>16.63</b>	<b>21.47</b>	<b>18.14</b>	<b>13.02</b>	<b>14.86</b>	<b>14.35</b>	<b>11.19</b>
<b>4. Time deposits</b>	<b>10.24</b>	<b>12.54</b>	<b>11.92</b>	<b>11.81</b>	<b>10.24</b>	<b>9.21</b>	<b>9.69</b>	<b>8.47</b>
<b>5. Broad money</b>	<b>10.88</b>	<b>13.40</b>	<b>13.83</b>	<b>13.09</b>	<b>10.88</b>	<b>10.43</b>	<b>10.69</b>	<b>9.25</b>

Source: Statistics Department, Bangladesh Bank.

Table III.3: Interest Rates Developments

(In period )

Instruments	Mar. 16	Jun. 16	Sep. 16	Dec. 16	Mar. 17	Jun. 17	Sep. 17	Dec. 17	Mar. 18
<b>T - Bills</b>									
91 - day	2.87	3.96	3.26	2.98	...	3.65	3.85	3.38	3.23
182 - day	...	4.67	3.99	3.23	...	4.11	4.01	3.86	3.63
364 - day	...	5.17	4.25	3.76	...	4.37	4.25	4.35	4.0
<b>BGTB</b>									
2 - year	4.97	5.97	5.31	...	...	4.90	4.82	5.03	5.26
5 - year	5.92	6.51	...	5.91	...	5.68	5.68	5.90	5.82
10 - year	6.64	7.29	...	6.32	...	6.74	6.91	7.17	7.32
15-year	7.57	7.97	7.69	7.64	...	7.66	7.71	7.93	8.08
20-year	7.97	8.41	8.17	7.89	...	8.00	8.02	8.25	8.45
<b>Repo</b>									
1-3 day	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
<b>Reverse Repo</b>									
1-3 day	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
<b>Bangladesh Banks Bills</b>									
07-Day	...	2.96	2.97	2.97	2.97	2.98	2.98	2.98	2.98
14-Day	...	2.98	2.97	2.98	2.98	2.98	2.98	2.98	2.98
30-Day	2.90	2.96	2.96	2.97	2.97	2.96	2.97	2.97	2.97
<b>Call Money Rate</b>	3.64	3.71	3.64	3.62	3.65	3.93	3.91	3.92	4.4
<b>Lending Rate</b>									
All Banks	10.78	10.30	10.16	9.86	9.70	9.56	9.45	9.35	9.7
SOBs	9.93	9.00	8.87	8.57	8.80	8.66	8.47	8.38	7.99
SPBs	9.48	8.73	8.88	8.86	9.07	9.10	8.69	8.72	8.85
PCBs	11.14	10.79	10.60	10.31	10.03	9.79	9.78	9.67	10.2
FCBs	9.53	8.93	9.40	8.32	8.03	7.86	7.99	8.19	8.66
<b>Deposits Rate</b>									
All Banks	5.92	5.39	5.23	5.01	5.01	4.84	4.90	4.91	5.3
SOBs	6.07	5.21	5.09	4.83	4.79	4.47	4.46	4.36	4.34
SPBs	7.46	7.13	6.39	6.46	5.70	5.98	5.95	5.90	5.55
PCBs	6.05	5.64	5.48	5.24	5.30	4.94	5.25	5.29	5.9
FCBs	2.19	1.87	1.78	1.78	1.65	1.66	1.66	1.67	1.92
<b>NSD Certificate</b>									
3 - year	11.04	11.04	11.04	11.04	11.04	11.04	11.04	11.04	11.04
5 - year	11.76	11.76	11.76	11.76	11.76	11.76	11.76	11.76	11.76

Source: Monetary Policy Department and Statistics Department, Bangladesh Bank

... = No auction

**Table III.4: Outstanding Stocks of Treasury Bills, Bonds and NSD Certificates**

(Taka in billion)

Instruments	Mar. 16	Jun.16	Sep. 16	Dec.16	Mar. 17	Jun. 17	Sep.17	Dec.17	Mar. 18
Bangladesh Banks Bills									
07-Day	-	27.8	163.6	200.8	138.4	48.4	109.7	92.7	125.45
14-Day	-	161.4	58.4	84.8	136.4	129.7	90.3	72.3	39.63
30-Day	353.5	74.6	56.5	73.1	56.3	4.7	12.1	11.0	20.36
T - Bills									
91 - day	49.0	117.3	107.3	83.0	50.0	79.3	70.0	63.0	63.0
182 - day	41.0	81.1	97.6	73.1	53.0	78.5	89.0	57.0	57.0
364 - day	127.0	129.5	99.5	106.5	109.5	87.7	90.0	83.0	83.0
BGTB									
2 - year	90.1	98.1	95.1	86.6	80.1	89.5	88.0	88.0	92.5
5 - year	322.7	331.7	335.2	332.2	323.7	312.7	313.2	306.7	294.2
10 - year	473.8	491.0	497.5	498.2	492.9	498.5	506.5	512.5	507.5
15-year	176.7	191.7	194.7	200.7	203.7	208.7	213.7	221.7	224.7
20-year	150.4	164.9	167.9	173.9	176.9	181.9	186.9	192.9	195.9
<b>Sub Total</b>	<b>1430.6</b>	<b>1605.1</b>	<b>1594.6</b>	<b>1554.0</b>	<b>1489.7</b>	<b>1536.8</b>	<b>1557.2</b>	<b>1524.7</b>	<b>1517.7</b>
NSD Certificate	1283.2	1388.2	1504.7	1622.9	1764.7	1912.4	2039.3	2150.6	2279.5
<b>Total</b>	<b>2713.8</b>	<b>2993.3</b>	<b>3099.3</b>	<b>3177.0</b>	<b>3254.4</b>	<b>3449.2</b>	<b>3596.5</b>	<b>3675.3</b>	<b>3797.2</b>

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

Table IV.1 : Government Fiscal Operations

(In billion Taka)

	FY17				FY18				
	Q1 <sup>E</sup>	Q2 <sup>E</sup>	Q3 <sup>E</sup>	Q4 <sup>E</sup>	Budget	Revised	Q1 <sup>E</sup>	Q2 <sup>E</sup>	Q3 <sup>E</sup>
<b>Revenue</b>	<b>454.5</b>	<b>532.1</b>	<b>539.8</b>	<b>652.6</b>	<b>2879.9</b>	<b>2594.5</b>	<b>538.7</b>	<b>594.7</b>	<b>605.6</b>
<b>a) NBR Tax revenue</b>	<b>364.4</b>	<b>437.6</b>	<b>464.0</b>	<b>584.1</b>	<b>2481.9</b>	<b>2250.0</b>	<b>437.5</b>	<b>496.7</b>	<b>515.1</b>
i) VAT	139.4	164.0	171.1	187.5	912.5	827.1	165.5	187.6	191.9
ii) Customs duties	44.2	52.7	56.7	57.9	316.7	282.4	56.3	62.8	61.6
iii) Income tax	106.9	135.2	142.8	242.4	851.8	777.4	127.1	147.4	154.7
iv) Others	73.9	85.7	93.4	96.3	400.9	363.1	88.5	98.9	107.0
<b>b) Non- NBR tax revenue</b>	<b>13.1</b>	<b>14.2</b>	<b>15.8</b>	<b>19.0</b>	<b>86.2</b>	<b>72.0</b>	<b>22.2</b>	<b>15.6</b>	<b>16.5</b>
<b>c) Non- tax revenue</b>	<b>77.0</b>	<b>80.3</b>	<b>60.0</b>	<b>49.5</b>	<b>311.8</b>	<b>272.5</b>	<b>79.0</b>	<b>82.4</b>	<b>74.0</b>
<b>Expenditure</b>	<b>575.2</b>	<b>571.2</b>	<b>642.6</b>	<b>902.5</b>	<b>4002.7</b>	<b>3715.0</b>	<b>682.7</b>	<b>776.8</b>	<b>697.7</b>
a) Current	412.3	273.5	361.5	344.1	2071.4	1938.3	445.1	424.1	365.7
b) ADP	107.9	227.7	203.1	483.4	1533.3	1483.8	167.6	275.8	276.0
c) Others	55.0	70.0	78.0	75.0	398.0	292.9	70.0	77.0	56.0
<b>Budget Deficit</b>	<b>-120.7</b>	<b>-39.1</b>	<b>-102.8</b>	<b>-249.9</b>	<b>-1067.7</b>	<b>-1075.8</b>	<b>-144.0</b>	<b>-182.1</b>	<b>-92.1</b>
<b>Financing</b>	<b>120.7</b>	<b>39.1</b>	<b>102.8</b>	<b>249.9</b>	<b>1067.7</b>	<b>1075.8</b>	<b>144.0</b>	<b>182.1</b>	<b>92.1</b>
a) Domestic financing	98.7	-7.8	45.8	167.1	603.5	660.2	97.3	64.4	2.9
i) Bank financing	-20.2	-131.9	-91.9	65.4	282.0	199.2	-37.7	-49.2	-125.6
ii) Non-bank financing	118.9	124.2	137.7	101.6	321.5	461.0	135.0	113.6	128.5
b) Foreign financing*	22.0	46.8	57.0	82.8	464.2	415.7	46.7	117.7	89.3
<b>As Percentage of Annual GDP</b>									
<b>Revenue</b>	2.32	2.72	2.76	3.34	12.87	11.59	2.41	2.66	2.74
a) NBR Tax revenue	1.86	2.24	2.37	2.99	11.09	10.05	1.95	2.22	2.30
i) VAT	0.71	0.84	0.87	0.96	4.08	3.70	0.74	0.84	0.86
ii) Customs duties	0.23	0.27	0.29	0.30	1.41	1.26	0.25	0.28	0.28
iii) Income tax	0.55	0.69	0.73	1.24	3.81	3.47	0.57	0.66	0.69
iv) Others	0.38	0.44	0.48	0.49	1.79	1.62	0.40	0.44	0.48
b) Non-NBR tax revenue	0.07	0.07	0.08	0.10	0.39	0.32	0.10	0.07	0.11
c) Non tax revenue	0.39	0.41	0.31	0.25	1.39	1.22	0.35	0.37	0.33
<b>Expenditure</b>	2.94	2.92	3.29	4.61	17.88	16.60	3.05	3.47	3.15
a) Current	2.11	1.40	1.85	1.76	9.25	8.66	1.99	1.89	1.63
b) ADP	0.55	1.16	1.04	2.47	6.85	6.63	0.75	1.23	1.23
c) Others	0.28	0.36	0.40	0.38	1.78	1.31	0.31	0.34	0.28
<b>Budget Deficit</b>	<b>-0.62</b>	<b>-0.20</b>	<b>-0.53</b>	<b>-1.28</b>	<b>-4.77</b>	<b>-4.81</b>	<b>-0.64</b>	<b>-0.81</b>	<b>-0.41</b>
<b>Financing</b>	<b>0.62</b>	<b>0.20</b>	<b>0.53</b>	<b>1.28</b>	<b>4.77</b>	<b>4.81</b>	<b>0.64</b>	<b>0.81</b>	<b>0.41</b>
a) Domestic financing	0.50	-0.04	0.23	0.85	2.70	2.95	0.43	0.29	0.01
i) Bank financing	-0.10	-0.67	-0.47	0.33	1.26	0.89	-0.17	-0.22	-0.56
ii) Non-bank financing	0.61	0.63	0.70	0.52	1.44	2.06	0.60	0.51	0.57
b) Foreign financing	0.11	0.24	0.29	0.42	2.07	1.86	0.21	0.53	0.40
<b>Memorandum item</b>									
<b>GDP at current market price</b>	<b>19560.6</b>	<b>19560.6</b>	<b>19560.6</b>	<b>19560.6</b>	<b>22385.0</b>	<b>22385.0</b>	<b>22385.0</b>	<b>22385.0</b>	<b>22385.0</b>

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

\* = include grants, E=Estimates

Table V.1: Balance of Payments

(In million US\$)

Item	FY17 <sup>P</sup>	FY17 <sup>P</sup>				FY18 <sup>P</sup>		
		Q1 <sup>R</sup>	Q2 <sup>R</sup>	Q3 <sup>R</sup>	Q4 <sup>P</sup>	Q1 <sup>R</sup>	Q2 <sup>P</sup>	Q3 <sup>R</sup>
<b>Current Account Balance</b>	<b>-1480</b>	<b>539</b>	<b>-1082</b>	<b>-855</b>	<b>-82</b>	<b>-1791</b>	<b>-2976</b>	<b>-2316</b>
<b>Trade balance</b>	<b>-9472</b>	<b>-1564</b>	<b>-2947</b>	<b>-2527</b>	<b>-2434</b>	<b>-3650</b>	<b>-4978</b>	<b>-4574</b>
Export f.o.b.	34019	7938	8471	8921	8689	8549	9137	9412
Import f.o.b.	43491	9502	11418	11448	11123	12199	14115	13986
<b>Services</b>	<b>-3284</b>	<b>-761</b>	<b>-803</b>	<b>-886</b>	<b>-834</b>	<b>-1026</b>	<b>-1256</b>	<b>-1054</b>
Credit	3621	866	939	918	898	1008	1051	1153
Debit	6905	1627	1742	1804	1732	2034	2307	2207
<b>Primary Income</b>	<b>-2007</b>	<b>-540</b>	<b>-405</b>	<b>-535</b>	<b>-527</b>	<b>-555</b>	<b>-450</b>	<b>-602</b>
Credit	82	16	13	22	31	25	26	27
Debit	2089	556	418	557	558	580	476	629
<b>Secondary Income</b>	<b>13283</b>	<b>3404</b>	<b>3073</b>	<b>3093</b>	<b>3713</b>	<b>3440</b>	<b>3708</b>	<b>3914</b>
Official Transfers	44	13	14	2	15	12	27	5
Private Transfers	13239	3391	3059	3091	3698	3428	3681	3909
Of which : workers' remittances	12591	3193	2880	2983	3535	3307	3484	3752
<b>Capital &amp; Financial Account</b>	<b>4493</b>	<b>928</b>	<b>1553</b>	<b>966</b>	<b>1046</b>	<b>1640</b>	<b>3186</b>	<b>1458</b>
<b>Capital account</b>	<b>314</b>	<b>60</b>	<b>117</b>	<b>22</b>	<b>115</b>	<b>64</b>	<b>98</b>	<b>67</b>
Capital transfers	314	60	117	22	115	64	98	67
<b>Financial account</b>	<b>4179</b>	<b>868</b>	<b>1436</b>	<b>944</b>	<b>931</b>	<b>1576</b>	<b>3088</b>	<b>1391</b>
Foreign direct investment (Gross Inflows)	2985	706	1035	620	624	770	985	495
Of which: FDI net inflow*	1706	439	574	427	266	490	540	346
Portfolio investment	458	5	179	128	146	66	143	111
Of which : workers' remittances	179	53	41	45	40	81	60	77
Other investment	2015	424	683	389	519	1020	2405	934
Medium and long-term (MLT) loans	3174	428	692	899	1155	781	1636	1309
MLT amortization payments	895	220	227	237	211	279	253	333
Other long term loans	-193	-78	-81	-20	-14	31	11	129
Other short term loans	992	431	296	26	239	417	239	427
Trade credit	-1185	-52	-254	-272	-607	-250	54	-1124
DMBs and NBDCs	122	-85	257	-7	-43	320	718	526
Assets	178	-118	-257	66	487	-43	-310	-242
Liabilities	300	-203	0	59	444	277	408	284
<b>Net Errors &amp; Omissions</b>	<b>156</b>	<b>330</b>	<b>-3</b>	<b>222</b>	<b>-393</b>	<b>-209</b>	<b>-204</b>	<b>-196.8</b>
<b>Overall Balance</b>	<b>3169</b>	<b>1797</b>	<b>468</b>	<b>333</b>	<b>571</b>	<b>-360</b>	<b>6</b>	<b>-1055</b>
<b>Reserve Assets</b>	<b>-3169</b>	<b>-1797</b>	<b>-468</b>	<b>-333</b>	<b>-571</b>	<b>360</b>	<b>-6</b>	<b>1055</b>
Bangladesh Bank	-3169	-1797	-468	-333	-571	360	-6	1055
Assets	3208	1213	1048	-68	1015	-824	393	-629
Liabilities	39	-584	580	-401	444	-464	387	426
<b>Memorandum Items</b>								
Gross official reserves	33407	31386	32092	32369	33407	32817	33227	32403.0
In months of imports of goods & services	8.00	8.50	7.30	7.30	7.80	6.92	6.07	6.00
Export growth (in percent) <sup>1</sup>	1.70	3.90	4.70	3.40	-4.40	7.70	7.86	5.5
Import growth (in percent) <sup>1</sup>	9.00	8.40	8.00	16.70	3.40	28.38	23.62	22.2
Remittances growth (in percent) <sup>1</sup>	-14.50	-17.50	-17.80	-15.30	-7.70	4.37	21.33	26.5

Source: Statistics Department, Bangladesh Bank.

R=Revised, P=Provisional.

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

\*Disinvestment, payments of loans and losses have been deducted as per BPM6 and it includes in financial account calculation instead of gross FDI.

**Table V.2: Trends in the Commodity Composition of Exports**

(In million US\$)

Items	FY17 <sup>P</sup>	FY17 <sup>P</sup>				FY18 <sup>P</sup>		
		Q <sub>1</sub> <sup>R</sup>	Q <sub>2</sub> <sup>R</sup>	Q <sub>3</sub> <sup>P</sup>	Q <sub>4</sub> <sup>P</sup>	Q <sub>1</sub> <sup>R</sup>	Q <sub>2</sub> <sup>P</sup>	Q <sub>3</sub> <sup>P</sup>
1. Raw jute	167.8	49.6	53.6	39.2	25.4	32.2	50.6	39.3
2. Jute goods	794.6	154.9	214.4	219.3	206.0	204.0	287.3	204.7
3. Tea	4.4	0.6	0.8	2.1	0.9	0.7	1.1	0.7
4. Leather	232.6	67.1	68.1	65.9	31.6	46.5	51.1	41.4
5. Frozen shrimps and fish	490.0	131.3	147.4	137.7	73.5	163.5	135.5	60.2
6. Woven garments	14392.6	3265.1	3631.0	3889.2	3607.3	3397.2	3780.4	4335.8
7. Knitwear products	13757.3	3400.8	3412.8	3330.0	3613.8	3747.0	3848.3	3725.9
8. Fertilizer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Terry towels	44.3	8.8	11.7	12.1	11.7	9.0	12.1	12.1
10. Others	4951.5	1000.6	1102.4	538.7	2309.8	1062.9	1086.9	1115.5
Total exports	34835.1	8078.8	8642.3	8234.1	9879.9	8662.7	9253.3	9535.6
Of which: exports from EPZ	5213.6	1158.6	1285.1	1367.7	1402.2	1379.2	1438.0	1471.4
Total exports (adjusted)	34019.0	7938.0	8471.0	8921.0	8689.0	8549.0	9137.0	9412

Source : Export Promotion Bureau, Bangladesh

R=Revised, P= Provisional data.

**Table V.3 : Trends in the Commodity Composition of Imports**

(In million US\$)

Items	FY17 <sup>P</sup>	FY17 <sup>P</sup>				FY18 <sup>P</sup>		
		Q <sub>1</sub> <sup>R</sup>	Q <sub>2</sub> <sup>R</sup>	Q <sub>3</sub> <sup>R</sup>	Q <sub>4</sub> <sup>P</sup>	Q1 <sup>P</sup>	Q <sub>2</sub> <sup>R</sup>	Q <sub>3</sub> <sup>R</sup>
<b>A. Food Grains</b>	<b>1286.4</b>	<b>268.6</b>	<b>347.7</b>	<b>319.9</b>	<b>350.2</b>	<b>730.0</b>	<b>1071.0</b>	<b>808.4</b>
1. Rice	89.3	3.2	8.7	24.8	52.6	447.1	537.6	436.5
2. Wheat	1197.1	265.4	339.0	295.1	297.6	282.9	533.4	371.9
<b>B. Other Food Items</b>	<b>3808.0</b>	<b>717.9</b>	<b>896.5</b>	<b>1071.6</b>	<b>1122.0</b>	<b>983.7</b>	<b>945.3</b>	<b>814.6</b>
3. Milk & cream	253.6	47.5	61.1	68.3	76.7	56.1	81.0	89.3
4. Spices	268.9	61.9	60.8	72.7	73.5	74.6	58.9	63.8
5. Edible oil	1625.6	281.8	414.0	454.8	475.0	439.0	458.0	456.5
6. Pulses (all sorts)	671.4	87.0	154.8	195.2	234.4	69.6	68.5	124.9
7. Sugar	988.5	239.7	205.8	280.6	262.4	344.4	278.9	80.1
<b>C. Consumer &amp; Intermediate Goods</b>	<b>25563.2</b>	<b>5783.9</b>	<b>6418.3</b>	<b>6717.3</b>	<b>6643.7</b>	<b>6803.9</b>	<b>7756.5</b>	<b>7677.5</b>
8. Clinker	643.8	121.0	150.7	179.0	193.1	143.0	155.9	218.1
9. Crude petroleum	477.6	122.2	107.5	143.2	104.7	67.4	141.0	57.8
10. POL	2897.6	694.5	806.2	659.2	737.7	739.0	865.1	969.4
11. Oil seeds	432.4	77.8	68.6	113.1	172.9	168.0	134.1	60.7
12. Chemicals	1975.5	459.5	494.8	520.9	500.3	559.8	577.5	610.4
13. Pharmaceutical products	245.6	50.8	62.4	67.4	65.0	47.4	81.0	60.8
14. Fertilizer	737.4	240.7	246.8	113.1	92.9	207.0	417.4	263.6
15. Dyeing and tanning materials	606.7	147.5	147.2	157.2	154.8	171.2	170.7	175.6
16. Plastics and rubber articles thereof	2220.3	487.2	542.6	601.2	589.3	583.3	629.4	628.4
17. Raw cotton	2528.9	454.7	480.6	843.3	750.3	820.7	683.1	794.8
18. Yarn	1971.8	464.8	421.6	523.7	561.7	541.6	480.8	637.9
19. Textile and articles thereof	6038.0	1315.3	1643.3	1475.2	1604.2	1478.6	1859.7	1701.0
20. Staple fibre	1016.6	222.2	265.6	264.1	264.7	243.3	313.4	331.6
21. Iron, steel & other base metals	3771.0	925.7	980.4	1012.8	852.1	1033.6	1247.4	1167.4
<b>D. Capital Goods &amp; Others</b>	<b>10945.4</b>	<b>2392.9</b>	<b>3131.7</b>	<b>2810.0</b>	<b>2610.8</b>	<b>3267.3</b>	<b>3325.8</b>	<b>4218.7</b>
22. Capital machinery	3816.8	893.2	946.9	1048.7	928.0	1289.3	1148.2	1729.8
23. Others Capital goods	7128.6	1499.7	2184.8	1761.3	1682.8	1978.0	2177.6	2488.9
<b>E. Others n.i.e</b>	<b>5402.2</b>	<b>1106.1</b>	<b>1546.2</b>	<b>1455.0</b>	<b>1294.9</b>	<b>1399.5</b>	<b>2157.9</b>	<b>1597.3</b>
<b>Grand Total c.i.f.(A+B+C+D+E)</b>	<b>47005.2</b>	<b>10269.4</b>	<b>12340.4</b>	<b>12373.8</b>	<b>12021.6</b>	<b>13184.4</b>	<b>15256.5</b>	<b>15116.5</b>
Of which Import by EPZ	3190.7	695.5	794.0	863.7	837.5	832.3	949.2	1016.6
<b>Grand Total f.o.b.(adjusted)</b>	<b>43491.0</b>	<b>9502.0</b>	<b>11418.0</b>	<b>11448.0</b>	<b>11123.0</b>	<b>12199.0</b>	<b>14115.0</b>	<b>13986.0</b>

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

R=Revised, P= Provisional.

**Table V.4: Country-wise Workers' Remittances**

(In million US\$)

Countries	FY17 <sup>P</sup>	FY17 <sup>P</sup>				FY18 <sup>P</sup>		
		Q <sub>1</sub> <sup>R</sup>	Q <sub>2</sub> <sup>P</sup>	Q <sub>3</sub> <sup>P</sup>	Q <sub>4</sub> <sup>P</sup>	Q1 <sup>R</sup>	Q <sub>2</sub> <sup>P</sup>	Q <sub>3</sub> <sup>P</sup>
<b>Gulf Region</b>	<b>7304.80</b>	<b>1852.00</b>	<b>1703.50</b>	<b>1699.90</b>	<b>2049.40</b>	<b>1874.94</b>	<b>2032.22</b>	<b>2166.2</b>
1. Saudi Arabia	2267.20	603.60	541.00	515.10	607.50	591.99	609.42	653.4
2. UAE	2093.50	554.70	468.90	474.20	595.70	514.70	623.48	570.9
3. Qatar	576.00	134.30	135.90	137.30	168.50	164.08	174.70	234.7
4. Oman	897.70	229.60	201.90	215.20	251.00	229.78	221.20	237.8
5. Kuwait	1033.30	245.80	259.00	243.30	285.20	250.68	276.30	322.9
6. Bahrain	437.10	84.00	96.80	114.80	141.50	123.71	127.12	146.5
<b>Euro Region</b>	<b>840.00</b>	<b>175.20</b>	<b>167.10</b>	<b>257.40</b>	<b>240.30</b>	<b>266.03</b>	<b>250.93</b>	<b>326.4</b>
7. UK	808.20	168.90	159.70	250.30	229.30	257.98	240.70	316.2
8. Germany	31.80	6.30	7.40	7.10	11.00	8.05	10.23	10.2
<b>Asia Pacific Region</b>	<b>1427.50</b>	<b>414.80</b>	<b>348.40</b>	<b>303.70</b>	<b>360.60</b>	<b>318.76</b>	<b>345.11</b>	<b>404.1</b>
9. Singapore	301.00	87.50	74.50	65.60	73.40	73.24	72.63	90
10. Japan	22.90	5.80	4.50	5.80	6.80	6.35	7.26	9.2
11. Malaysia	1103.60	321.50	269.40	232.30	280.40	239.17	265.22	304.9
<b>Rest of the World</b>	<b>3197.20</b>	<b>802.80</b>	<b>702.00</b>	<b>766.70</b>	<b>925.70</b>	<b>931.29</b>	<b>913.08</b>	<b>931.9</b>
12. USA	1688.90	430.10	379.60	389.20	490.10	481.14	481.04	463.3
13. Others n.i.e.	1508.30	372.70	322.50	377.50	435.60	450.15	432.04	468.6
<b>Total</b>	<b>12769.60</b>	<b>3244.80</b>	<b>2921.10</b>	<b>3027.70</b>	<b>3576.00</b>	<b>3391.02</b>	<b>3541.34</b>	<b>3828.6</b>

Source : Statistics Department, Bangladesh Bank.

P= Provisional. R=Revised

**Table V.5: Major Destination-wise RMG Related Exports**  
(In million US\$)

	FY17 <sup>P</sup>	FY17 <sup>P</sup>				FY18 <sup>P</sup>		
		Q <sub>1</sub> <sup>R</sup>	Q <sub>2</sub> <sup>P</sup>	Q <sub>3</sub> <sup>P</sup>	Q <sub>4</sub> <sup>P</sup>	Q1 <sup>P</sup>	Q <sub>2</sub> <sup>R</sup>	Q <sub>3</sub> <sup>P</sup>
<b>Exports of RMG</b>	<b>28149.9</b>	<b>6665.9</b>	<b>7043.8</b>	<b>7219.2</b>	<b>7221.0</b>	<b>7144.2</b>	<b>7628.8</b>	<b>8061.7</b>
European Countries	18735.3	4394.2	4740.6	4808.2	4792.3	4753.8	5206.5	5867.1
USA	5204.0	1263.2	1294.1	1280.6	1366.1	1306.4	1293.9	1329.2
Other Countries	4210.6	1008.5	1009.1	1130.4	1062.6	1084.0	1128.4	865.4
<b>Woven Garments</b>	<b>14392.6</b>	<b>3265.1</b>	<b>3631.0</b>	<b>3889.2</b>	<b>3607.3</b>	<b>3397.2</b>	<b>3780.4</b>	<b>4335.8</b>
European Countries	8410.4	1853.0	2131.3	2347.8	2078.3	1944.8	2250.8	2797.9
USA	3901.9	921.6	983.2	993.7	1003.4	938.9	944.0	1032.6
Other Countries	2080.5	490.5	516.7	547.7	525.6	513.5	585.6	505.3
<b>Knitwear Products</b>	<b>13757.3</b>	<b>3400.8</b>	<b>3412.8</b>	<b>3330.0</b>	<b>3613.7</b>	<b>3747.0</b>	<b>3848.3</b>	<b>3725.9</b>
European Countries	10325.1	2541.2	2609.5	2460.4	2714.0	2809.0	2955.7	3069.2
USA	1302.1	341.6	310.9	286.9	362.7	367.5	349.9	296.6
Other Countries	2130.1	518.0	492.4	582.7	537.0	570.5	542.8	360.1
<b>Growth (in percent)<sup>1</sup></b>								
<b>Exports of RMG</b>	<b>0.20</b>	<b>3.52</b>	<b>5.19</b>	<b>-1.17</b>	<b>-5.66</b>	<b>7.18</b>	<b>8.31</b>	<b>11.67</b>
European Countries	3.44	10.89	10.21	0.44	-5.31	8.18	9.83	22.02
USA	-7.48	-12.05	-6.05	-4.29	-7.28	3.42	-0.02	3.80
Other Countries	-3.36	-3.07	-0.83	-4.14	-5.13	7.49	11.82	-23.44
<b>Woven Garments</b>	<b>-2.35</b>	<b>2.38</b>	<b>3.32</b>	<b>-4.26</b>	<b>-9.20</b>	<b>4.05</b>	<b>4.11</b>	<b>11.48</b>
European Countries	1.49	12.67	10.50	-2.52	-9.83	4.95	5.62	19.17
USA	-7.73	-9.52	-7.55	-4.41	-9.36	1.88	-3.99	3.91
Other Countries	-6.42	-6.73	-1.05	-10.81	-6.33	4.69	13.33	-7.74
<b>Knitwear Products</b>	<b>3.01</b>	<b>4.64</b>	<b>7.26</b>	<b>2.70</b>	<b>-1.83</b>	<b>10.18</b>	<b>12.76</b>	<b>11.89</b>
European Countries	5.09	9.63	9.98	3.43	-1.52	10.54	13.27	24.74
USA	-6.75	-18.20	-0.96	-3.89	-0.98	7.58	12.54	3.38
Other Countries	-0.17	0.68	-0.59	3.11	-3.92	10.14	10.24	-38.20

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

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

P= Provisional . R=Revised

Table V.6: Export Performance for July-March FY18

(In million USD)

	Export target for July-Mar. 2017-18	Export performance for July -Mar. 2017-18	% Change of export performance over export target	Export performance for July-Mar. 2016-17	% Change of export performance July-Mar. 2017-18 Over July-Mar. 2016-17
<b>All Products (A+B)</b>	<b>27557.00</b>	<b>27451.55</b>	<b>-0.38</b>	<b>25816.60</b>	<b>6.33</b>
<b>A. Primary Commodities:</b>	<b>816.42</b>	<b>876.94</b>	<b>7.41</b>	<b>791.59</b>	<b>10.78</b>
Frozen Food	393.15	407.71	3.70	382.59	6.57
Agricultural Products	423.28	472.23	11.56	409.00	15.46
<b>B. Manufactured Commodities:</b>	<b>26740.58</b>	<b>26571.61</b>	<b>-0.63</b>	<b>25025.01</b>	<b>6.18</b>
Cement salt stone etc.	8.45	9.76	15.50	7.25	34.62
Ores, Slag and Ash	4.41	1.91	-56.69	4.45	-57.08
Petroleum bi Products	183.71	26.60	-85.52	195.31	-86.38
Chemical products	115.37	105.78	-8.31	107.65	-1.74
Plastic, Melamine Products	108.76	73.59	-32.34	91.40	-19.49
Rubber	25.72	20.08	-21.93	23.03	-12.81
Leather & Leather products (including leather footwear)	1014.10	848.78	-16.30	922.96	-8.04
Wood and Wood Products	5.00	3.67	-26.60	5.07	-27.61
Handicrafts	11.76	12.46	5.95	10.64	17.11
Pulp	0.01	0.02	0.00	0.00	0.00
Paper and Paper Products	44.09	56.24	27.56	41.41	35.81
Printed Materials	0.66	0.54	-18.18	0.66	-18.18
Silk	0.01	0.00	0.00	0.01	0.01
Wool and woolen Products	0.29	0.03	-89.66	0.29	-89.66
Cotton and Cotton Products	90.39	96.46	6.72	79.43	21.44
Jute and Jute Goods	775.27	818.09	5.52	731.02	11.91
Man Made Filaments and Staple Fibres	75.69	74.19	-1.98	73.61	0.79
Carpet	13.23	12.28	-7.18	12.55	-2.15
Specialized Textiles	80.83	82.34	1.87	77.96	5.62
Knitwear	11096.29	11321.14	2.03	10143.55	11.61
Woven Garments	11066.89	11513.30	4.03	10785.28	6.75
Home Textile	646.67	669.87	3.59	138.56	383.45
Other Footwear (excluding leather footwear)	198.41	187.09	-5.71	176.76	5.84
Headgear/Cap	164.68	140.90	-14.44	138.56	1.69
Umbrella Waking Sticks	0.03	0.00	-100.00	0.00	0.00
Wigs and Human Hair	16.49	16.98	2.97	14.28	18.91
Building Materials	0.59	1.40	137.29	138.14	-98.99
Ceramic Products	31.60	29.70	-6.01	19.65	51.15
Glass and Glass ware	2.20	1.06	-51.82	29.34	-96.39
Engineering Products	643.73	256.22	-60.20	242.64	5.60
Ships, boats & floating structures	95.53	30.15	-68.44	65.94	-54.28
Other Manufactured Products	216.72	160.98	-25.72	159.84	0.71

Source: Export Promotion Bureau, Bangladesh.

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

Period	US Dollar		U.K. Pound Sterling		EURO		Japanese Yen	
	Period Average	End Period	Period Average	End Period	Period Average	End Period	Period Average	End Period
2012-13	79.93	77.77	125.45	118.24	103.37	101.19	0.92	0.78
2013-14	77.72	77.63	126.4	132.24	105.46	105.96	0.77	0.77
2014-15	77.67	77.81	122.41	122.42	93.46	87.43	0.68	0.63
2015-16	78.27	78.40	116.14	105.25	86.88	87.21	0.67	0.76
2016-17	79.13	80.60	100.38	104.82	86.26	92.21	0.73	0.72
<b>2017-18</b>								
July	80.63	80.66	104.80	105.95	92.83	94.79	0.72	0.73
August	80.69	80.70	104.69	104.31	95.37	95.90	0.73	0.73
September	80.74	80.80	107.21	108.17	96.14	94.90	0.73	0.72
October	80.82	80.86	106.82	106.82	95.10	94.21	0.72	0.71
November	81.26	82.30	107.45	110.35	95.33	97.50	0.72	0.74
December	82.55	82.70	110.59	111.76	97.69	99.22	0.73	0.73
January	82.82	82.90	114.21	117.27	100.81	102.81	0.75	0.76
February	82.92	82.96	115.89	115.39	102.40	101.48	0.77	0.77
March	82.96	82.96	115.87	116.79	102.32	102.11	0.78	0.78

Source : Statistics Department, Bangladesh Bank.

**Table V.8 Trends in Foreign Aid**

(In million USD)

	FY17 <sup>P</sup>	FY17 <sup>P</sup>				FY18 <sup>P</sup>		
		Q <sub>1</sub> <sup>R</sup>	Q <sub>2</sub> <sup>R</sup>	Q <sub>3</sub> <sup>P</sup>	Q <sub>4</sub> <sup>P</sup>	Q1 <sup>P</sup>	Q <sub>2</sub> <sup>R</sup>	Q <sub>3</sub> <sup>P</sup>
<b>a. Grants (i+ii)</b>	<b>357.6</b>	<b>73.3</b>	<b>131.1</b>	<b>23.4</b>	<b>129.8</b>	<b>76.4</b>	<b>123.9</b>	<b>71.9</b>
i) Food Aid	19.9	8.4	5.3	0.0	6.2	7.2	19.3	0.0
ii) Project Aid	337.7	64.9	125.8	23.4	123.6	69.2	104.7	71.89
<b>b. Loans (MLT)</b>	<b>3173.9</b>	<b>472.6</b>	<b>647.2</b>	<b>899.4</b>	<b>1154.7</b>	780.7	1636.2	1309.27
<b>A. Total (a+b)</b>	<b>3531.5</b>	<b>545.9</b>	<b>778.3</b>	<b>922.8</b>	<b>1284.5</b>	<b>857.1</b>	<b>1760.2</b>	<b>1381.2</b>
<b>B. Amortization(1+2)</b>	<b>1111.9</b>	<b>276.9</b>	<b>273.4</b>	<b>305.5</b>	<b>256.1</b>	<b>355.9</b>	<b>273.4</b>	<b>427.8</b>
1) Principal	894.8	220.2	226.9	236.5	211.2	278.9	226.9	332.9
2) Interest	217.1	56.7	46.5	69.0	44.9	77.0	46.5	94.9
<b>C. Net Foreign Financing (A-1)</b>	<b>2636.7</b>	<b>325.7</b>	<b>551.4</b>	<b>686.3</b>	<b>1073.3</b>	<b>578.2</b>	<b>1533.3</b>	<b>1048.3</b>

Source: ERD, MOF, Statistics Department, Bangladesh Bank

R=Revised , P= Provisional .

**Table V.9 Sector-wise comparative statement of the Opening and Settlement of Import LCs**

(In million USD)

	FY17						FY18 <sup>P</sup>					
	Q1		Q2		Q3		Q1		Q2		Q3	
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement
Consumer goods	1441.2	941.8	1609.5	1446.4	1396.6	1431.9	2862.49	1721.18	1907.21	2111.19	1994.51	2185.29
Industrial raw materials	3795.6	4035.3	4262.73	4007.08	4994.3	4153.28	4404.86	4214.44	4872.11	4467.35	5110.25	4743.24
Intermediate goods	825.3	765.6	1185.5	1065.1	1025.8	1003.9	1116.87	899.16	1154.93	1015.98	1445.35	1067.45
Petroleum and petroleum products	599.1	498.2	663.2	659.1	677.2	736.1	1024.08	597.77	586.81	793.43	1042.31	848.79
Capital machinery	1036.8	1808.4	1411.4	1059.3	1462.1	965.5	1320.85	1286.97	1973.89	1246.20	1893.94	1456.73
Machinery for misc. industries	1241.5	1257.4	1255.6	1088.7	1156.4	1091.1	1750.90	1219.55	1571.90	1250.64	1278.09	1295.34
Others	1833.0	2303.3	1862.6	1653.2	1934.9	1665.0	2223.11	1887.55	13464.42	1949.13	2508.46	2150.35
Total	10772.4	11609.9	12250.5	10978.9	12647.2	11046.9	14703.16	11826.62	25531.27	12833.92	15722.91	13747.18
<i>of which back to back</i>	1942.2	1921.8	1815.7	1687.9	2127.7	1738.6	2021.40	1869.99	2107.13	1846.10	2314.84	2056.66
Growth in percent (y-o-y)												
Consumer goods	23.6	-12.6	39.2	15.2	17.7	28.8	98.6	82.8	18.5	46.0	42.8	52.6
Industrial raw materials	-3.6	11.3	-0.3	-0.8	16.4	-0.8	16.1	4.4	14.3	11.5	2.3	14.2
Intermediate goods	12.3	-1.2	22.0	19.4	0.4	20.0	35.3	17.4	-2.6	-4.6	40.9	6.3
Petroleum and petroleum products	3.4	-17.2	10.3	-21.4	51.8	51.2	71.0	20.0	-11.5	20.4	53.9	15.3
Capital machinery	18.4	120.4	-7.2	22.2	55.8	17.7	27.4	-28.8	39.9	17.6	29.5	50.9
Machinery for misc. industries	17.7	1.6	30.5	14.3	8.8	10.9	41.0	-3.0	25.2	14.9	10.5	18.7
Others	28.2	28.8	3.7	7.9	24.3	15.1	21.3	-18.1	622.9	17.9	29.6	29.1
Total	10.2	17.0	8.5	5.8	20.4	11.4	36.5	1.9	108.4	16.9	24.3	24.4
<i>of which back to back</i>	4.3	14.5	2.1	-0.9	4.3	-4.1	4.1	-2.7	16.1	9.4	8.8	18.3

Source: Foreign Exchange Operation Department, Bangladesh Bank.

P= Provisional

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

(In percent)

Type of Banks	2016				2017				2018
	Mar.	June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.
State Owned Commercial Banks	24.27	25.74	25.16	25.05	28.56	26.84	29.25	26.52	29.84
Specialised Banks	23.24	26.14	26.14	26.02	26.02	23.79	23.79	23.39	23.39
Private Commercial Banks	5.75	5.44	5.90	4.58	5.68	5.77	5.97	4.87	6.00
Foreign Commercial Banks	7.51	8.33	8.85	9.56	8.57	7.89	7.89	7.04	7.01
<b>All Banks</b>	<b>9.92</b>	<b>10.06</b>	<b>10.34</b>	<b>9.23</b>	<b>10.53</b>	<b>10.13</b>	<b>10.67</b>	<b>9.31</b>	<b>10.78</b>

Source : Banking Regulation and Policy Department, Bangladesh Bank.

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

Type of Banks	(In percent)									
	2016				2017				2018	
	Mar.	June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	
State Owned Commercial Banks	11.65	11.76	11.68	11.06	13.17	11.56	13.16	11.15	14.38	
Specialised Banks	6.92	10.81	10.81	10.48	10.48	8.75	8.57	9.69	9.06	
Private Commercial Banks	0.86	0.58	0.75	0.14	0.58	0.66	0.77	0.20	0.99	
Foreign Commercial Banks	-0.33	0.90	1.31	1.91	1.21	0.90	0.91	0.71	0.82	
<b>All Banks</b>	<b>2.88</b>	<b>2.81</b>	<b>2.77</b>	<b>2.33</b>	<b>2.90</b>	<b>2.62</b>	<b>2.92</b>	<b>2.20</b>	<b>3.31</b>	

Source : Banking Regulation and Policy Department, Bangladesh Bank.

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

Type of Banks	(In percent)									
	2016				2017				2018	
	Mar.	June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	
State Owned Commercial Banks	6.50	5.75	5.62	5.86	5.92	6.99	5.56	5.04	2.90	
Specialised banks	-32.87	-34.73	-32.90	-33.67	-35.23	-32.76	-33.49	-35.45	-33.72	
Private Commercial Banks	11.96	11.91	11.83	12.36	12.22	12.18	12.20	12.52	12.12	
Foreign Commercial Banks	25.99	23.80	24.15	25.37	23.91	23.34	24.03	24.90	24.62	
<b>All Banks</b>	<b>10.62</b>	<b>10.34</b>	<b>10.31</b>	<b>10.80</b>	<b>10.68</b>	<b>10.86</b>	<b>10.65</b>	<b>10.83</b>	10.11	

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

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

Type of Banks	Return on Assets (ROA)					Return on Equity (ROE)			
	2014	2015	2016	2017 <sup>P</sup>	2014	2015	2016	2017 <sup>P</sup>	
	State Owned Commercial Banks <sup>1,2</sup>	-0.55	-0.04	-0.16	0.21	-13.46	-1.47	-6.02	3.45
Specialised Banks	-0.68	-1.15	-2.80	-3.49	-5.97	-5.79	-6.94	-17.19	
Private Commercial Banks	0.99	1.00	1.03	0.89	10.26	10.75	11.09	12.01	
Foreign Commercial Banks	3.38	2.92	2.56	2.24	17.67	14.59	13.08	11.31	
<b>All Banks</b>	<b>0.64</b>	<b>0.77</b>	<b>0.68</b>	<b>0.67</b>	<b>8.09</b>	<b>10.51</b>	<b>9.42</b>	<b>9.60</b>	

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

P= Provisional.

1/ Since January 2015 state owned banks include BASIC Bank Limited.

2/Since June 2015 state owned banks include BDBL.

**Table VII.1 : Indicators of Capital Market Developments**

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

Source: Dhaka Stock Exchange

<sup>1</sup> Include debenture but exclude govt. bond.

<sup>2</sup> DSE broad index and DSE 30 index start from January 28, 2013.

<sup>3</sup> Quarterly growth rate refers growth over the same quarter of the previous year.

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

(In billion Taka)

Name of Group	FY17	FY17				FY18		
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>
Banks	560.60	441.80	484.10	594.10	560.60	723.73	752.55	609.53
Financial Institutions	233.80	153.20	161.00	251.60	233.80	252.20	244.02	200.35
Mutual Funds	42.50	31.20	35.10	40.90	42.50	43.00	42.31	41.81
Engineering	190.62	172.31	179.10	197.50	190.62	199.87	208.10	183.39
Food & Allied Product	247.19	226.30	234.10	224.80	247.19	255.65	285.60	284.43
Fuel and Power	404.90	361.90	360.30	388.90	404.90	385.01	372.84	346.05
Jute Industry	1.50	1.10	1.00	1.20	1.50	1.75	1.90	1.7
Textile Industry	126.30	87.00	104.90	122.60	126.30	119.93	121.70	107.98
Pharmaceuticals and Chemicals	501.80	426.80	433.70	485.94	501.80	512.12	530.70	536.37
Paper and Printing	1.90	1.60	1.60	1.60	1.90	2.40	1.90	1.8
Services and Real Estate	25.30	18.80	22.70	26.80	25.30	24.32	23.50	19.66
Cement Industry	131.44	151.29	157.00	147.20	131.44	128.06	138.50	118.8
Insurance	86.50	74.80	84.60	92.30	86.50	92.92	94.30	89.3
Telecommunication	484.80	384.80	403.20	468.60	484.80	579.67	652.70	638.9
Miscellaneous	194.30	169.20	187.20	195.80	194.30	190.30	192.10	183.1
Corporate Bond	6.00	6.00	5.90	6.00	6.00	5.92	6.00	2.9
<b>Total Market Capitalisation</b>	<b>3239.45</b>	<b>2708.10</b>	<b>2855.50</b>	<b>3245.84</b>	<b>3239.45</b>	<b>3516.80</b>	<b>3668.72</b>	<b>3366.07</b>
<b>Growth Rate<sup>1</sup></b>	<b>23.91</b>	<b>-3.37</b>	<b>9.50</b>	<b>30.92</b>	<b>23.91</b>	<b>29.86</b>	<b>28.48</b>	<b>3.70</b>

Source : Dhaka Stock Exchange.

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

# Annexure

### Chronology of Major Policy Announcements: January-March, 2018

<p>SMESPD Circular letter no.01 07 January, 2018 Change of policies in operating Islamic Shariah based Refinancing Fund.</p>	<p>Under this fund the participating business entity will be given refinancing facility for one year period which will be renewable until the investment period of principal financing of the project is active and unclassified. The refinancing fund, withdrawn from Bangladesh Bank will be repaid including its profit in quarterly basis regularly.</p>
<p>DMD Circular no. 01/2018 08 January, 2018 Policies regarding Bangladesh Government Treasury Bill/Bond Buy-back.</p>	<p>Like other countries, the issue to make redemption profile homogeneous and to reduce the number of Treasury bond Buy-back of Government securities has been approved by the finance division, finance ministry Government of the peoples' republic of Bangladesh. Bangladesh Bank will accomplish this activity on behalf of the Government of Bangladesh.</p>
<p>FEPD Circular no.01 18 January, 2018 Payments through Asian Clearing Union (ACU).</p>	<p>To facilitate transactions under ACU mechanism, it has been decided that along with 'ACU Dollar', ADs are advised to resume transactions in 'ACU Euro' to settle current account transactions among ACU member countries. Accordingly, 'Japanese Yen (JPY)' has been incorporated as a settlement currency in ACU mechanism.</p>
<p>FEPD Circular no.02 25 January, 2018 Allowing incentive to payment through TT or other medium for exploring new markets (New Market Exploration Assistance).</p>	<p>It has been decided to give incentives against export received from the exported country along with export received from other countries under the new market exploration facility. In case of other countries it should be ensured the business relationship between export destination and export-value payment country.</p>
<p>FID Circular letter no.01 28 January, 2018 Opening of bank account for student under school banking scheme.</p>	<p>With the consent from account holders, accounts opened under school banking scheme will be converted into general accounts when the students (A/C holder) become more than 18 years old. Besides, scheduled banks providing banking services to students through mobile financial services or collect government scholarship/ allowances will take initiatives to open accounts for them under school banking scheme.</p>

<p>FEPD Circular letter no.02 05 February, 2018 Cash incentive for exporting Frozen Shrimp and Other Fish sector.</p>	<p>Cash incentive is applicable against exporting Frozen Shrimp and other Fish prepared through freezing method. This is clarified that as a part of freezing Protective Glaze and materials used will be treated as part and parcel of Frozen Fish.</p>
<p>FEPD Circular no. 03 08 February, 2018 Export subsidy against exporting software, ITES and hardware.</p>	<p>Government decided to provide export subsidy against exporting software, ITES (Information Technology Enabled Services) and hardware to promote country's export trade. This facility will be applicable for the exports of goods and services on board from FY 2017-18.</p>
<p>FEPD Circular no. 04 08 February, 2018 Export subsidy against exporting footwear made of synthetic and fabrics.</p>	<p>Government decided to provide export subsidy against exporting footwear made of synthetic and fabrics to promote country's export trade. This facility will be applicable for the exports of goods and services on board from FY 2017-18.</p>
<p>FEPD Circular no. 05 08 February, 2018 About export subsidy against exporting accumulator battery.</p>	<p>To promote country's export trade, Government decided to provide export subsidy against exporting accumulator battery. This facility will be applicable for the exports of goods and services on board from FY 2017-18.</p>
<p>FEPD Circular no. 07 15 February, 2018 Outward remittance facilities for exporters.</p>	<p>To facilitate export trade in meeting urgent needs, it has been decided that ADs may allow remittance facilities to exporters for bonafide service payments to beneficiary's bank account abroad up to USD 5,000 or equivalent, subject to observance of some instructions.</p>
<p>BRPD Circular no.01 20 February, 2018 About loan Classification and Provisioning.</p>	<p>With a view to promoting growth in the real estate sector through bank's participation in Housing Finance, banks have to maintain 1% General Provision instead of 2% against all unclassified Housing Finance Loans under consumer financing.</p>

<p>BRPD Circular no. 02 25 February, 2018 To prepare loan sanctioning papers in Bangla.</p>	<p>According to Constitution of the Peoples Republic of Bangladesh's Bangla Language Circulation Act, 1987 and to fulfill customers' requirements banks are advised to prepare loan sanctioning papers in Bangla. Besides Bangla loan sanctioning papers may be prepared in English along with Bangla.</p>
<p>FEPD Circular letter no.06 25 March, 2018 Purchase of Wage-Earner Development Bonds out of Taka fund against inward remittance sent by wage earners.</p>	<p>Taka fund credited in non-resident Taka account of Bangladesh nationals residing abroad or in resident Taka accounts of their beneficiaries against inward remittances through normal banking channel or authorized exchange house channel is eligible to purchase Wage Earner development Bond (WEDB) in accordance with the instructions of Wage-Earner Development Bond Rules, 1981.</p>

