

# Bangladesh Bank **Q u a r t e r l y**

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## Content

### Economic and Financial Developments

- Executive Summary
- I. Real Economy
- II. Price
- III. Money and Credit Market
- IV. Fiscal Sector
- V. External Sector
- VI. Banking Sector
- VII. Capital Market

### Charts

- I.1 Growth of Real GDP
- I.2 Production of Major Crops
- I.3 Growth Decomposition of Quantum Index of Industrial Production
- I.4 Heat Map for Large and Medium Scale Manufacturing Output Growth
- I.5 Growth of Bank Credit to Trade and Commerce and Transport
- II.1 12-Month Average CPI Inflation
- II.2 Decomposition of Average Inflation
- II.3 Point-to-point CPI Inflation
- II.4 Decomposition of Non-food Inflation
- II.5 Inflation Heat Map
- II.6 Global Commodity Price Indices
- II.7 Inflation in South Asian Countries
- III.1 Growth of M2, NDA and NFA
- III.2 Growth of Credit to Public and Private Sectors
- III.3 Liquidity as a % of TDTL
- III.4 Movements in Policy and Money Market Rates
- III.5 Interest Rate Spread
- III.6 Interest Rate of Government Securities
- IV.1 Government Revenue
- IV.2 Government Expenditure
- IV.3 Sources of Financing of Budget Deficit
- V.1 Trends in Current Account and Overall Balance
- V.2 Trends in Export and Import
- V.3 Decomposition of Export Growth
- V.4 Decomposition of Import Growth
- V.5 International Reserve
- V.6 Effective Exchange Rate Indices
- V.7 Cross-Country Nominal Exchange Rate Indices
- VI.1 Ratio of Gross NPLs to Total Loans
- VI.2 Ratio of Gross NPLs and Net NPLs to Total Loans
- VI.3 Capital to Risk Weighted Asset Ratio (CRAR)
- VI.4 Advance Deposit Ratio
- VI.5 Excess of SLR as % of TDTL
- VII.1 Trends in DSEX Index and Turnover
- VII.2 Synchronization of DSE with Global Market
- VII.3 Heat Map for Sectoral Price Earnings Ratio of DSE

- VII.4 Index of Major Sectors
- VII.5 Selected Countries: Stock Market Capitalization

## Tables

- I.1 Macroeconomic Framework: Key Economic Indicators
- I.2 Real GDP Growth by Sectors
- I.3 Nominal GDP by Sectors
- I.4 Crop-wise Agricultural Production
- I.5 Quantum Index of Medium and Large- scale Manufacturing Industries, Mining and Electricity
- I.6 Quantum Index of Medium and Large- scale Manufacturing Industries by Major Industries
- I.7 Cargo Handled by Chittagong Port
- I.8 Trends in Private Sector Credit
- I.9 Bank Advances (Private Sector) by Economic Purposes
- I.10 Trends in Agricultural Credit
- I.11 Micro-credit Operations of Grameen Bank and Large NGOs
- I.12 Industrial Term Lending by Banks and NBFIs
- II.1 Trends in Inflation
- II.2 Commodity Prices in the International Market
- II.3 Inflation in South Asia
- III.1 Movements in Reserve Money
- III.2 Movements in Broad Money
- III.3 Interest Rates Developments
- III.4 Outstanding Stocks of Treasury Bills, Bonds and NSD Certificates
- IV.1 Government Fiscal Operations
- V.1 Balance of Payments
- V.2 Trends in the Commodity Composition of Exports
- V.3 Major Destination-wise RMG Related Exports
- V.4 Export Performance for July-March, FY20
- V.5 Trends in the Commodity Composition of Imports
- V.6 Sector-wise Comparative Statement of the Opening and Settlement of Import LCs
- V.7 Country-wise Workers' Remittances
- V.8 Exchange Rate Movements
- V.9 Trends in Foreign Aid
- VI.1 Gross NPL Ratios by Type of Banks
- VI.2 Net NPL Ratios by Type of Banks
- VI.3 Capital to Risk Weighted Asset Ratios by Type of Banks
- VI.4 Profitability Ratios by Type of Banks
- VII.1 Indicators of Capital Market Developments
- VII.2 Group-wise Market Capitalization of Dhaka Stock Exchange

## Annexure

Chronology of Major Policy Announcements: January-March, 2020

# **Economic and Financial Developments**

## *Executive Summary*

*Economic activities portrayed a mixed picture in Q3FY20, amid global supply disruptions and looming economic recession originating from the global outbreak of the COVID-19. As reflected in several indicators, activities in the agriculture and industry sectors remained firm in Q3FY20, while activities in the service sector appeared somewhat moderated. On the demand side, weak private credit growth (8.90 percent), falling import demand (-8.8 percent growth), and decelerating remittance inflows (0.2 percent growth) together also pointed to some moderation of economic activities in this quarter.*

*Headline CPI inflation (y/y) declined to 5.48 percent in March 2020 from 5.75 percent in December 2019 with the help of a fall in food inflation, albeit with a notable rise in non-food inflation. Food inflation came down to 4.87 percent in March 2020 from 5.88 percent in December 2019, supported by a downturn in the price of fishes, vegetables, and spices. During this period, however, the twelve-month average headline CPI inflation edged up to 5.60 percent(y/y) with the co-movements of food and non-food items in opposite directions.*

*Broad money (M2) grew by 12.2 percent in Q3FY20, led by substantial government borrowings, while private credit growth continued moderating. However, reserve money witnessed a surge of 21.25 percent growth in Q3FY20 propped up with a deliberate boost in the precautionary currency demand (19.84 percent growth) ahead of nationwide lockdown in response to the pandemic. Substantial government borrowings from banks, along with a decline in deposit growth, caused partly by the lower interest rate on deposits and partly by weak remittance inflows, resulted in some liquidity tightening in the banking system. Consequently, interbank money market rates manifested an upward movement, although the interest rates on deposit and lending kept falling. Among other indicators related to the banking sector, the ratio of gross non-performing loans moderated to 9.00 percent in Q3FY20, while the advance-deposit ratio remained well below its ceiling.*

*The current account balance (CAB) deficit widened to USD 871 million in Q3FY20 from USD 774 million in Q2FY20, mainly because of a decline in remittance inflows and export earnings. Export earnings declined by 9.68percent in Q3FY20(y/y), inflicted by the pandemic driven impaired external demand. In comparison, import payment fell by 6.74 percent (y/y) with a broader base due partly to export slowdown and partly to interruption of production in china - a significant source of imports. Notwithstanding a widening of CAB deficits and moderating the surplus in the capital and financial account, the overall balance registered a higher surplus rising to USD 318 million in Q3FY20 from USD 231 millionQ2FY20. The nominal exchange rate depreciated by 0.82 percent (y/y) in Q3FY20, while BB bought (net) USD 182 million during the quarter to avoid exchange rate volatility.*

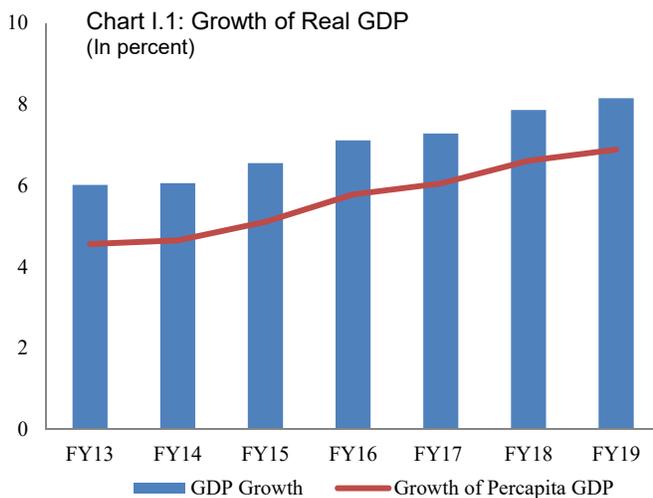
*On the fiscal side, faster government expenditure (21.9 percent growth) against a moderate revenue collection (6.87 percent growth) led to a higher budget deficit, rising to BDT 353 billion in Q3FY20 compared to BDT 318 billion in Q2FY20. Of this deficit, about 55 percent was met from foreign sources in Q3FY20. The capital market witnessed a downtrend during Q3FY20.*

*Domestic economic activities in looking ahead are likely to moderate due to nationwide shutdown during April-May 2020, along with the slowdown in export and import growth. The sharp contraction of global economic growth (-4.9 percent in 2020)owing to the COVID-19 pandemic, uncertainty in the recovery of growth in major economies, continued supply chain disruptions, and sluggish global commodity prices are likely to dampen the growth outlook in FY20. The ordered implementation of stimuli packages combined with monetary and fiscal policies may mitigate the downside risks of growth outlook and macro stability.*

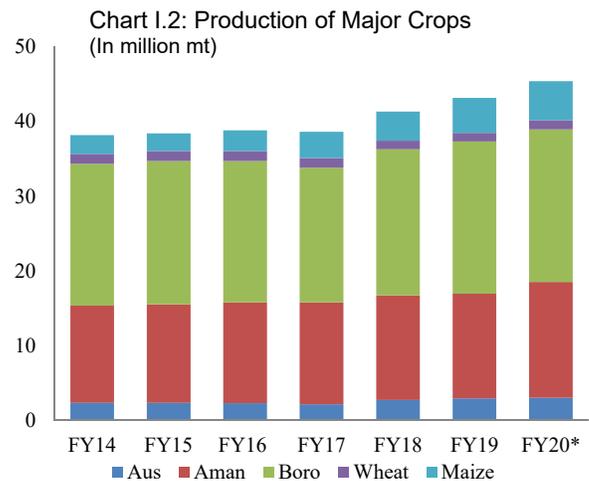


## I. Real Economy

1.1 Economic activities exhibited a mixed scenario in Q3FY20, amid disrupted global trade and looming economic recession precipitated by the global outbreak of COVID-19 pandemic. On the supply side, Quantum Index of Industrial Production (QIIP) registered an uptick in Q3FY20, led by manufacturing sector activities. Agricultural activities remained solid, buoyed by timely availability of necessary inputs. However, service sector activities appeared to have moderated somewhat, reflected in slower growth of credit to service sector related activities, such as trade and commerce, and transport and communication. On the demand side, weak private credit growth (8.9 percent), falling import demand (-9.69 percent growth), and decelerated remittance inflows (0.2 percent growth) together pointed to some moderation of economic activities in Q3FY20.



Source: Bangladesh Bureau of Statistics



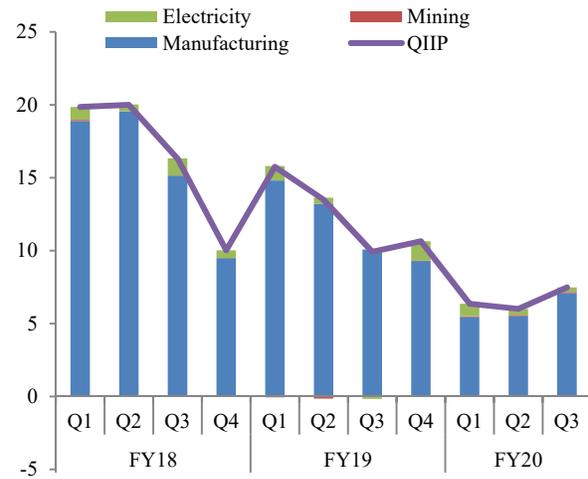
\*Boro and Maize are targets for FY20.

Source: Department of Agriculture Extension

1.2 The agricultural activities remained firm in Q3FY20. According to the Department of Agriculture Extension (DAE), an amount of 15.5 million metric ton (mmt) *aman* crop has already been harvested in FY20 which was 10.3 percent higher than the last year's production. Though official data on *boro* production are yet to be finalized, there are indications that *boro* production target of 20.4 mmt will be achieved supported by higher yield despite lower than targeted acreage. Moreover, production of wheat, maize, potato, and pulses met their respective targets in the current fiscal year. Vegetables production also surpassed the targeted amount.

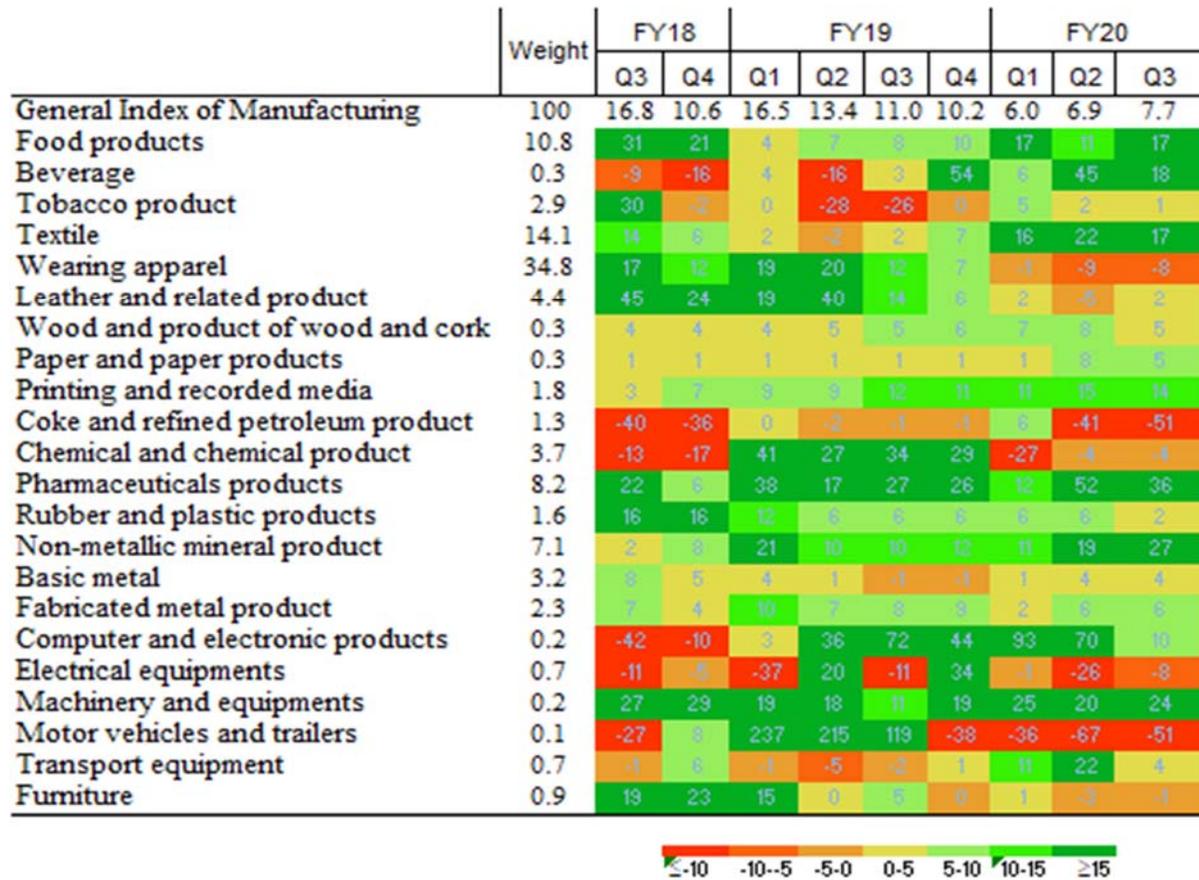
1.3 After staying nearly flat for two consecutive quarters, growth in the industry sector showed a notable upbeat in Q3FY20, driven by the manufacturing output. Available data showed that the large and medium scale manufacturing production increased by 7.5 percent (y/y) shored up by growth in textile (17.0 percent), food (16.6 percent), pharmaceuticals (35.9 percent), and non-metallic mineral product (26.7 percent) production, after five quarters of continued deceleration in growth. However, growth of manufacturing of wearing apparel, the largest component of manufacturing products (34.84percent), declined by 8.0 percent during this period. In addition to manufacturing, a healthy growth in cement production (33.0 percent) suggested strong construction activities at the same time.

Chart 1.3: Growth Decomposition of Quantum Index of Industrial Production (Percent)



Source: BB Staff's calculation based on BBS data

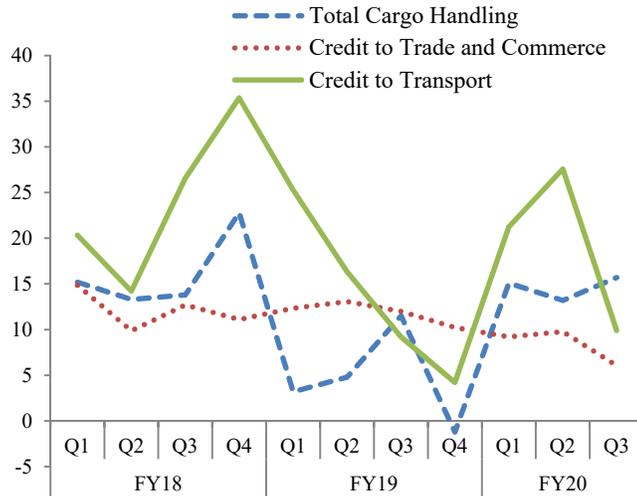
Chart I.4: Heat Map for Large and Medium Scale Manufacturing Output Growth  
(In percent)



Source: BB staff's calculation based on BBS data

1.4 The volume of cargo handled through the Chattogram sea-ports exhibited a fair performance posting 15.7 percent growth in this quarter compared to the 11.5 percent growth recorded in the same quarter of the previous year. However, services such as trade, seasonal travel and tourism, and transport sector have hit hard in the wake of the outbreak of COVID-19 pandemic. In Q3FY20, credit to trade and commerce (6.1 percent) and transport and communication (9.9 percent) showed a deceleration in growth compared to that in Q3FY19.

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

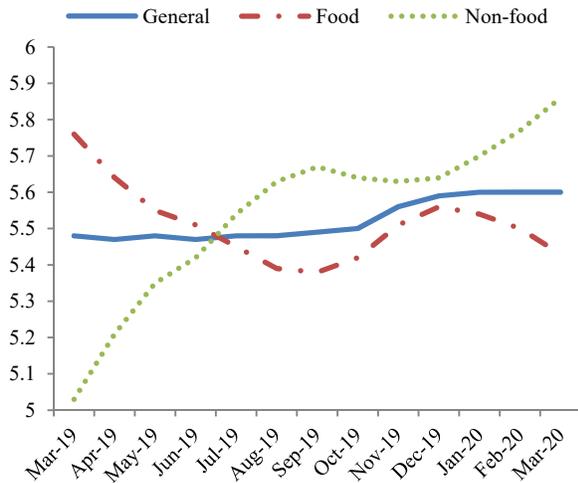


Sources: Chattogram Port Authority and Statistics Department, Bangladesh Bank.

## II. Price

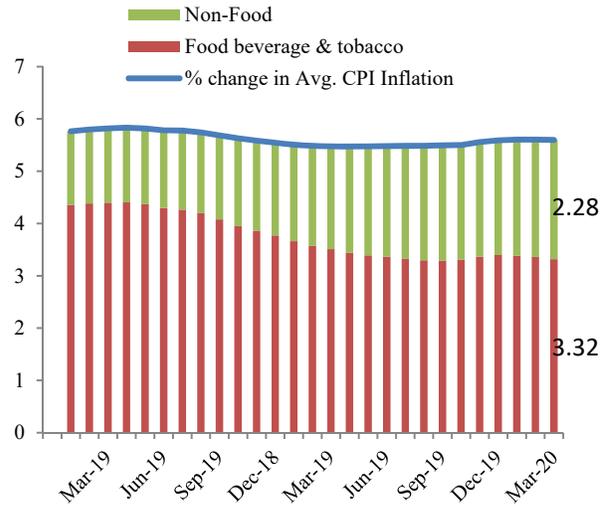
2.1 Headline CPI (12-month average) inflation edged up to 5.60 percent in Q3FY2020 from 4.48 percent Q3FY19 due to continuous increase in non-food inflation. It crept up to 5.86 percent in Q3 FY20 from 5.03 percent in Q3FY19 while food inflation eased to 5.43 percent in Q3FY20 from 5.76 percent in Q3FY19. (Chart II.1). The decomposition of headline inflation shows that out of this 5.60 percent inflation, 3.32 percent came from food inflation and the remaining 2.28 percent arose from non-food inflation (Chart II.2).

Chart II.1 CPI Inflation  
(12- month average; in percent)



Source: Bangladesh Bureau of statistics (BBS)

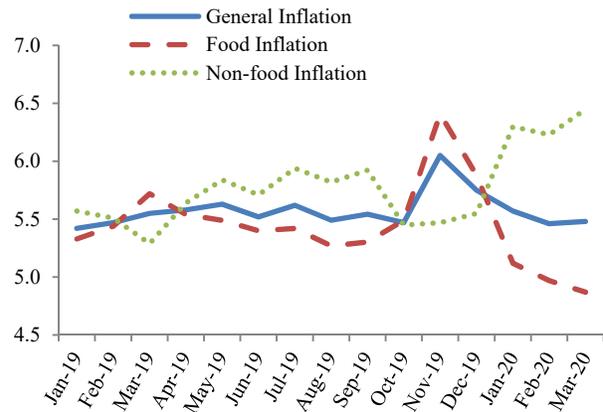
Chart II.3: Decomposition of Average Inflation



Source: BB Staff's calculation based on BBS data

2.2 Headline CPI inflation (point-to-point) fluctuated during the last several months. Precisely, it declined to 5.48 percent in March 2020 from 6.05 percent in November 2019, due to a notable slide in food inflation. Food inflation came down to 4.87 percent in Q3FY20 from 5.88 percent in Q2FY20, with the help of a downturn in fish, vegetables, and spice prices. However, rising non-food inflation since December 2019 partially offset the effect of moderation of food inflation on headline inflation. Non-food inflation increased to 6.45 percent in Q3FY20 from 5.55 percent in Q2FY20. Rent, fuel and lighting s, and cost of healthcare services were the dominant determinants of upward movements in non-food inflation(Chart II.4).

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



Source: Bangladesh Bureau of Statistics

Chart II.4: Inflation Heat Map  
(In percent)

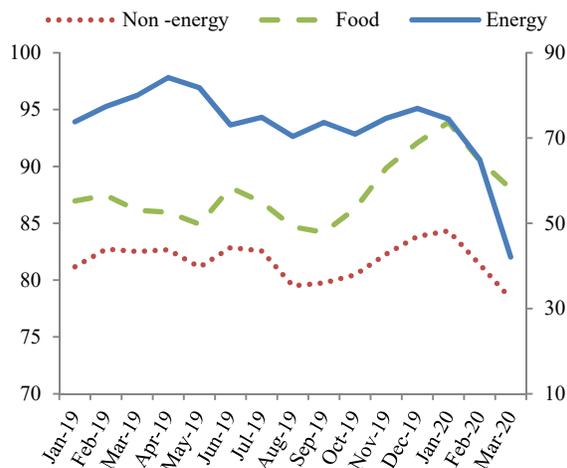
	WEIGHTS	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
<b>General</b>	100.00	5.55	5.58	5.63	5.52	5.62	5.49	5.54	5.47	6.05	5.75	5.57	5.46	5.48
<b>Food,Beverage and Tobacco</b>	56.18	5.72	5.54	5.49	5.40	5.42	5.27	5.31	5.49	6.41	5.88	5.12	4.97	4.87
<b>1. Food</b>	52.17	5.78	5.58	5.19	5.05	5.09	4.77	4.88	5.09	6.83	6.23	5.36	5.19	4.85
(a) Cereals	21.62	-3.71	-5.09	-1.32	5.52	-2.06	-2.97	-4.33	-4.95	-0.57	3.56	-3.15	-2.70	3.14
(i) Rice	20.31	-4.14	-5.65	-1.76	5.53	-2.53	-3.46	-4.83	-5.52	-0.85	3.48	-3.65	-3.18	2.98
(ii) Other Cereals	1.30	4.24	5.32	0.11	5.45	5.62	5.35	4.24	4.72	3.95	4.82	3.77	3.85	5.44
(b) Pulses:	1.51	4.0	-5.2	-9.9	-8.7	-8.6	-8.4	-11.3	-0.8	5.4	15.1	18.4	18.6	22.5
(c) Fish (fresh) & dry fish	6.98	23.3	20.9	35.0	14.5	14.7	13.0	12.6	11.5	-8.9	-7.5	-12.8	-11.8	-11.8
(d) Eggs and Meat	4.94	5.9	6.3	5.8	5.6	3.7	3.1	5.8	6.0	3.8	4.0	5.9	6.2	7.1
(e) Vegetable	4.78	23.9	31.9	17.0	-6.4	12.4	14.4	10.4	6.4	9.8	11.2	22.6	15.0	-0.3
(f) Fruits	1.85	15.2	14.6	16.8	8.8	7.8	17.7	15.7	14.6	10.9	9.7	13.0	12.0	10.8
(g) Spices	4.29	-1.3	-0.8	-2.3	0.5	9.6	6.5	16.0	25.7	63.6	36.9	46.2	46.7	35.3
(h) Edible oils & fats	1.93	3.6	3.5	3.6	4.3	4.2	4.2	4.1	3.9	3.2	3.1	2.0	2.0	1.8
(i) Milk and milk products	2.05	2.9	2.9	4.5	4.4	7.5	8.5	7.2	7.0	7.2	7.2	4.8	4.8	4.7
(j) Miscellaneous food items	2.24	8.1	8.2	8.6	9.0	9.2	11.0	12.4	11.7	10.2	7.0	7.3	7.5	8.6
<b>2. Beverage</b>	1.34	0.6	0.6	0.6	0.3	2.4	2.6	2.6	2.6	2.3	2.3	1.9	1.9	1.9
<b>3. Tobacco &amp; Products</b>	2.67	6.1	6.1	9.5	9.9	9.3	11.0	10.1	10.0	2.9	3.0	1.4	1.6	5.6
<b>Non-food</b>	43.82	5.3	5.6	5.8	5.7	5.9	5.8	5.9	5.4	5.5	5.5	6.3	6.2	6.5
I. Clothing and Footwear	6.84	6.7	8.1	9.6	5.9	6.1	5.7	5.6	5.0	4.9	4.9	4.8	4.8	4.9
II. Rent, Fuel & Lighting	14.88	4.5	4.5	4.2	4.8	6.1	6.1	5.7	5.6	5.6	5.4	7.3	7.3	7.7
III. Household Furniture, operations and repairing	4.73	5.3	5.3	5.1	7.7	7.7	7.2	6.9	5.7	5.9	6.6	7.2	6.9	7.1
IV. Medical Care & Health Expenses	3.47	2.7	2.7	2.4	2.9	2.9	4.1	5.8	5.7	5.7	5.8	7.8	7.8	7.9
V. Transport and Communication	5.80	7.7	8.0	8.7	7.5	7.4	6.4	6.5	5.7	5.7	5.6	5.6	5.5	5.5
VI. Recreation & Educational Expenses	4.28	2.1	2.3	2.2	2.2	2.2	2.2	2.3	2.4	2.4	2.4	1.4	1.4	1.5
VII. Miscellaneous Goods & Services	3.82	6.6	7.2	6.5	8.3	6.3	7.1	8.6	7.5	7.8	8.4	8.9	8.6	9.0



Source: BB staff's calculation based on BBS data

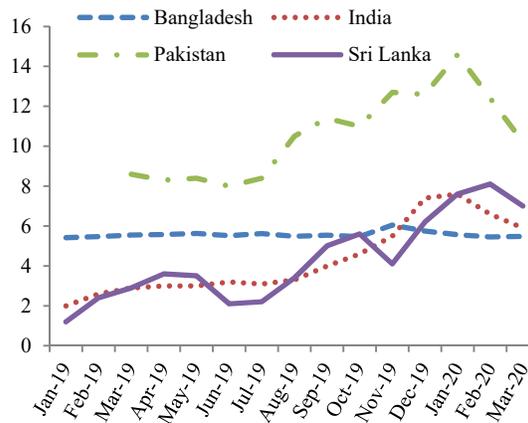
2.3 Amid COVID-19 pandemic, majority of the commodity prices in the global market sharply declined in Q3FY20 compared to Q2FY20. Energy prices, dominated by oil price, fell by 45 percent in March 2020 compared to December 2019. Crude oil price slashed to \$33.75/bbl in March, a decline of nearly 50 percent compared with January 2020. This fall in oil price was mostly because of an unprecedented decline in the demand for oil resulted from the lockdown measures undertaken in response to the COVID-19 pandemic, which reduced transport services and other economic activities substantially. Moreover, non-energy prices also went down (by 6.5 percent) in this quarter compared to the previous quarter. Although majority of food prices in the global market witnessed a considerable moderation, rice and wheat price increased significantly during this period triggered by bans on export imposed by many countries.

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



Source: World Bank

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



Sources: Central Banks and Statistics Department of respective countries

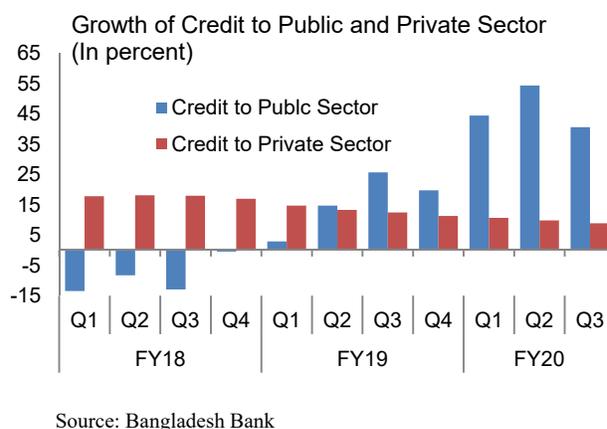
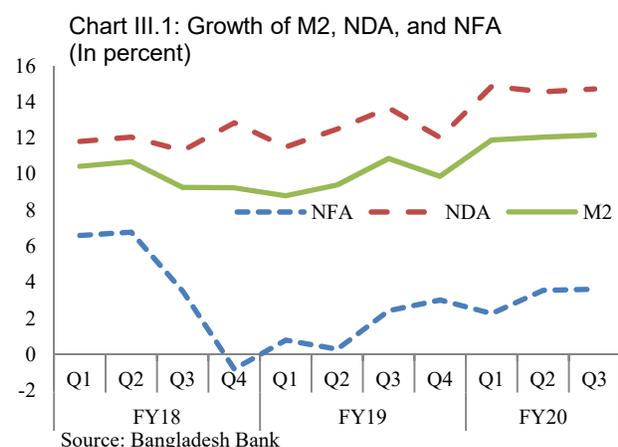
2.4 Inflation in selected South Asian countries followed a mixed trend in Q3FY20. Inflation in India and Pakistan decreased to 5.9 percent and 10.2 percent in March 2020 from 7.4 percent and 12.6 percent in December 2019 respectively, while inflation in Sri Lanka increased to 7.0 percent from 6.2 percent (Chart II.6).

2.5 Looking ahead, upward risk to headline inflation in near term may arise from impaired global supply chain caused by pandemic driven international trade disruption and loss of crops caused by devastating recent cyclone "Amphan". Trade restrictions on food exports and stockpiling of food commodities by some countries may pose risks to food security. The severity and extent of the aftermath of COVID-19 pandemic may exacerbate supply chain disruptions within the country and squeeze availability of food other essential items if lockdown measures are not handled carefully.

### III. Money and Credit Market

3.1 Broad money (M2) grew by 12.2 percent in Q3FY20, remaining in line with the revised target of 13.0 percent for FY20, driven mainly by a significant rise in government borrowings from the banking system while private sector credit growth continued its moderating trend. Strong government borrowings from banks along with a decline in deposit growth, caused partly by lower interest rate on deposits and weak remittance inflows, resulted in some liquidity tightening in the banking system. Consequently,

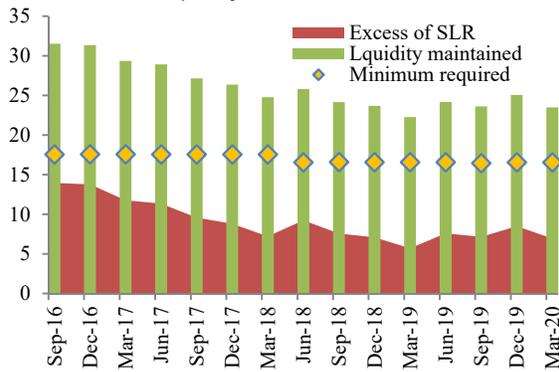
interbank money market rates felt some upward pressure, although the interest rates on deposit and lending kept falling due mainly to the implementation of single digit interest rates.



3.2 Government borrowings from banking system rose by 40.6 percent(y/y) in Q3FY20, because of increasing dependency on banks for deficit financing in the face of shortfall in government's revenue collection, albeit somewhat lower than 54.3 percent growth in Q2FY20, while private credit growth further moderated to 8.9 percent. . The deceleration of private credit growth emerged partly from global trade slowdown and looming economic recession caused by the COVID-19 outbreak, and partly from investors' wait-and-see mode ahead of the execution of government's lower interest rate ceilings on credit. Moreover, net foreign asset (NFA) registered a moderate growth of 3.6 percent in Q3FY20, owing to ebbing of export receipts and remittance inflows. Consequently, M2growth picked up to 12.2 percent, staying close to the revised target of 13.0 percent for FY20. On the other hand, reserve money witnessed a surge of 21.25 percent growth in Q3FY20, propelled by a sharp rise in precautionary cash holdings (19.84 percent growth) ahead of nationwide lockdown in response to the pandemic. As a result, borrowings from Bangladesh Bank by DMBs through repo soared up during this period.

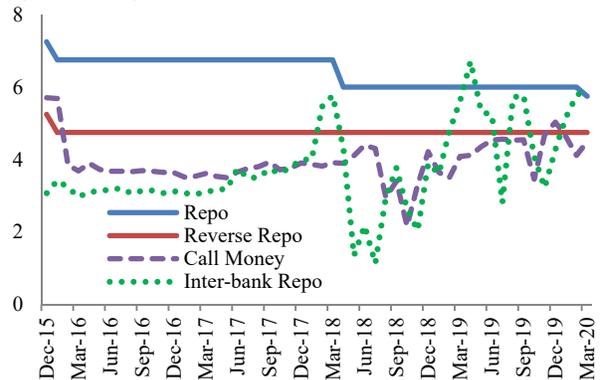
3.3 A decline in bank deposits growth (from 12.6 percent in Q2FY20 to 11.1 percent in Q3FY20) together with weak remittance inflows contributed to shrinking banks' liquidity in Q3FY20. The ratio of liquid asset excess of SLR to total demand and time liabilities (TDTL) declined to 6.9 percent in March 2020 from 8.5 in December 2019 (Chart III.3). Consequently, interest rate in the call money market and interbank repo rate picked up to 5.14 and 5.96 in March 2020 from 4.50 percent and 4.28 percent in December 2019, respectively. To improve the liquidity situation, Bangladesh Bank made a downward revision of its cash reserve requirement (CRR) and repo rate from 5.5 percent and 6 percent to 5.0 percent and 5.75 percent in late March 2020, respectively. However, the retail market rates continued falling at a varying speed. The weighted-average interest rate on deposit and lending declined to 5.43 percent and 9.50 percent in March 2020 from 5.75 and 9.80 percent in December 2019, respectively.

Chart III. 3: Liquidity as a % of TDTL



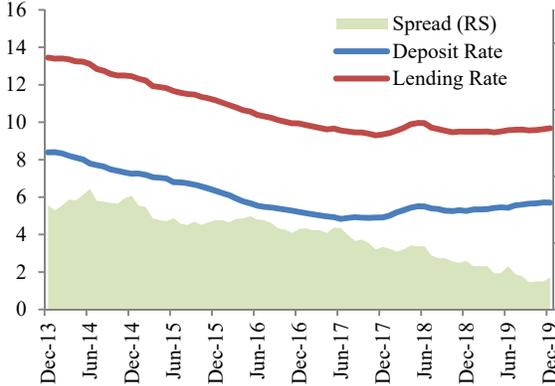
Source: Bangladesh Bank

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



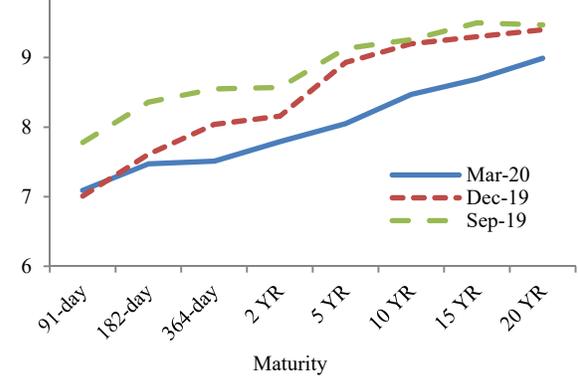
Source: Bangladesh Bank

Chart III.5: Interest Rate Spread (In percent)



Source: Bangladesh Bank

Chart III.6: Interest Rate of Government Securities (In percent)



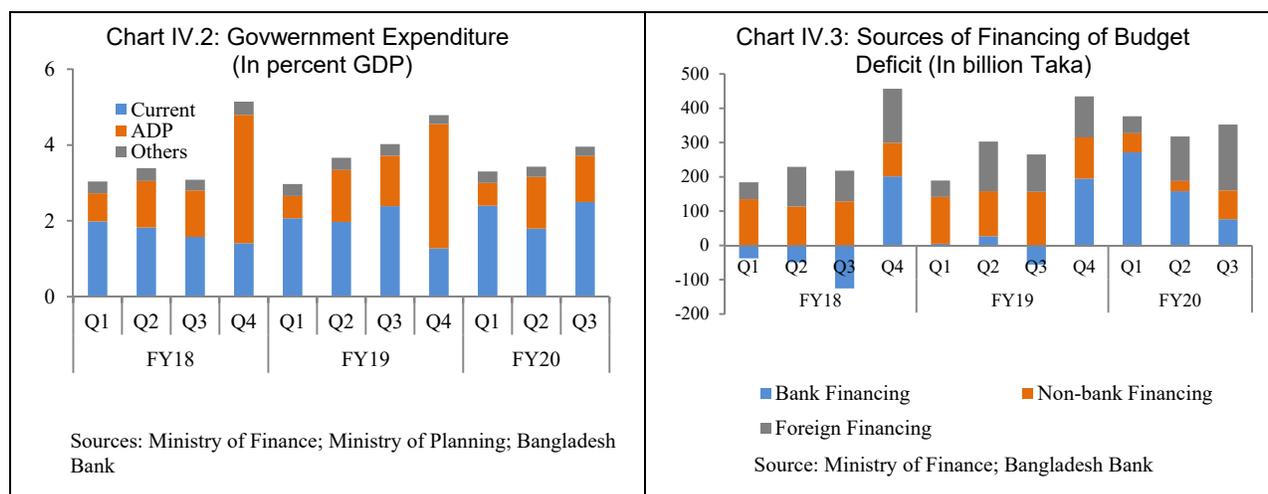
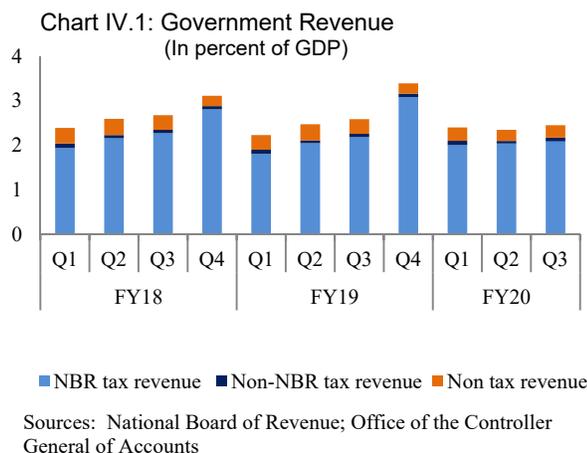
Source: Bangladesh Bank

3.4 Despite a tightening of liquidity in the banking system, the taming of the growth in private sectors borrowings from banks led to a decrease in the interest rates on most of the treasury bills (T-bills) and bonds of different maturities reflected in yield curve (Chart III.6). The interest rates on 182-day, and 364-day T-bills dropped significantly to 7.41 percent and 7.51 percent in March 2020 from 7.61 percent and 8.04 percent in December 2019, respectively, while the interest rate on 91-day T-bill increased slightly to 7.09 percent from 7.01 percent.

#### IV. Fiscal Sector

4.1 Fiscal deficit widened further in Q3FY20 due to higher expenditure that outstripped revenue collection. About 55 percent of deficit financing was met from foreign sources during the quarter under review. During the first nine months of FY20, budget deficit as percent of GDP stood at 3.7 percent compared to 2.8 percent in the same time of FY19, indicating that a sharp rise is required to meet the revised budget target of 5.5 percent of budget deficit in FY20.

4.2 . The overall increase in revenue collection was 6.9 percent (amounting to BDT 687.4 billion) in Q3FY20 compared to the 9.0 percent observed in Q3FY19. In Q3FY20, NBR tax revenue collection rose by 5.4 percent to BDT 584.5 billion from that in Q3FY19. The income tax (14.8 percent) and customs duties (6.2 percent) were the main drivers of NBR revenue collection. During the first three quarters, total revenue collection met only 54.8 percent (6.8 percent of GDP) of annual revised budget target for FY20.



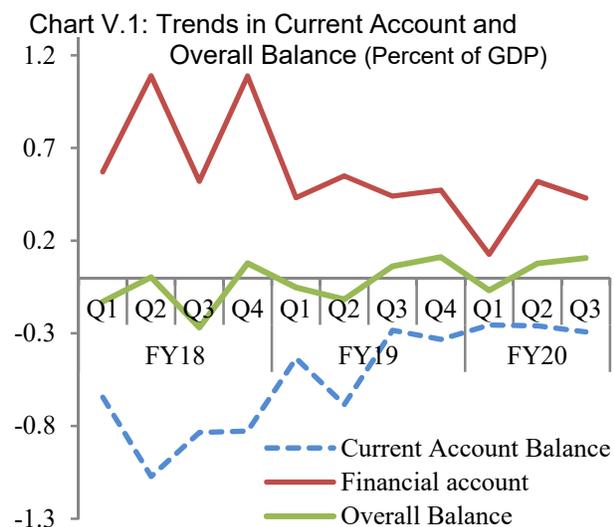
4.3 The consolidated fiscal expenditure expanded in Q3FY20 driven by current expenditure (Chart IV.3). Total expenditure grew by 21.9 percent (y/y) to BDT 1040.0 billion in Q3FY20. Of the total expenditure, current spending rose by 40.2 percent (y/y) to BDT 630.3 billion and ADP expenditure grew by 0.7 percent to BDT 339.9 billion. During the first three quarters, total fiscal expenditure was about 58.9 percent of the annual revised budget target of BDT 5015.8 billion for FY20.

4.4 The fiscal deficit widened during quarter under review as a result of higher growth of expenditure over revenue collection. The deficit reached at BDT 352.6 billion in Q3FY20, up 68.1 percent from Q3FY19. During the first three quarters, budget deficit covered about 68.2 percent of projected deficits of BDT 1535.1 billion in revised budget of FY20.

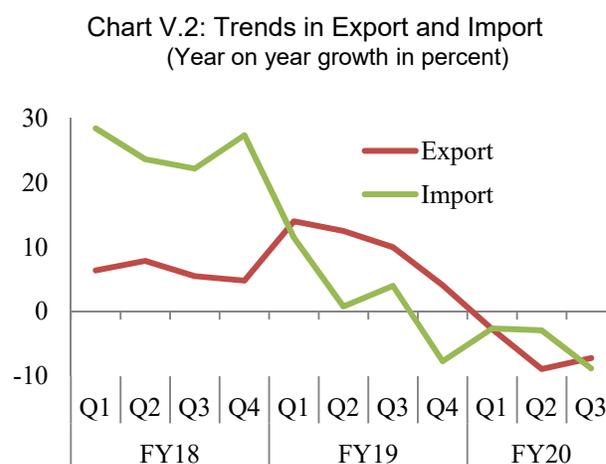
4.5 In Q3FY20, of the total deficit financing, BDT 160.2 billion was met from domestic sources. Out of this, BDT 76.6 billion came from banking sources and BDT 83.6 billion came from non-bank financing. On the other hand, the foreign financing amounted to BDT192.4 billion in Q3FY20 which was 76.2 percent higher than that in Q3FY19.

## V. External Sector

5.1 The negative export growth observed in the preceding two quarters of FY20 continued in Q3FY20. Export earnings from readymade garments (RMG) diminished with falling export orders from major buyers and remittance inflows from Bangladeshi migrants working overseas moderated because of economic slowdown induced by the COVID-19 pandemic. Consequently, in Q3FY20, the current account deficit widened significantly. The overall balance of payment remained at positive trajectory of USD 318 million in Q3FY20.



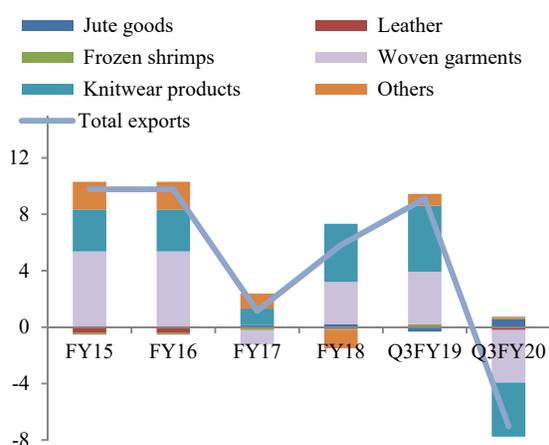
Source: Bangladesh Bank



Sources: Bangladesh Bank

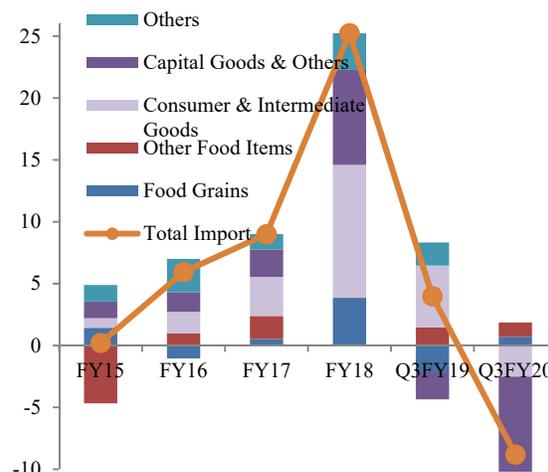
5.2 Current account balance widened to USD -871million down by 1.52 percent in Q3FY20 from the level of Q3FY19, which may be attributed to negative export growth. RMG related exports dropped by 8.87 percent in Q3FY20 compared to that in Q3FY19, which had a share of 83.5 percent of total export receipts (Chart V.3). In addition, import growth continued its negative trends for the last four quarters and reached a record highest negative growth of 8.80 percent during the quarter under review. The negative import growth was mainly caused by a drastic fall in imports of capital goods (-31.1 percent) and in consumer & intermediate goods (-4.7 percent) compared to the same quarter of the previous fiscal year (Chart V.4). Export growth continued its negative trend as demand from major trade partners in the EURO zone and the USA remained weak with cancellation of orders worth billions of dollars.

Chart V.3: Decomposition of Export Growth



Source: BB staff's calculations based on EPB data

Chart V.4: Decomposition of Import Growth

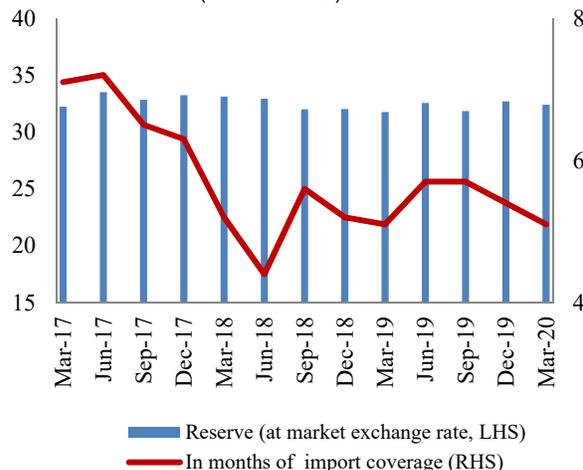


Source: BB staff's calculations based on NBR data

5.3 Remittance growth drastically fell to 0.15 percent in Q3FY20 from 35.3 percent in the previous quarter. Economic slowdown due to COVID-19 pandemic in the Gulf region and EURO area resulted in home return of many migrant Bangladeshi workers working in these regions. Consequently, remittances from the Gulf region, which constituted 56.23 percent of the total remittance inflows shrank by 4.77 percent, with the largest decline in the remittances from UAE (-21.06) in Q3FY20 compared to those in Q3FY19. Remittances from Europe also declined, by 4.76 percent from the same quarter of the previous fiscal year.

5.4 Net inflows of FDI were the dominant source of financial inflows which was only \$14 million in Q3FY19 witnessed a phenomenal surge to \$445 million in Q3FY20. Having the largest share in financial inflows, external borrowings including medium and long term loans, widened by 3.29 percent in Q3FY20 as compared to those in the same quarter of the previous year. Likewise, net external financing increased by 1.43 percent in Q3FY20 because of higher growth in loan and interest payment of 4.2 1percent and 21.29 percent respectively compared to that in Q3FY19. Thus, total aid including grants and loans

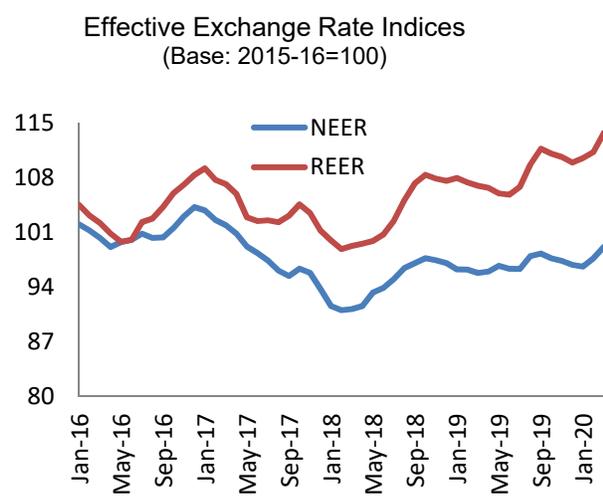
Chart V.5: International Reserve (In billion USD)



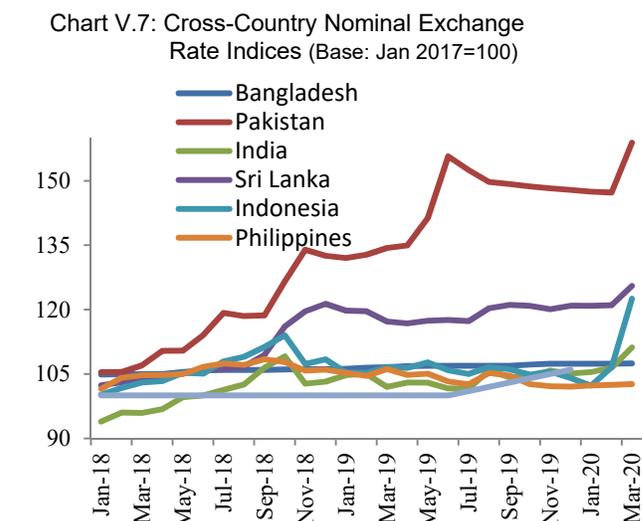
Source: Bangladesh Bank

expanded by 2.01 percent during Q3FY20.

5.5 The continuous deficit in the current account exerted upward pressures on the exchange rate during the quarter under review. Bangladesh Bank intervened foreign exchange market to avoid excessive volatility of the taka by net buying of USD182 million in Q3FY20. Foreign exchange reserves remained at USD 32.4 billion at the end of Q3FY20 which was about one percent less than the previous quarter but still adequate to coverage 5.6 months of import (Chart V.5). Given the recent movement in Taka against US Dollar and the shifts in major currencies contributed a loss in price competitiveness, NEER and REER appreciated by 2.38 and 3.47 percent (y/y) respectively in Q3FY19 (Chart V.6). Nominal exchange rate of the most peer countries depreciated except that of Philippines (Chart V.7). Under the current world economic situation, the exchange rate might depreciate in the near future caused by a large current account deficit.



Source: Bangladesh Bank



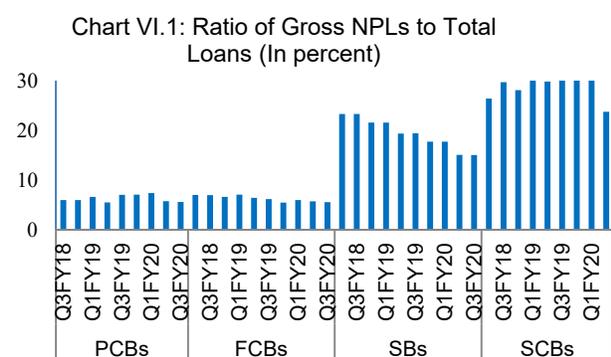
Source: IFS

5.6 Looking forward, the external sector poses a number of downward risks and challenges generated by changed global economic outlook brought about by the adverse effects of COVID-19 pandemic on the economy. The risks include low recovery in exports and remittances to their trend levels as the repercussions of COVID-19 pandemic linger in America and Europe, the main destinations of export from Bangladesh. Moreover, though low global petroleum prices kept import payments low, falling revenues caused by the oil price slump are likely to slow down economic activities in the Gulf region from which Bangladesh receives a lion's share of remittances. In addition to easing liquidity and domestic credit market, Bangladesh Bank undertook various measures to keep the foreign exchange market vibrant

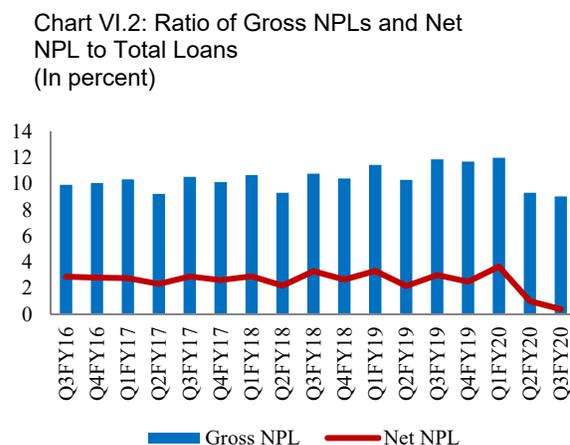
by retaining export competitiveness and to cushion economic recovery from the aftermath of COVID-19 pandemic.

## VI. Banking Sector

6.1 The indicators of the banking sector displayed some improvement at the end of Q3FY20, as reflected by a reduction in non-performing loans (NPLs), stable liquidity condition, stability in capital adequacy and improvement in provision maintained. Overall NPL went down during the quarter, steered by both state-owned commercial banks (SCBs), and private commercial banks (PCBs).



Source: Bangladesh Bank



Source: Bangladesh Bank

6.2 The overall NPL of the banking industry moderated to 9.03 percent in Q3FY20 from that of 9.32 percent in Q2FY20 and 11.87 percent in Q3FY19. The reduction of NPLs was facilitated by “One Time Exit Policy” for bad loan rescheduling and “Restricted Loan Classification Policy” offered by Bangladesh Bank at the beginning of FY20 and scaled up efforts for loan recovery by the banks. At the end of Q3FY20, gross NPL for both SCBs and PCBs declined to 22.82 percent and 5.63 percent from that of 23.86 percent and 5.78 percent respectively in Q2FY20. Overall provisioning against classified loans further improved at the end of Q3FY20 (Table 6.1, Table VI.1 and Chart VI.1). The system-wide net NPLs of the banking industry significantly declined from 1.02 percent in Q2FY20 to 0.39 percent in Q3FY20 (Table VI.2 and Chart VI.2).

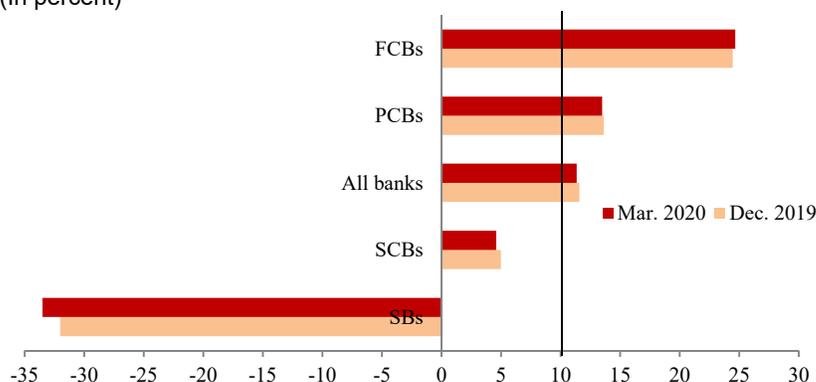
6.3 The capital to risk-weighted asset ratio (CRAR) slightly moderated from 11.57 percent in Q2FY20 to 11.35 percent in Q3FY20; however, overall capitalization remained adequate. The CRAR of SCBs and PCBs declined to 4.59 percent and 13.49 percent in Q3FY20 from 4.99 percent and 13.62 percent in Q2FY20 respectively. However, the CRAR of FCBs modestly increased to 24.66 percent in Q3FY20 from 24.45 percent in Q2FY20.

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

(In billion of BDT)

Quarter	Items	SCBs	SBs	PCBs	FCBs	All Banks
Q4 FY19	Total classified loan	537.4	47	519.2	20.6	1124.3
	Required provision	353	22.3	321.2	15.8	712.4
	Provision maintained	284.5	25.4	293.1	17.3	620.2
	Excess(+)/shortfall(-)	-68.5	3.1	-28.1	1.4	-92.2
Q1 FY20	Total classified loan	549.2	47	545.7	20.9	1162.9
	Required provision	255.8	22.4	330.8	15.7	624.6
	Provision maintained	191.4	25.4	309.3	17.3	543.3
	Excess(+)/shortfall(-)	-64.4	3	-21.5	1.6	-81.3
Q2 FY20	Total classified loan	439.9	40.6	441.7	21.0	943.3
	Required provision	275.5	21.1	300.6	16.0	613.2
	Provision maintained	197.4	22.5	309.3	17.5	546.6
	Excess(+)/shortfall(-)	-78.1	1.4	8.7	1.5	-66.6
Q3FY20	Total classified loan	428.7	40.5	435.1	20.8	925.1
	Required provision	262.7	21.1	305.2	16.0	604.9
	Provision maintained	202.1	22.5	326.3	17.9	568.8
	Excess(+)/shortfall(-)	-60.6	1.4	21.1	1.9	-36.2

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



Source: Bangladesh Bank

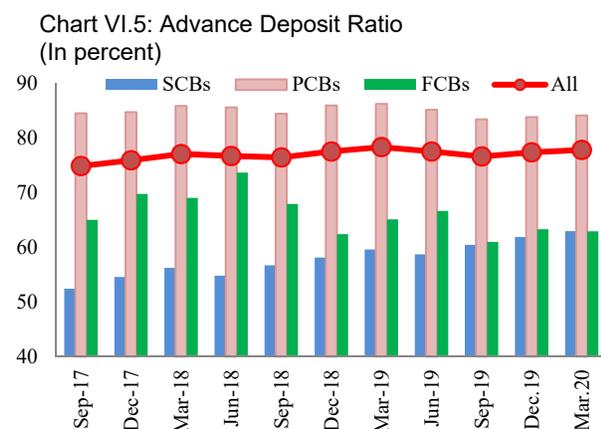
6.4 The growth of bank deposits fell to 11.2 percent at the end of Q3FY20 from 12.3 percent in Q2FY20. The growth of advances went down to 9.7 percent at the end of Q3FY20 against 11.0 percent in Q2FY20, partly due to economic slowdown in the export destinations (the EURO area and the USA) amid covid-19 pandemic. The downward trend in the growth of advances may continue in coming quarters owing to economic slowdown incurred by nationwide lockdown to prevent the COVID-19 pandemic. Surprisingly the overall advance deposit ratio improved to 77.8 percent in Q3FY20 from 77.3 percent in Q2FY20 (Chart VI.5 and Table 6.2).

6.5 Overall liquidity conditions in the banking sector remained at adequate level in Q3FY20. Excess liquidity, the excess of CRR and SLR as a percent of total demand and time liabilities (TDTL), moderated to 7.0 percent in Q3FY20 from 8.5 percent in Q2FY20 (Table 6.3).

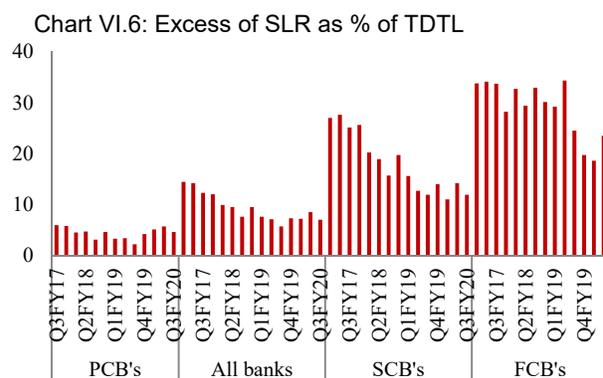
**Table 6.2: Deposit and Advance Position of Scheduled Banks (In percent)**

Bank groups	Year-on- year growth of deposit, % (excluding interbank)*		Year-on- year growth of advances, % (excluding interbank)		Advance Deposit Ratio (ADR)	
	Mar. 20	Dec. 19	Mar. 20	Dec. 19	Mar. 20	Dec. 19
SCBs	6.0	6.4	11.7	13.2	62.9	60.9
PCBs	13.6	15.4	9.6	10.9	84.1	83.8
FCBs	5.8	3.3	2.8	3.5	62.9	63.3
SBs	10.7	8.5	8.5	8.2	75.7	77.2
All	11.2	12.3	9.7	11.0	77.8	77.3

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



Source: Bangladesh Bank



Source: Bangladesh Bank, staff's calculation

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

(In billion of BDT)

Bank groups	CRR			SLR		
	Required Reserves	Balance with BB in local currency	Excess(+)/shortfall (-) in reserve	Required Liquidity	SLR eligible liquid assets of banks**	Excess(+)/shortfall (-) of SLR
1	2	3	4	5	6	7
As of end-March, 2020						
SCBs	170.7	188.7	18.0	399.4	767.5	368.2
SBs*	17.2	17.8	0.6	0.0	0.0	0.0
PCBs (other than Islamic)	331.9	377.4	47.1	784.4	1123.4	338.9
Private Banks (Islamic)	150.6	172.5	21.9	150.6	213.5	63.0
FCBs	41.3	44.0	9.2	96.2	225.5	129.3
All	711.6	800.3	96.7	1430.6	2329.9	899.4
As of end-December, 2019						
SCBs	164.8	193.0	29.4	385.3	810.9	425.6
SBs*	16.6	17.2	0.1	0.0	0.0	0.0
PCBs (other than Islamic)	323.0	338.4	19.4	763.2	1159.0	395.8
Private Banks (Islamic)	144.0	190.8	46.8	144.0	235.5	91.4
FCBs	33.7	41.0	8.7	78.5	222.5	144.1
All	682.1	780.4	104.8	1371.0	2428.0	1056.9

Source: Bangladesh Bank

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

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

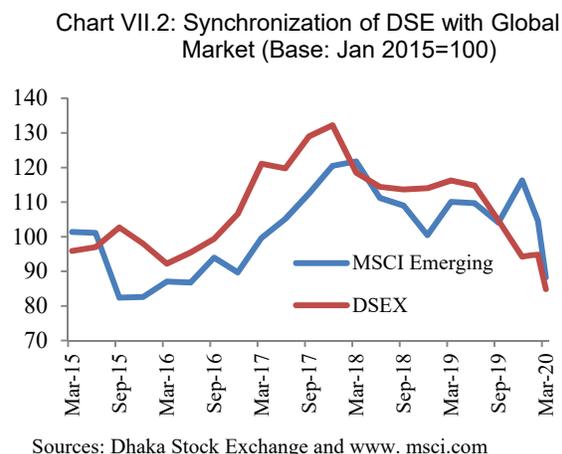
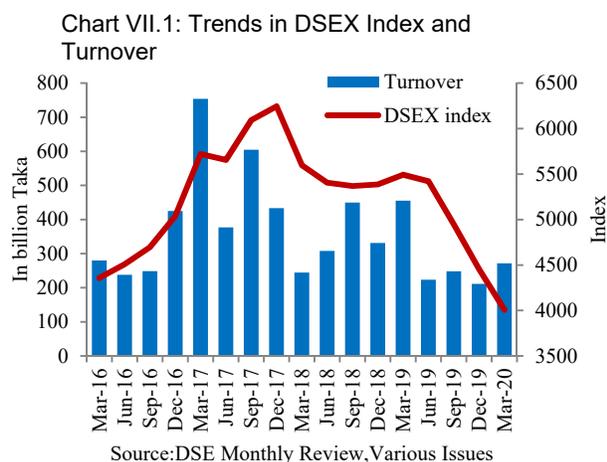
Note: According to the circular No-MPD-02, 2013 with effect from February 01, 2014 SLR has been calculated separately (excluded CRR) as 13% for conventional banks and 5.5% for Islamic banks of the total demand and time liabilities.

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

6.7 The banking sector is expected to play a greater role to channel funds to the economy to maintain growth momentum in coming quarters.. To ensure adequate liquidity in the banking system, Bangladesh Bank undertook several initiatives, such as reducing CRR and scaling up refinance for CMSME, large industry and agricultural sector. Bangladesh Bank and Government of Bangladesh have announced almost BDT 1 (one) trillion stimuli packages which are mostly to be channelized through banking sector. It is likely that banks have to face many challenges, i.e., to maintain asset quality, to implement 9% interest rate cap and recovery loan amid the fallout of COVID-19 pandemic. However, effective supervision is needed so that loans under the stimulus package might go to eligible entrepreneurs only.

## VII. Capital Market

7.1 Capital market exhibited a mixed performance during Q3FY20 compared to Q2FY20, as reflected in price indices, market capitalization, and turnover. Price indices and market capitalization declined but total turnover value increased during the quarter under review. Both domestic and global capital market indices were synchronized and moderated in Q3FY20 due to global fallout of COVID-19 pandemic (Chart VII.2). Market capitalization dropped by 9.6 percent to BDT 2572.4 billion in Q3FY20 from Q2FY20 (Chart VII.1).

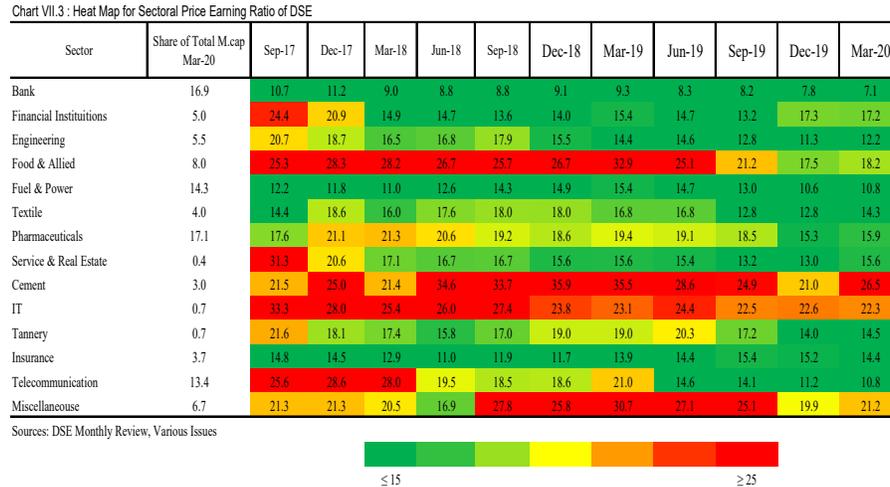


7.2 The falling trend in DSE broad index (DSEX) and DSE-30 index, the key indicators of the capital market, continued in Q3FY20. The DSEX index fell by 10.0 percent and 27.0 percent in March 2020 from December 2019 and March 2019 respectively. The DSE-30 index dropped by 12.0 percent and 32.3 percent from December 2019 and March 2019 respectively (Chart VII.1 and Table VII.1). Sector-wise indices<sup>1</sup> show that Telecommunication reached the highest (2551.6) while Bank sector remained at the lowest level (161.7) (Chart-VII.4).

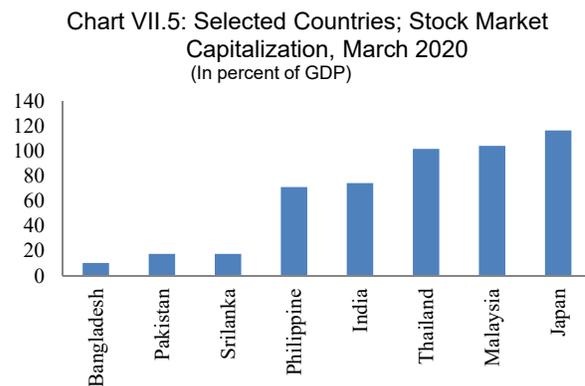
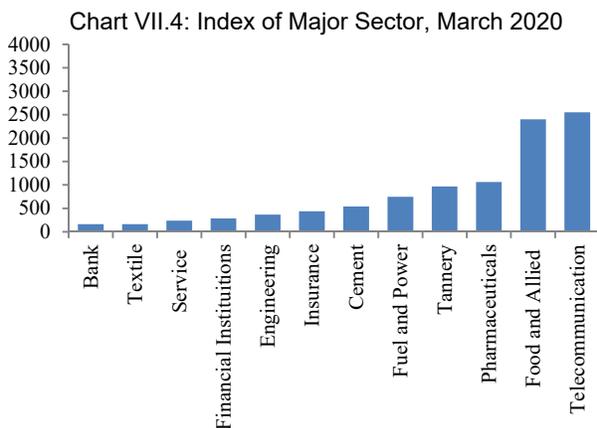
7.3 The overall price-earnings (PE) ratio of the DSE inched up in Q3FY20. The average price earnings ratios increase to 11.88 in March 2020 from 11.80 in December 2019. Sector-wise PE data show that banking sector's PE score occupied the lowest position while that of the cement sector the highest position in Q3FY20 (Chart VII.3).

<sup>1</sup> Sector wise index= (Sector wise market capitalization/ Sector wise paid-up capital)\*100

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



7.4 The issued capital and total turnover in the DSE continued to expand in Q3FY20. The value of issued equity and debt increased by 0.3 percent and two new companies were listed in the capital market in Q3FY20. Thus the number of listed securities rose to 368 at the end of Q3FY20. Total turnover value grew by 28.5 percent during Q3FY20 compared to previous quarter (Chart VII.1). Market liquidity as measured by the Turnover Velocity Ratio (TVR)<sup>2</sup> increased to 42.2 percent in Q3FY20 from 29.7percent in Q2FY20.



Source : DSE Monthly Review, March2020

Source: DSE Monthly Review, March 2020

<sup>2</sup> TVR= (Turnover during the Quarter/Quarter-end Market capitalization)\*4.

7.5 Total turnover by foreign and non-resident Bangladeshi went down during Q3FY20. In Q3FY20 investment by foreign and non-resident Bangladeshi investors declined to BDT 4.6 billion from BDT 6.0 billion in Q2FY20. The value of shares sold by foreign and non-resident Bangladeshi also declined to BDT 7.8 billion from BDT 8.9 billion in Q2FY20. Thus the total turnover by foreign and non-resident Bangladeshi shrank to BDT 12.4 billion in Q2FY20 from BDT 14.9 billion in Q2FY20.

Table 7.1: Selected Countries: Price Earnings Ratio and Dividend Yield as of March 2020

Country	Price Earnings Ratio	Dividend Yield
Bangladesh	11.84	4.89
India	23.21	1.15
Sri Lanka	10.23	3.32
Thailand	15.71	3.71
Hong Kong	12.74	-
China	14.08	-

Source: DSE monthly Review, March 2020

7.6 Cross-country data on price earnings (PE) ratios as of March 2020 shows that Bangladesh has a moderate PE ratio among the South and East Asian countries while dividend yield of Bangladesh is the highest among these countries (Table 7.1). Market capitalization in Bangladesh remains low at around 20 percent of GDP.

# Tables

**Table I.I: Macroeconomic Framework: Key Economic Indicators**

(Growth in percent, unless otherwise indicated)

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

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

**Table I.2: Real GDP Growth by Sectors**  
(In percent)

Sectors	FY15	FY16	FY17	FY18	FY19
<b>Agriculture</b>	<b>3.3</b> (16.0)	<b>2.8</b> (15.4)	<b>3.0</b> (14.7)	<b>4.2</b> (14.2)	<b>3.9</b> (13.7)
a) Agriculture and forestry	2.5	1.8	2.0	3.5	3.2
i) Crops and horticulture	1.8	0.9	1.0	3.1	2.0
ii) Animal Farmings	3.1	3.2	3.3	3.4	3.5
iii) Forest and related services	5.1	5.1	5.6	5.5	8.3
b) Fishing	6.4	6.1	6.2	6.4	6.2
<b>Industry</b>	<b>9.7</b> (30.4)	<b>11.1</b> (31.5)	<b>10.2</b> (32.4)	<b>12.1</b> (33.7)	<b>12.7</b> (35.0)
a) Mining and quarrying	9.6	12.8	8.9	7.0	5.9
b) Manufacturing	10.3	11.7	11.0	13.4	14.2
i) Large & medium scale	10.7	12.3	11.2	14.3	14.9
ii) Small scale	8.5	9.1	9.8	9.3	11.0
c) Power, gas and water supply	6.2	13.3	8.5	9.2	9.6
d) Construction	8.6	8.6	8.8	9.9	10.3
<b>Service</b>	<b>5.8</b> (53.6)	<b>6.3</b> (53.1)	<b>6.7</b> (52.9)	<b>6.3</b> (52.1)	<b>6.8</b> (51.4)
a) Wholesale and retail trade	6.4	6.5	7.4	7.5	8.1
b) Hotel and restaurants	6.8	7.0	7.1	7.3	7.6
c) Transport , storage and communications	6.0	6.1	6.8	6.6	7.2
d) Financial intermediations	7.8	7.7	9.1	7.9	7.4
e) Real estate, renting and business activity	4.4	4.5	4.8	5.0	5.2
f) Public administration and defense	9.8	11.4	9.2	8.5	6.4
g) Education	8.0	11.7	11.4	7.0	7.7
h) Health and social works	5.2	7.5	7.6	7.0	11.8
i) Community , social and personal service	3.3	3.3	3.6	3.7	3.7
<b>GDP (at constant market price)</b>	<b>6.55</b>	<b>7.11</b>	<b>7.28</b>	<b>7.86</b>	<b>8.13</b>

Source: Bangladesh Bureau of Statistics

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

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

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

Source: Bangladesh Bureau of Statistics

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

Crops	Actual for FY19		Actual / Target for FY 20	
	Area	Production	Area	Production
	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)
Aus	11.5	29.2	11.3	30.1
Aman	56.2	140.2	58.8	155.0
Boro	49.1	203.9	47.5	204.36*
<b>Total Rice</b>	116.8	373.3	119.0	387.1
Wheat	3.3	11.5	3.4	12.5
Maize	5.1	47.0	5.5	52.076*
<b>Total Cereal</b>	125.1	431.8	127.9	399.6
Jute	6.5	74.4	6.7	68.2
Potato	4.7	109.5	4.6	112.7
Vegetables	8.6	172.5	9.0	184.9
Moong	2.4	2.8	2.6	3.4
Mosur	1.9	2.5	1.9	2.6
Gram	0.1	0.1	0.0	0.1
Mustard	5.2	6.8	5.7	8.1
Onion	2.1	23.3	2.4	25.6

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

\* = Target

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

	FY19					FY20		
	FY19	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Manufacturing	386.5	370.9	392.2	391.6	391.4	402.4	420.7	421.7
Mining	182.6	183.5	175.5	181.3	190.0	189.0	183.1	186.9
Electricity	289.8	298.4	261.3	254.2	345.0	370.3	281.1	269.1

Source : Bangladesh Bureau of Statistics,

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

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

Source : Bangladesh Bureau of Statistics

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

	FY19				FY20			
	FY19	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	6,849	1,748	1,771	1,751	1,580	1,820	1,803	1,826
Import	83,021	18,154	21,442	22,984	20,440	20,052	24,479	26,781
Total	88,969	19,002	23,213	24,735	22,020	21,872	26,283	28,607
Growth in percent <sup>1</sup>								
Export	-2.1	2.0	-3.1	-0.9	-6.6	4.1	1.8	4.3
Import	6.4	8.7	5.5	12.5	-0.8	10.5	14.2	16.5
Total	4.6	3.2	4.8	11.5	-1.2	15.1	13.2	15.7

Source: Chattogram Port Authority.

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

**Table I.8 : Trends in Private Sector Credit**  
(In billion Taka)

Institutions	FY19					FY20		
	FY19	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Outstanding</b>								
Banks	10,100	9,188	9,588	9,797	10,100	10,167	10,532	10,666
Non-banks	670	650	668	681	670	668	677	
Microfinance institutions	636	573	603	624	636	640	679	
<b>Total</b>	<b>11,406</b>	<b>10,410</b>	<b>10,859</b>	<b>11,102</b>	<b>11,406</b>	<b>11,474</b>	<b>11,889</b>	
Growth in percent <sup>1</sup>								
Banks	11.3	14.7	13.2	12.4	11.3	10.7	9.8	8.9
Non-banks	4.1	9.0	11.0	8.0	4.1	2.8	1.4	
Microfinance institutions	11.4	23.0	8.5	9.8	11.4	11.7	12.7	
<b>Total</b>	<b>10.8</b>	<b>14.7</b>	<b>12.8</b>	<b>12.0</b>	<b>10.8</b>	<b>10.2</b>	<b>9.5</b>	

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

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

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

Sectors	FY19					FY20		
	FY19	Q <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								
a. Agriculture	429	387	392	410	429	415	422	432
<i>Crops</i>	393	354	357	376	393	380	385	393
<i>Others</i>	36	33	34	35	36	35	37	39
b. Industry	3,851	3,509	3,663	3,741	3,851	3,989	4,150	4,315
<i>Term Loan</i>	1,909	1,584	1,752	1,774	1,909	1,937	2,012	2,121
<i>Working capital financing</i>	1,942	1,924	1,911	1,968	1,942	2,053	2,138	2,194
c. Construction	901	799	850	855	901	911	890	923
d. Transport	72	71	67	72	72	86	86	79
e. Trade & Commerce	3,121	2,844	2,957	3,061	3,121	3,106	3,247	3,247
f. Other Institutional loan	260	215	250	261	260	268	290	284
g. Consumer finance	686	599	648	631	686	648	709	682
h. Miscellaneous	53	44	47	46	53	33	33	40
<b>Grand Total :</b>	<b>9,374</b>	<b>8,467</b>	<b>8,875</b>	<b>9,078</b>	<b>9,374</b>	<b>9,456</b>	<b>9,827</b>	<b>10,002</b>
Growth in percent								
a. Agriculture	6.1	7.1	1.7	4.9	6.1	7.3	7.7	5.3
<i>Crops</i>	3.8	5.5	0.1	3.2	3.8	7.3	7.8	4.6
<i>Others</i>	38.7	28.2	22.3	29.2	38.7	7.1	7.4	12.8
b. Industry	13.3	17.6	15.4	16.1	13.3	13.7	13.3	15.3
<i>Term Loan</i>	20.2	14.6	18.9	22.1	20.2	22.2	14.9	19.6
<i>Working capital financing</i>	7.2	20.2	12.4	11.3	7.2	6.7	11.9	11.5
c. Construction	15.8	20.1	22.6	16.6	15.8	14.0	4.7	8.0
d. Transport	4.2	25.3	16.3	9.2	4.2	21.2	27.6	9.9
e. Trade&Commerce	10.2	12.3	13.1	12.0	10.2	9.2	9.8	6.1
f. Other Institutional loan	24.3	23.8	40.0	28.3	24.3	24.8	15.9	8.7
g. Consumer finance	13.0	5.9	-6.5	4.3	13.0	8.2	9.4	8.1
h. Miscellaneous	20.6	38.6	81.8	32.3	20.6	-24.2	-30.4	-12.0
<b>Grand Total :</b>	<b>12.4</b>	<b>14.9</b>	<b>13.4</b>	<b>13.6</b>	<b>12.4</b>	<b>11.7</b>	<b>10.7</b>	<b>10.2</b>

Source: Statistics department, Bangladesh Bank.

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

	FY19					FY20		
	FY19	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>
Programme/Target (July-June)	218.0	218.0	218.0	218.0	218.	241. 2	241. 2	241. 2
<b>Total disbursement</b>	<b>236.2</b>	<b>34.9</b>	<b>67.4</b>	<b>60.3</b>	<b>73.5</b>	<b>35.5</b>	<b>72.5</b>	<b>61.2</b>
Crop	118.8	16.9	36.8	30.0	35.1	16.9	38.6	31.6
Irrigation	1.6	0.2	0.5	0.5	0.3	0.1	0.5	0.4
Agricultural equipment	1.6	0.3	0.5	0.3	0.5	0.3	0.4	0.4
Live-stock	32.5	5.6	8.6	8.1	10.2	5.9	10.0	8.1
Fisheries	26.8	4.5	7.3	7.0	8.0	4.8	7.6	6.8
Grain storage & marketing	1.2	0.1	0.3	0.2	0.6	0.2	0.4	8.9
Poverty alleviation	19.5	2.6	5.2	6.5	5.1	3.0	5.3	4.8
Others	34.3	4.8	8.1	7.8	13.7	4.3	9.7	8.7
<b>Total recovery</b>	<b>237.3</b>	<b>45.1</b>	<b>68.9</b>	<b>56.2</b>	<b>67.2</b>	<b>43.7</b>	<b>71.3</b>	<b>54.4</b>
<b>Total overdue</b>	<b>66.9</b>	<b>72.4</b>	<b>66.8</b>	<b>63.7</b>	<b>66.9</b>	<b>67.0</b>	<b>64.0</b>	<b>60.8</b>
<b>Outstanding</b>	<b>429.7</b>	<b>396.2</b>	<b>401.1</b>	<b>409.2</b>	<b>429.</b>	<b>422.</b>	<b>430.</b>	<b>440.</b>
					7	3	3	4
Overdue as percent of outstanding	15.6	18.3	16.7	15.6	15.6	15.9	14.9	13.8
	Growth in percent <sup>1</sup>							
Total disbursement	10.4	-17.5	3.3	10.5	41.9	1.7	7.6	1.5
Total recovery	10.9	-1.2	23.7	6.8	12.0	-3.0	3.5	-3.2

Source: Agricultural Credit Department, Bangladesh Bank.

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

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

Institutions	FY19					FY20		
	FY19	Q <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</b>	<b>976.5</b>	<b>221.5</b>	<b>251.5</b>	<b>258.878</b>	<b>244.5</b>	<b>243.5</b>	<b>282.5</b>	
i) Grameen Bank	251.4	58.5	66.2	65.7214	60.9	60.4	67.4	
ii) BRAC	396.1	86.5	102.2	105.0	102.5	103.6	120.6	
iii) ASA	324.7	75.6	82.1	87.0	80.0	78.1	92.9	
iv) Proshika	4.3	0.9	1.0	1.2	1.2	1.4	1.6	
<b>2. Total recovery</b>	<b>964.7</b>	<b>229.4</b>	<b>244.1</b>	<b>245.135</b>	<b>246.0</b>	<b>260.5</b>	<b>271.4</b>	
i) Grameen Bank	245.1	60.3	63.1	62.4	59.3	64.2	65.4	
ii) BRAC	398.9	91.3	97.0	102.6	108.0	113.6	118.8	
iii) ASA	316.4	76.9	83.0	79.0	77.5	81.2	85.6	
iv) Proshika	4.2	0.9	1.0	1.1	1.2	1.4	1.7	
<b>3. Loans outstanding</b>	<b>635.6</b>	<b>572.6</b>	<b>602.8</b>	<b>624.4</b>	<b>635.6</b>	<b>639.6</b>	<b>679.2</b>	
<b>4. Loans overdue</b>	<b>11.7</b>	<b>8.9</b>	<b>11.1</b>	<b>11.5</b>	<b>11.7</b>	<b>12.2</b>	<b>12.3</b>	
<b>5. Overdue as percent of outstanding</b>	<b>1.8</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>1.8</b>	

Sources : Grameen Bank; BRAC; ASA ; Proshika.

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

	FY19					FY20	
	FY19	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</b>							
SOBs	27.1	7.0	6.8	6.7	6.6	29.1	23.0
PCBs	615.4	139.3	173.5	119.7	182.8	168.8	195.6
Foreign banks	27.6	5.1	5.6	5.3	11.6	7.5	9.7
Specialized banks	9.7	0.3	4.3	1.2	3.9	0.4	0.2
Non-bank financial institutions	128.7	39.4	52.3	19.6	17.4	13.9	13.6
<b>Total</b>	<b>808.5</b>	<b>191.1</b>	<b>242.6</b>	<b>152.5</b>	<b>222.3</b>	<b>219.7</b>	<b>242.1</b>
<b>Recovery</b>							
SOBs	56.6	18.0	19.4	10.4	8.8	17.2	21.8
PCBs	606.9	120.8	132.2	153.6	200.2	163.8	176.4
Foreign banks	14.8	3.5	2.8	3.3	5.2	7.5	4.3
Specialized banks	7.1	0.3	2.0	1.6	3.3	0.3	0.7
Non-bank financial institutions	80.3	21.2	22.5	17.9	18.7	19.0	18.2
<b>Total</b>	<b>765.7</b>	<b>163.8</b>	<b>178.9</b>	<b>184.7</b>	<b>238.3</b>	<b>207.9</b>	<b>221.5</b>
<b>Outstanding</b>							
SOBs	473.2	437.2	414.7	301.2	473.2	459.6	496.1
PCBs	1,583.8	1,378.2	1,454.2	1,389.0	1,583.8	1,621.9	1,718.5
Foreign banks	66.9	34.7	39.9	44.6	66.9	70.4	71.7
Specialized banks	16.2	12.7	15.2	15.2	16.2	16.1	16.9
Non-bank financial institutions	298.2	272.1	283.3	288.0	298.2	305.3	290.0
<b>Total :</b>	<b>2,438.3</b>	<b>2,134.9</b>	<b>2,207.4</b>	<b>2,037.9</b>	<b>2,438.3</b>	<b>2,473.4</b>	<b>2,593.1</b>
Growth in Percent <sup>1</sup>							
<b>Disbursement</b>							
SOBs	2.8	-30.9	24.7	-9.6	93.1	319.2	237.0
PCBs	16.4	16.8	23.5	-4.5	27.2	21.1	12.7
Foreign banks	30.5	139.0	-7.1	-36.1	144.9	45.4	73.3
Specialized banks	-7.6	-91.3	199.8	-59.8	25.8	54.7	-95.3
Non-bank financial institutions	6.6	69.8	105.8	-23.9	-62.6	-64.8	-74.0
<b>All Banks and NBFIs</b>	<b>14.2</b>	<b>21.2</b>	<b>35.6</b>	<b>-10.2</b>	<b>10.4</b>	<b>15.0</b>	<b>-0.2</b>
<b>Recovery</b>							
SOBs	1.1	144.7	47.6	-36.7	-53.8	-4.2	12.3
PCBs	10.0	-4.1	-10.9	20.7	33.5	35.6	33.4
Foreign banks	11.1	17.0	-39.9	9.7	94.3	117.0	55.1
Specialized banks	-40.6	-87.5	-13.2	-73.2	106.4	3.5	-63.6
Non-bank financial institutions	16.7	28.9	25.9	39.5	-13.5	-10.4	-19.1
<b>All Banks and NBFIs</b>	<b>9.1</b>	<b>5.6</b>	<b>-4.0</b>	<b>11.8</b>	<b>22.1</b>	<b>26.9</b>	<b>23.8</b>
<b>Outstanding</b>							
SOBs	15.0	27.3	13.9	-18.9	15.0	5.1	19.6
PCBs	21.4	19.4	21.1	11.8	21.4	17.7	18.2
Foreign banks	104.3	52.1	63.5	45.4	104.3	103.0	79.5
Specialized banks	29.2	-19.8	0.1	21.1	29.2	26.9	11.5
Non-bank financial institutions	11.6	22.4	15.6	12.0	11.6	12.2	2.4
<b>All Banks and NBFIs</b>	<b>20.2</b>	<b>21.4</b>	<b>19.3</b>	<b>6.5</b>	<b>20.2</b>	<b>15.9</b>	<b>17.5</b>

Source: SME & Special Programmes Department Bangladesh Bank

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

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

(Base: 2005-06=100)

Period	General	Food	Non-food	General	Food	Non-food
	12 Month point to point			12 Month Average		
<b>2018</b>						
July	5.5	6.2	4.5	5.8	7.1	3.8
August	5.5	6.0	4.7	5.7	6.9	3.9
September	5.4	5.4	5.5	5.7	6.7	4.1
October	5.4	5.1	5.9	5.6	6.5	4.3
November	5.4	5.3	5.5	5.6	6.4	4.4
December	5.4	5.3	5.5	5.5	6.2	4.5
<b>2019</b>						
January	5.4	5.3	5.6	5.5	6.0	4.7
February	5.5	5.4	5.5	5.5	5.9	4.9
March	5.6	5.7	5.3	5.5	5.8	5.0
April	5.6	5.5	5.6	5.5	5.6	5.2
May	5.6	5.5	5.8	5.5	5.6	5.4
June	5.5	5.4	5.7	5.5	5.5	5.4
July	5.6	5.4	5.9	5.5	5.4	5.5
August	5.5	5.3	5.8	5.5	5.4	5.6
September	5.5	5.3	5.9	5.5	5.4	5.7
October	5.5	5.5	5.5	5.5	5.4	5.6
November	6.1	6.4	5.5	5.6	5.5	5.6
December	5.8	5.9	5.6	5.6	5.6	5.6
<b>2020</b>						
January	5.6	5.1	6.3	5.6	5.5	5.7
February	5.5	5.0	6.2	5.6	5.5	5.8
March	5.5	4.9	6.5	5.6	5.4	5.9

Source: Bangladesh Bureau of Statistics (BBS)

Note: Food includes food, beverage &amp; tobacco.

**Table II.2 : International Commodity Prices**

	FY19				FY20		
	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	402.66	404.66	408.00	414.00	424.33	425.67	465.00
Wheat	208.80	212.60	212.60	206.70	201.13	224.69	238.36
Soyabean oil	765.44	736.49	756.98	740.00	773.54	788.77	807.93
Sugar	0.25	0.29	0.28	0.28	0.27	0.28	0.30
Crude Petroleum	74.00	66.80	63.36	67.00	60.89	61.43	50.67

Source: World Bank

**Table II.3 : Inflation in South Asia**  
(Point-to-point)

Country	FY19					FY20		
	FY19	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>
Bangladesh	5.5	5.4	5.4	5.6	5.5	5.5	5.8	5.5
India(CPI NS)	3.2	3.7	2.2	2.9	3.2	4.0	7.4	5.9
Pakistan	8.9	5.1	6.2	9.4	8.9	12.4	12.6	10.2
Sri Lanka (NCPI)	2.1	0.9	0.4	2.9	2.1	5.0	6.2	7.0

Source: Central banks and Statistics Departments of respective countries.

Note: Quarterly data indicate end quarter data

**Table III.1 : Movements in Reserve Money**  
(In billionTaka)

	FY19					FY20		
	FY19	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Outstanding</b>								
1. Net foreign assets of BB	2,574	2,517	2,477	2,514	2,574	2,546	2,591	2,631
2. Net domestic assets of BB	-112	-232	-130	-263	-112	-74	-82	98
a) Claims on public sector	336	128	234	141	336	314	370	248
i) Claims on govt. (net)	312	104	211	118	312	289	344	222
ii) Claims on other public sector	24	24	24	24	24	25	26	26
b) Claim on private sector	48	50	50	48	48	48	49	49
c) Claims on banks	52	50	59	69	52	63	59	372
d) Other items (net)	-547	-461	-473	-522	-547	-499	-560	-570
3. Currency issued	1,704	1,555	1,584	1,595	1,704	1,739	1,719	1,919
i) Currency outside banks	1,543	1,410	1,447	1,446	1,543	1,579	1,566	1,733
ii) Cash in tills	161	145	137	149	161	160	153	186
4. Deposits of banks with BB	758	730	763	656	758	732	790	810
5. Reserve money (RM)	2,462	2,285	2,347	2,251	2,462	2,472	2,509	2,729
6. Money multiplier (M2/RM)	5.0	4.9	4.9	5.2	5.0	5.1	5	5
Growth in percent								
1. Net foreign assets of BB	1.6	0.4	-2.3	-0.6	1.6	1.1	4.6	4.7
2. Net domestic assets of BB	42.7	34.6	64.3	35.3	42.7	68.1	37.1	137.3
a) Claims on public sector	34.6	44.7	105.6	14.9	34.6	145.0	58.0	75.5
i) Claims on govt. (net)	38.2	56.2	128.0	16.8	38.2	176.7	63.5	88.8
ii) Claims on other public sector	0.5	9.9	9.9	6.5	0.5	5.0	9.2	9.5
b) Claim on private sector	-7.3	3.4	-0.2	-2.9	-7.3	-3.7	-2.2	1.5
c) Claims on Banks	-6.9	-5.1	19.1	37.1	-6.9	25.7	-0.1	436.0
3. Currency issued	10.0	7.9	12.6	13.8	10.0	11.8	8.6	-9.4
4. Deposits of banks with BB	-3.8	2.6	0.0	-9.0	-3.8	0.4	3.5	20.3
5. Reserve money (RM)	5.3	6.1	8.1	6.0	5.3	8.2	6.9	19.8

Source: Statistics Department, Bangladesh Bank.

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

	FY19					FY20		
	FY19	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</b>								
1. Net foreign assets	2,724	2,652	2,647	2,695	2,726	2,713	2,741	2,792
2. Net domestic assets	9,472	8,537	8,906	8,991	9,470	9,806	10,203	10,314
a) Domestic credit	11,469	10,341	10,803	10,963	11,459	11,832	12,406	12,305
Credit to public sector	1,366	1,153	1,215	1,166	1,359	1,665	1,874	1,639
Credit to govt. (net)	1,133	957	982	925	1,121	1,408	1,569	1,338
Credit to other public sector	234	196	233	241	239	257	306	301
Credit to private sector	10,103	9,187	9,588	9,797	10,100	10,167	10,532	10,666
b) Other items (net)	-1,997	-1,804	-1,897	-1,972	-1,989	-2,026	-2,203	-1,991
3. Narrow Money	2,733	2,449	2,555	2,517	2,733	2,708	2,759	2,910
a) Currency outside banks	1,543	1,410	1,447	1,446	1,543	1,579	1,566	1,733
b) Demand deposits	1,190	1,039	1,108	1,071	1,190	1,129	1,194	1,176
4. Time deposits	9,463	8,740	8,999	9,169	9,463	9,811	10,185	10,197
5. Broad money	12,196	11,189	11,553	11,686	12,196	12,519	12,944	13,107
Growth in percent								
1. Net foreign assets	3.0	0.8	0.3	2.4	3.1	2.3	3.6	3.6
2. Net domestic assets	12.0	11.5	12.5	13.7	12.0	14.9	14.6	14.7
a) Domestic credit	12.3	13.2	13.4	13.7	12.2	14.4	14.8	12.2
Credit to public sector	19.8	2.9	15.1	25.7	19.2	44.4	54.3	40.6
Credit to govt. (net)	19.4	1.3	12.5	24.0	18.1	47.1	59.8	44.6
Credit to other public sector	21.6	11.0	27.6	32.2	24.3	31.1	31.3	25.3
Credit to private sector	11.3	14.7	13.2	12.4	11.3	10.7	9.8	8.9
3. Narrow money	7.2	5.9	9.3	11.7	7.2	10.6	8.0	15.6
4. Time deposits	10.7	9.6	9.4	10.6	10.7	12.3	13.2	11.2
5. Broad money	9.9	8.8	9.4	10.9	9.9	11.9	12.0	12.2

Source: Statistics Department, Bangladesh Bank.

**Table III.3: Interest Rates Developments**

Instruments	Sep.18	Dec.18	Mar. 19	Jun. 19	Sep.19	Dec.19	Mar.20
<b>T - Bills</b>							
14 - day		3.12	....	6.30	....	7.52	...
91 - day	2.23	2.18	3.48	6.78	7.78	7.01	7.09
182 - day	3.41	2.96	3.67	6.91	8.36	7.61	7.47
364 - day	3.54	3.40	4.28	7.06	8.55	8.04	7.51
<b>BGTB</b>							
2 - year	4.07	4.33	5.27	7.41	8.57	8.16	7.79
5 - year	5.34	5.35	6.35	8.05	9.13	8.93	8.05
10 - year	6.95	7.53	7.54	8.42	9.26	9.2	8.47
15-year	7.09	7.69	7.75	8.77	9.50	9.3	8.69
20-year	7.94	8.42	8.37	9.08	9.74	9.4	8.99
<b>Repo</b>							
1-3 day	6.00	6.00	6.00	6.00	6.00	6	5.75
<b>Reverse Repo</b>							
1-3 day	4.75	4.75	4.75	4.75	4.75	4.75	4.75
<b>Bangladesh Banks Bills</b>							
07-Day	0.02	0.02	...	...	....	....	...
14-Day	...	0.02	...	...	....	....	...
30-Day	...	...	...	...	....	....	...
<b>Call Money Rate</b>							
	4.22	4.09	4.54	4.55	5.04	4.50	5.14
<b>Lending Rate</b>							
All Banks	9.54	9.49	9.50	9.58	9.56	9.68	9.58
SOBs	6.77	6.75	6.65	6.60	6.58	6.75	6.84
SPBs	8.96	7.56	7.54	7.68	7.58	7.64	7.6
PCBs	10.27	10.27	10.30	10.80	10.43	10.48	10.36
FCBs	9.08	8.90	8.92	9.37	8.61	9.82	9.53
<b>Deposits Rate</b>							
All Banks	5.27	5.26	5.35	5.43	5.65	5.70	5.51
SOBs	4.33	4.37	4.38	4.28	4.47	4.43	4.41
SPBs	5.67	5.77	5.70	5.70	5.76	0.81	5.63
PCBs	5.84	5.82	5.96	6.08	6.36	6.38	6
FCBs	2.26	2.30	2.23	2.46	2.39	2.31	2.94
<b>NSD Certificate</b>							
3 - year	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

Sources: Monetary Policy Department and Statistics Department, Bangladesh Bank  
 ... = No auction

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

Instruments	Sep.18	Dec.18	Mar. 19	Jun. 19	Sep.19	Dec.19	Mar. 20
<b>Bangladesh Banks Bills</b>							
07-Day	4.5	0.0	0.0	0.0	0.0	0.0	0.0
14-Day	0	0.0	0.0	0.0	0.0	0.0	0.0
30-Day	0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Sub Total</b>	<b>4.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>T - Bills</b>							
14 - day	0.0	30.0	0.0	20.0	0.0	30.0	0.0
91 - day	108.0	79.0	88.0	148	204.0	147.0	122.00
182 - day	98.0	63.0	54.0	112	189.0	198.0	177.00
364 - day	103.0	109.0	142.0	174	241.0	311.0	362.00
<b>Sub Total</b>	<b>309.0</b>	<b>251.0</b>	<b>284.0</b>	<b>454.0</b>	<b>634.0</b>	<b>686.0</b>	<b>661.0</b>
<b>BGTB</b>							
2 - year	115.0	130.0	120.0	145.0	177.0	212.0	254.0
5 - year	303.2	301.7	303.7	309.7	326.7	355.7	387.0
10 - year	519.5	527.6	530.6	557.6	579.1	615.8	651.8
15-year	244.7	258.7	266.7	282.7	298.7	317.7	327.2
20-year	214.9	228.9	236.9	252.9	268.9	287.9	294.4
<b>Sub Total</b>	<b>1,397.3</b>	<b>1,446.9</b>	<b>1,457.9</b>	<b>1,547.9</b>	<b>1650.4</b>	<b>1789.0</b>	<b>3476.3</b>
NSD Certificate	2,511.8	2627.6	2,779.8	2,877.5	2924.0	2931.4	2989.1
<b>Total</b>	<b>4,222.6</b>	<b>4325.5</b>	<b>4,521.6</b>	<b>4,879.4</b>	<b>5208.4</b>	<b>5406.4</b>	<b>6465.4</b>

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

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

	FY19 <sup>E</sup>				FY20				
	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>	548.0	599.7	643.2	782.9	3,778.1	3,480.7	549.8	671.5	687.4
a) NBR Tax revenue	461.8	518.1	554.6	704.4	3,256.0	3,005.0	479.2	582.3	584.5
i) VAT	184.0	213.0	217.3	262.9	1,230.7	1,098.5	203.1	239.1	219.6
ii) Customs duties	58.9	57.4	61.3	65.1	365.5	337.3	58.9	66.1	65.1
iii) Income tax	132.1	149.3	174.0	262.5	1,139.1	1,028.9	148.1	172.4	199.7
iv) Others	86.8	98.4	101.9	113.9	520.7	540.3	69.1	104.8	113.5
b) Non- NBR tax revenue	16.9	12.9	23.1	19.5	145.0	125.7	12.4	16.7	24.3
c) Non- tax revenue	69.3	68.7	65.6	59.0	377.1	350.0	58.3	72.5	78.6
<b>Expenditure</b>	737.0	902.5	852.9	1,217.4	5,231.9	5,015.8	927.1	989.3	1040.0
a) Current	520.2	482.1	449.6	324.5	2,779.3	2,749.1	678.3	517.7	630.3
b) ADP	149.3	347.2	337.6	832.5	2,027.2	1,929.2	173.4	393.7	339.9
c) Others	67.6	73.3	65.7	60.4	425.3	337.5	75.3	77.9	69.8
<b>Budget Deficit</b>	-189.0	-302.8	-209.7	-434.5	-1,454	-1,535.	-377.2	-317.8	-352.6
<b>Financing</b>	189.0	302.8	209.7	434.5	1,453.8	1,535.1	377.2	317.8	352.6
a) Domestic financing	141.6	158.2	100.5	314.9	773.6	973.5	327.5	187.7	160.2
i) Bank financing	5.0	26.7	-55.8	194.8	473.6	824.2	271.2	158.2	76.6
ii) Non-bank financing	136.5	131.5	156.3	120.2	300.0	149.2	56.4	29.5	83.6
b) Foreign financing*	47.5	144.7	109.2	119.6	680.2	561.6	49.7	130.2	192.4
	In Percentage of GDP								
<b>Revenue</b>	2.2	2.4	2.5	3.1	13.1	12.4	1.9	2.3	2.5
a) NBR Tax revenue	1.8	2.0	2.2	2.8	11.3	10.7	1.7	2.0	2.1
i) VAT	0.7	0.8	0.9	1.0	4.3	3.9	0.7	0.8	0.8
ii) Customs duties	0.2	0.2	0.2	0.3	1.3	1.2	0.2	0.2	0.2
iii) Income tax	0.5	0.6	0.7	1.0	3.9	3.7	0.5	0.6	0.7
iv) Others	0.3	0.4	0.4	0.4	1.8	1.9	0.2	0.4	0.4
b) Non-NBR tax revenue	0.1	0.1	0.1	0.1	0.5	0.4	0.0	0.1	0.1
c) Non tax revenue	0.3	0.3	0.3	0.2	1.3	1.2	0.2	0.3	0.3
<b>Expenditure</b>	2.9	3.5	3.4	4.8	18.1	17.9	3.2	3.4	3.7
a) Current	2.0	1.9	1.8	1.3	9.6	9.8	2.4	1.8	2.2
b) ADP	0.6	1.4	1.3	3.3	7.0	6.9	0.6	1.4	1.2
c) Others	0.3	0.3	0.3	0.2	1.5	1.2	0.3	0.3	0.2
<b>Budget Deficit</b>	-0.7	-1.2	-0.8	-1.7	-5.0	-5.5	-1.3	-1.1	-1.3
<b>Financing</b>	0.7	1.2	0.8	1.7	5.0	5.5	1.3	1.1	1.3
a) Domestic financing	0.6	0.6	0.4	1.2	2.7	3.5	1.1	0.7	0.6
i) Bank financing	0.0	0.1	-0.2	0.8	1.6	2.9	0.9	0.5	0.3
ii) Non-bank financing	0.5	0.5	0.6	0.5	1.0	0.5	0.2	0.1	0.3
b) Foreign financing	0.2	0.6	0.4	0.5	2.4	2.0	0.2	0.5	0.7
<b>Memorandum item</b>									
<b>GDP at current market price</b>	<b>25424.8</b>	<b>25424.8</b>	<b>25424.8</b>	<b>25424.8</b>	<b>28858.7</b>	<b>28057.0</b>	<b>28858.7</b>	<b>28858.7</b>	<b>28057.0</b>

Sources: Budget Summary , Ministry of Finance; NBR; Bangladesh Bank; BBS ; \* = include grants, E=Estimates

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

	FY19 <sup>P</sup>					FY20 <sup>P</sup>		
	FY19 <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>	Q <sub>1</sub> <sup>P</sup>	Q <sub>2</sub> <sup>P</sup>	Q <sub>3</sub> <sup>P</sup>
<b>Current Account Balance</b>	<b>-5,254</b>	<b>-1,316</b>	<b>-2,072</b>	<b>-858</b>	<b>-1,008</b>	<b>-765</b>	<b>-774</b>	<b>-871</b>
Trade balance	-15,494	-3,852	-3,948	-4,127	-3,567	-3,768	-4,454	-3,856
Export f.o.b.	39,945	9,747	10,276	10,417	9,505	9,484	9,360	9,408
Import f.o.b.	55,439	13,599	14,224	14,544	13,072	13,252	13,814	13,264
Services	-3,715	-761	-863	-1,067	-1,024	-901	-1,074	-1,009
Credit	6,786	1,597	1,881	1,592	1,716	1,515	2,017	1,514
Debit	10,501	2,358	2,744	2,659	2,740	2,416	3,091	2,523
Primary Income	-2,930	-647	-1,048	-131	-1,104	-717	-314	-479
Credit	178	35	51	50	42	53	45	42
Debit	3,108	682	1,099	181	1,146	770	359	521
Secondary Income	16,885	3,944	3,787	4,467	4,687	4,621	5,068	4,473
Official Transfers	23	10	6	4	3	2	8	2
Private Transfers	16,862	3,934	3,781	4,463	4,674	4,619	5,060	4,471
Of which : workers' remittances	16,196	3,869	3,514	4,318	4,719	4,457	4,839	4,317
<b>Capital &amp; Financial Account</b>	<b>5,861</b>	<b>1,367</b>	<b>1,740</b>	<b>1,387</b>	<b>1,477</b>	<b>407</b>	<b>1,654</b>	<b>1,320</b>
Capital account	233	58	76	54	45	28	101	36
Capital transfers	233	58	76	54	45	28	101	36
Financial account	5,628	1,309	1,664	1,333	1,432	379	1,553	1,284
Foreign direct investment (Gross Inflows)	4,501	1,032	1,609	256	2,049	1,105	1,640	705
Of which: FDI net inflow*	2,540	599	726	14	1,311	642	717	445
Portfolio investment	172	29	43	75	25	36	1	-23
Of which : workers' remittances	224	62	50	56	56	62	50	50
Other investment	2,916	681	895	1,244	96	-299	835	862
Medium and long-term (MLT) loans	5,954	928	1,807	1,579	1,640	901	1,673	1,631
MLT amortization payments	1,202	330	263	253	356	343	290	340
Other long term loans	666	284	172	450	-240	125	64	99
Other short term loans	209	638	-66	446	-809	55	533	-56
Trade credit	-2,903	-483	-569	-1,268	-583	-550	-839	-606
DMBs and NBDCs	192	-356	-186	290	444	-487	-306	134
Assets	366	250	295	4	-183	224	111	105
Liabilities	558	-106	109	294	261	-263	-195	239
Net Errors & Omissions	-595	-209	-23	-342	-131	154	-649	-131
<b>Overall Balance</b>	<b>12</b>	<b>-158</b>	<b>-355</b>	<b>187</b>	<b>338</b>	<b>-204</b>	<b>231</b>	<b>318</b>
<b>Reserve Assets</b>	<b>-12</b>	<b>158</b>	<b>355</b>	<b>-187</b>	<b>-338</b>	<b>204</b>	<b>-231</b>	<b>-318</b>
Bangladesh Bank	-12	158	355	-187	-338	204	-231	-318
Assets	-322	-896	221	-376	729	-760	676	-236
Liabilities	-334	-738	576	-563	391	-556	445	-554
<b>Memorandum Items</b>								
Gross official reserves	32,550	31,958	32,016	31,753	32,550	31,832	32,689	32,389
In months of imports of goods & services	5.9	6.0	5.7	5.5	6.2	6.1	5.8	6.0
In months of prospective imports	5.5	5.6	5.2	5.1	5.7	5.7	5.4	5.6
Export growth (in percent) <sup>1</sup>	10.1	14.0	12.5	10.0	4.1	-2.7	-8.9	-7.2
Import growth (in percent) <sup>1</sup>	1.8	11.5	0.8	4.0	-7.7	-2.6	-2.9	-8.8
Remittances growth (in percent) <sup>1</sup>	9.6	15.9	0.6	14.2	13.1	16.8	34.8	-0.2

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

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

Items	FY19					FY20		
	FY19	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1. Raw jute	112	33	33	30	17	33	55	29
2. Jute goods	704	184	171	177	171	188	236	234
3. Tea	3	1	1	1	1	1	1	1
4. Leather	165	41	49	44	30	31	35	23
5. Frozen shrimps and fish	425	125	133	92	75	111	150	99
6. Woven garments	17,245	3,985	4,447	4,718	4,094	3,887	3,931	4,331
7. Knitwear products	16,889	4,207	4,446	4,148	4,088	4,170	4,036	3,749
8. Fertilizer	0	0	0	0	0	0	0	0
9. Terry towels	51	13	17	12	8	11	10	9
10. Others	4,942	1,352	1,261	1,181	1,148	1,217	1,201	1,196
Total exports	40,535	9,941	10,559	10,403	9,632	9,648	9,654	9,672
Of which: exports from EPZ	6,030	1,445	1,515	1,523	1,546	1,427	1,497	1,477
Total exports (adjusted)	39,945	9,747	10,416	10,276	9,505	9,484	9,360	9,408

Source : Export Promotion Bureau, Bangladesh

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

	FY19					FY20		
	FY19	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>Exports of RMG</b>	<b>34,133</b>	<b>8,192</b>	<b>8,893</b>	<b>8,867</b>	<b>8,182</b>	<b>8,058</b>	<b>7,967</b>	<b>8,080</b>
European Countries	22,008	5,284	5,677	5,780	5,267	5,097	5,102	5,248
USA	6,134	1,484	1,608	1,506	1,535	1,491	1,488	1,397
Other Countries	5,991	1,423	1,608	1,580	1,380	1,470	1,377	1,435
<b>Woven Garments</b>	<b>17,245</b>	<b>3,985</b>	<b>4,447</b>	<b>4,718</b>	<b>4,094</b>	<b>3,887</b>	<b>3,931</b>	<b>4,331</b>
European Countries	9,566	2,171	2,384	2,766	2,245	2,061	2,091	2,533
USA	4,619	1,097	1,217	1,162	1,143	1,085	1,104	1,060
Other Countries	3,060	717	847	790	705	742	736	739
<b>Knitwear Products</b>	<b>16,889</b>	<b>4,207</b>	<b>4,446</b>	<b>4,148</b>	<b>4,088</b>	<b>4,170</b>	<b>4,036</b>	<b>3,749</b>
European Countries	12,442	3,113	3,293	3,014	3,022	3,037	3,011	2,715
USA	1,515	387	392	344	392	406	384	338
Other Countries	2,931	706	761	790	674	728	640	697
Growth in percent								
<b>Exports of RMG</b>	<b>11.5</b>	<b>14.7</b>	<b>16.6</b>	<b>10.0</b>	<b>5.2</b>	<b>-1.6</b>	<b>-10.4</b>	<b>-8.9</b>
European Countries	9.9	11.2	9.0	7.2	12.9	-3.5	-10.1	-9.2
USA	14.6	13.6	24.3	13.3	7.9	0.5	-7.5	-7.2
Other Countries	14.2	31.3	42.5	18.0	-18.5	3.3	-14.4	-9.2
<b>Woven Garments</b>	<b>11.8</b>	<b>17.3</b>	<b>17.6</b>	<b>8.8</b>	<b>4.6</b>	<b>-2.4</b>	<b>-11.6</b>	<b>-8.2</b>
European Countries	8.1	11.6	5.9	5.5	10.5	-5.1	-12.3	-8.4
USA	16.1	16.8	28.9	12.5	7.6	-1.1	-9.3	-8.8
Other Countries	17.7	39.6	44.7	16.0	-13.8	3.4	-13.1	-6.5
<b>Knitwear Products</b>	<b>11.2</b>	<b>12.3</b>	<b>15.5</b>	<b>11.3</b>	<b>5.7</b>	<b>-0.9</b>	<b>-9.2</b>	<b>-9.6</b>
European Countries	11.4	10.8	11.4	8.7	14.8	-2.5	-8.6	-9.9
USA	10.2	5.3	11.9	16.0	8.7	4.8	-1.9	-1.9
Other Countries	10.8	23.8	40.2	20.1	-23.0	3.1	-15.9	-11.8

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

**Table V.4: Export Performance for July-March 2019-20**  
(In million USD)

	Export target for 2019-20	Strategic Target for July-March 2019-20	Export Performance for July-March 2019-20	Export Performance for July-March 2018-19	% Change of export performance over Export target	% Change of export performance July-March 2019-20 Over July-March 2018-19
<b>All Products (A+B)</b>	<b>45,500</b>	<b>33,894</b>	<b>28,974</b>	<b>30,903</b>	-15	-6
<b>A. Primary Commodities:</b>	<b>1,640</b>	<b>1,222</b>	<b>1,125</b>	<b>1,142</b>	-8	-2
Frozen & Live Fish	520	387	403	419	4	-4
Agricultural Products	1,120	834	722	723	-13	0
<b>B. Manufactured Commodities:</b>	<b>43,860</b>	<b>32,672</b>	<b>27,849</b>	<b>29,761</b>	-15	-6
Cement salt stone etc.	11	8	8	8	3	-1
Ores, Slag and Ash	10	7	12	7	63	86
Petroleum bi Products	300	223	20	184	-91	-89
Chemical products	282	210	158	159	-25	0
Plastic, Melamine Products	150	112	83	87	-26	-5
Rubber	30	22	23	19	1	20
Leather & Leather products (including leather footwear)	1,093	814	689	772	-15	-11
Wood and Wood Products	4	3	2	3	-21	-25
Handicrafts	25	19	17	16	-10	7
Pulp	0	0	0	0	0	0
Paper and Paper Products	90	67	67	60	0	7
Printed Materials	1	1	1	1	-12	-16
Silk	0	0	0	0	500	0
Wool and woollen Products	1	1	0	0	-87	0
Cotton and Cotton Products	190	142	119	111	-16	7
Jute and Jute Goods	824	614	776	628	26	23
Man Made Filaments and Staple Fibers	150	112	93	92	-16	1
Carpet	22	16	18	15	10	24
Specialized Textiles	186	139	99	113	-29	-12
Knitwear	18,850	14,042	11,955	12,801	-15	-7
Woven Garments	19,350	14,414	12,149	13,151	-16	-8
Home Textile	891	664	598	647	-10	-8
Other Footwear (excluding leather footwear)	320	238	242	193	2	25
Headgear/Cap	250	186	166	157	-11	6
Umbrella Waking Sticks	0	0	0	0	0	0
Wigs and Human Hair	38	28	28	24	-1	16
Building Materials	2	1	1	2	-20	-35
Ceramic Products	90	67	25	60	-63	-59
Glass and Glass ware	2	1	3	1	111	249
Engineering Products	369	275	255	257	-7	-1
Ships, boats & floating structures	5	4	11	5	202	143
Other Manufactured Products	325	242	231	190	-5	21

Source: Export Promotion Bureau, Bangladesh.

**Table V.5 : Trends in the Commodity Composition of Imports**  
(In millionUSD )

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

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

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

	FY19				FY20			
	Q2		Q3		Q4		Q1*	
	Openin g	Settlemen t	Openin g	Settlemen t	Openin g	Settlemen t	Openin g	Settlemen t
Consumer goods	1,436	1,433	1,742	1,523	1,417	1,828	1,041	1,113
Industrial raw materials	5,034	4,902	4,915	5,133	4,565	4,332	2,738	2,908
Intermediate goods	2,158	1,762	1,514	1,305	1,268	1,373	756	822
Petroleum and petroleum products	798	959	733	783	1,354	928	694	347
Capital machinery	1,170	1,163	1,367	1,206	920	1,058	700	689
Machinery for misc. industries	1,428	1,369	1,798	1,435	1,482	1,508	1,242	831
Others	2,541	2,899	2,876	2,513	2,482	2,395	1,855	1,757
<b>Total</b>	<b>14,566</b>	<b>14,488</b>	<b>14,945</b>	<b>13,899</b>	<b>13,488</b>	<b>13,423</b>	<b>9,026</b>	<b>8,467</b>
<i>of which back to back</i>	2,066	2,009	2,040	1,994	1,758	1,856	1,334	1,316
	Growth in percent							
Consumer goods	-24.7	-32.1	-12.7	-30.3	38.4	46.8	-25.2	-10.0
Industrial raw materials	3.3	9.7	-3.8	8.2	21.0	27.8	-45.3	-38.1
Intermediate goods	86.9	73.5	4.7	22.3	64.8	56.9	-47.9	-24.6
Petroleum and petroleum products	36.0	20.8	-29.7	-7.7	66.0	27.5	-45.7	-67.5
Capital machinery	-40.7	-6.6	-27.8	-17.2	-8.3	29.1	-42.4	-44.6
Machinery for misc. industries	-9.2	9.4	40.7	10.8	63.1	80.3	-34.1	-37.4
Others	-81.1	48.8	14.7	16.9	54.7	61.4	-26.8	-19.0
<b>Total</b>	<b>-42.9</b>	<b>12.9</b>	<b>-4.9</b>	<b>1.1</b>	<b>42.8</b>	<b>43.1</b>	<b>-38.8</b>	<b>-34.0</b>
<i>of which back to back</i>	-2.0	8.8	-11.9	-3.0	20.8	37.6	-42.8	-38.2

Source: Foreign Exchange Operation Department, Bangladesh Bank.

\*= Up to August

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

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

Source: Statistics Department, Bangladesh Bank.

**Table V.8 Exchange Rate Movements**  
(Taka per Currencies)

Period	US Dollar		U.K. Pound Sterling		EURO		Japanese Yen	
	Period Average	End Period	Period Average	End Period	Period Average	End Period	Period Average	End Period
<b>2017-18</b>	82.10	83.73	110.61	109.50	97.99	96.86	0.74	0.76
July	80.63	80.66	104.80	105.95	92.83	94.79	0.72	0.73
August	80.69	80.70	104.69	104.31	95.37	95.90	0.73	0.73
September	80.74	80.80	107.21	108.17	96.14	94.90	0.73	0.72
October	80.82	80.86	106.82	106.82	95.10	94.21	0.72	0.71
November	81.26	82.30	107.45	110.35	95.33	97.50	0.72	0.74
December	82.55	82.70	110.59	111.76	97.69	99.22	0.73	0.73
January	82.82	82.90	114.21	117.27	100.81	102.81	0.75	0.76
February	82.92	82.96	115.89	115.39	102.40	101.48	0.77	0.77
March	82.96	82.96	115.87	116.79	102.32	102.11	0.78	0.78
April	82.97	82.98	116.81	114.35	101.97	100.65	0.77	0.76
May	83.38	83.70	112.28	111.25	98.51	97.62	0.76	0.77
June	83.70	83.73	111.30	109.50	97.79	96.86	0.76	0.76
<b>2018-19</b>								
July	83.75	83.75	110.40	109.99	97.90	98.04	0.75	0.75
August	83.75	83.75	107.86	109.10	96.74	98.05	0.75	0.75
September	83.75	83.75	109.22	109.13	97.58	97.23	0.75	0.74
October	83.82	83.85	109.23	106.54	96.33	95.12	0.74	0.74
November	83.87	83.90	108.22	107.35	95.34	95.59	0.74	0.74
December	83.90	83.90	106.36	106.61	95.33	95.96	0.75	0.76
January	83.94	83.95	108.17	110.11	95.89	96.36	0.77	0.77
February	84.04	84.15	109.26	111.51	95.43	95.83	0.76	0.76
March	84.21	84.25	111.12	109.80	95.27	94.51	0.76	0.76
April	84.33	84.45	109.91	109.26	94.77	94.47	0.76	0.76
May	84.49	84.50	108.67	106.70	94.52	94.06	0.77	0.77
June	84.50	84.50	107.05	107.27	95.30	96.08	0.78	0.78
<b>2019-20</b>								
July	84.50	84.50	105.49	102.68	94.82	94.26	0.78	0.78
August	84.50	84.50	102.76	103.18	94.03	93.60	0.79	0.80
September	84.50	84.50	104.30	103.84	93.03	92.43	0.79	0.78
October	84.67	84.75	106.96	109.35	93.54	94.50	0.78	0.78
November	84.78	84.90	109.20	109.63	93.73	93.47	0.78	0.78
December	84.90	84.90	111.05	111.34	94.25	95.08	0.78	0.78
January	84.90	84.90	111.08	111.18	94.30	93.66	0.78	0.78
February	84.95	84.95	110.33	109.46	92.71	93.44	0.77	0.78
March	84.95	84.95	104.48	99.89	93.60	91.65	0.79	0.76

Source: Statistics Department, Bangladesh Bank.

**Table V.9 Trends in Foreign Aid**  
(In million USD)

	FY19 <sup>P</sup>				FY20 <sup>P</sup>			
	FY19	Q1 <sup>R</sup>	Q2 <sup>R</sup>	Q3 <sup>P</sup>	Q4 <sup>P</sup>	Q1 <sup>P</sup>	Q2 <sup>P</sup>	Q3 <sup>P</sup>
a. Grants (i+ii)	256	69	81	58	48	31	109	39
i) Food Aid	6	6	0	0	0	0	0	0
ii) Project Aid	250	63	81	58	48	31	109	39
b. Loans (MLT)	5,954	928	1,807	1,579	1,640	900	1,673	1,631
A. Total (a+b)	6,210	997	1,888	1,637	1,689	931	1,782	1,669
B. Amortization(1+2)	1,565	443	304	464	353	495	349	507
1) Principal	1,178	330	240	330	279	352	278	344
2) Interest	387	114	64	135	74	144	72	163
C. Net Foreign Financing (A-1)	<b>5,032</b>	<b>667</b>	<b>1,648</b>	<b>1,307</b>	<b>1,409</b>	<b>579</b>	<b>1,504</b>	<b>1,326</b>

Sources: ERD; MOF; Statistics Department, Bangladesh Bank  
R=Revised, P= Provisional.

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

Type of Banks	2018				2019				2020
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun	Sep	Dec.	Mar.
State Owned Commercial Banks	29.8	28.2	31.2	30.0	32.2	31.6	31.5	23.9	22.8
Specialized Banks	23.4	21.7	21.7	19.5	19.5	17.8	17.8	15.1	15.1
Private Commercial Banks	6.0	6.0	6.7	5.5	7.1	7.1	7.43	5.8	5.6
Foreign Commercial Banks	7.0	6.7	7.1	6.5	6.2	5.5	6.0	5.7	5.6
<b>All Banks</b>	<b>10.8</b>	<b>10.4</b>	<b>11.5</b>	<b>10.3</b>	<b>11.9</b>	<b>11.7</b>	<b>12.0</b>	<b>9.3</b>	<b>9.0</b>

Source: Banking Regulation and Policy Department, Bangladesh Bank.

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

Type of Banks	2018				2019				2020
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun	Sep	Dec.	Mar.
State Owned Commercial Banks	14.4	11.7	14.3	11.3	11.2	8.7	15.2	6.3	4.6
Specialized Banks	9.1	7.4	7.4	5.7	5.7	4.6	4.6	3.0	3.0
Private Commercial Banks	1.0	0.8	1.1	0.4	1.5	1.5	1.5	-0.1	-0.6
Foreign Commercial Banks	0.8	0.8	1.1	0.7	0.6	0.1	0.2	0.2	0.0
<b>All Banks</b>	<b>3.3</b>	<b>2.7</b>	<b>3.3</b>	<b>2.2</b>	<b>3.0</b>	<b>2.5</b>	<b>3.7</b>	<b>1.0</b>	<b>0.4</b>

Source: Banking Regulation and Policy Department, Bangladesh Bank.

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

Type of Banks	2018				2019				2020
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
State Owned Commercial Banks	2.9	2.0	6.1	1.9	6.9	8.5	7.7	4.99	4.59
Specialized banks	-33.7	-31.9	-14.0	-31.7	-31.7	-31.2	-31.6	-32.0	-33.5
Private Commercial Banks	12.1	12.2	12.2	12.8	12.7	12.7	12.9	13.62	13.49
Foreign Commercial Banks	24.6	23.0	26.7	26.0	28.0	28.7	25.1	24.45	24.66
<b>All Banks</b>	<b>10.1</b>	<b>10.0</b>	<b>10.9</b>	<b>10.5</b>	<b>11.4</b>	<b>11.7</b>	<b>11.7</b>	<b>11.57</b>	<b>11.35</b>

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

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

Type of Banks	Return on Asset (ROA)			Return on Equity (ROE)		
	2017	2018	2019	2017	2018	2019
State Owned Commercial Banks	0.2	-1.3	-0.6	3.5	-29.6	-13.7
Specialized Banks	-3.5	-2.8	-3.3	-17.2	-13.5	-17.0
Private Commercial Banks	0.9	0.8	0.8	12.0	11.0	11.2
Foreign Commercial Banks	2.2	2.2	2.3	11.3	12.4	13.4
<b>All Banks</b>	<b>0.7</b>	<b>0.3</b>	<b>0.4</b>	<b>9.6</b>	<b>3.9</b>	<b>6.8</b>

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

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

	FY19					FY20		
	FY19	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>
Number of listed securities <sup>1</sup>	363	354	357	360	363	365	366	368
Issued equity and debt (billion Taka)	720	680	694	699	720	731	746	749
Market capitalization (billion Taka)	3,437	3,299	3,321	3,565	3,437	3,175	2,845	2,572
Turnover (billion Taka)	1,460	450	331	455	223	248	211	271
DSE broad index	5,422	5,369	5,386	5,492	5,422	4,948	4,453	4,008
DSE -30 index	1,929	1,890	1,881	1,967	1,929	1,760	1,512	1,331
<b>Growth in percent</b>								
Number of listed securities	3.4	3.2	2.6	3.2	3.4	3.1	2.5	2.2
Issued equity and debt	7.3	8.0	7.5	7.7	7.3	7.5	7.5	7.1
Market capitalization	5.3	-6.2	-9.5	5.9	5.3	-3.8	-14.3	-27.8
Turnover	-86.0	-25.6	-23.6	86.1	-27.4	-44.8	-36.2	-40.4
DSE broad index	0.3	-11.9	-13.8	-1.9	0.3	-7.8	-17.3	-27.0
DSE -30 index	-1.6	-13.2	-17.6	-6.6	-1.6	-6.9	-19.6	-32.3

Source: Dhaka Stock Exchange

<sup>1</sup> Include debenture but exclude govt. bond.**Table VII.2 Group-wise Market Capitalization of Dhaka Stock Exchange**  
(In billion Taka)

Name of Group	FY19					FY20		
	FY19	Q <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	593.0	561.6	583.1	596.6	593.0	564.4	539.6	487.3
Financial Institutions	181.8	193.3	191.5	189.9	181.8	157.1	144.7	143.8
Mutual Funds	35.6	34.9	34.5	34.9	35.6	33.1	30.7	33.0
Engineering	202.6	201.4	190.7	190.3	202.6	180.5	147.9	157.8
Food & Allied Product	314.4	262.3	276.7	340.1	314.4	266.2	222.1	231.6
Fuel and Power	480.0	450.6	432.2	500.1	480.0	424.7	386.6	412.0
Jute Industry	4.0	1.5	4.7	4.4	4.0	3.4	2.5	1.8
Textile Industry	140.1	129.7	141.7	133.5	140.1	107.1	105.7	116.5
Pharmaceuticals and Chemicals	528.3	489.9	508.8	530.7	528.3	520.5	473.2	492.6
Paper and Printing	14.5	22.3	17.4	14.5	14.5	11.3	10.0	11.4
Services and Real Estate	17.8	19.2	18.0	18.1	17.8	15.3	13.5	16.2
Cement Industry	90.5	114.4	102.0	100.9	90.5	78.6	68.9	86.7
Insurance	109.2	100.8	103.1	10.1	109.2	112.9	113.4	106.1
Telecommunication	514.2	513.0	511.4	578.4	514.2	496.0	401.4	386.6
Miscellaneous	207.3	200.8	202.4	318.6	207.3	200.6	182.0	194.0
Corporate Bond	2.9	2.8	2.8	2.9	2.9	2.8	2.8	3.8
<b>Total Market Capitalization</b>	<b>3,436.2</b>	<b>3,298.6</b>	<b>3,320.8</b>	<b>3,564.1</b>	<b>3,436.2</b>	<b>3,174.5</b>	<b>2,844.9</b>	<b>2,881.1</b>

Source: Dhaka Stock Exchange.

# **ANNEXUR**

### Major Policy Announcements: January-March, 2020

<p>FEPD Circular Letter No. 01 January 05, 2020 Regarding the prevention of attempts to misappropriate export proceeds</p>	<p>All the head offices/ principal offices of the authorized dealer banks involved in foreign currency transactions are asked to remain alert to thwart any fraudulent attempt to divert payments/export proceeds from foreign buyers to different bank accounts by sending spam e-mails containing the name of the exporters to the importers in case of TT payments system of exports proceeds.</p>
<p>FEPD Circular No. 01 January 07, 2020 Special cash assistance to RMG/Textile Sector</p>	<p>The exporter-producer of locally produced readymade garments (RMG)/textile products (like-Teri-towel and specialized textile) shall be privileged with 1 (one) percent special cash assistance on net FOB value against their export admissible in the fiscal year 2019-2020. The facility is equally admissible for the Type-C institutions under local ownership located in specialized zones (EPZ, EZ) against their export in the EU, the USA and Canada. The said privilege and duty draw-back/ bond privilege are allowed to be simultaneously availed. If any irregularity is, however, found in providing the facility, the fund is realizable by debiting the payee-bank account maintained with the Bangladesh Bank. And punitive measures shall be initiated against the officials implicated with irregularities, if proven.</p>
<p>FEPD Circular No. 02 January 13, 2020 Foreign exchange transactions for IT/Software firms</p>	<p>The limit to remit with international card facility by the Authorized Dealers (ADs) on behalf of IT/Software firms who are members of BASIS, for meeting bonafide current payment needs, is enhanced to USD 40,000 in a calendar year from USD 30,000. Within the limit of USD 40,000, international cards may be issuable for USD 8,000 instead of USD 6,000 which may be refilled subject to availability of the limit and observance of specified formalities.</p>
<p>FEPD Circular Letter No. 02 January 19, 2020 Opening of LC to import essential commodities</p>	<p>Subject to the compliance of the regulations followed in foreign currency transactions by the importers, all the head offices/ principal offices of the authorized dealer banks are instructed to initiate letters of credit and provide all necessary support to the importers for the uninterrupted, prompt and speedy supply of the essential commodities (onion, garlic, lentils, chickpeas, dried chilies, cinnamon/cassia, clove, cardamom, seeds of coriander, seeds of cumin, ginger, turmeric, bay leaves, edible soya bean oil, edible palm oil, sugar and edible salt, excluding beet salt) in the local market.</p>
<p>FEPD Circular Letter No. 03 January 20, 2020 Collection of stamp duty on Bill of Exchange against deferred/usance export bills</p>	<p>Stamp duty is not attributable to the exporters of bill of exchange against deferred/usance export bills as per the Stamp Act, 1899. So, the stamp duty on the deferred export bill of exchange at the rate of 0.2 percent formerly levied on exporters is waived.</p>
<p>BRPD Circular Letter No. 01 January 23, 2020 Regarding deduction and submission of Source Tax from different types of deposit/savings schemes</p>	<p>Depositors who belong to 12-digit-TIN category shall enjoy 10% tax at source instead of 15%. The same shall apply to the paid interest on call money deposit, deposit accepted from foreign source/in foreign currency. However, source tax on the interest of deposits of all tax-exempted fund, like- pension fund, gratuity fund, provident fund etc, shall be 5%.  Source tax shall be deducted at the time of crediting interest on deposits as per Income Tax Ordinance, 1984. In this regard, it has been made mandatory to deduct source tax each time the interest is paid to the account instead that of once on maturity.</p>

<p>FEPD Circular No. 05 January 30, 2020 Export subsidy against export of rice</p>	<p>The rice processors-exporters, who process rice in locally owned firms by collecting domestically produced paddy, shall receive 15% export subsidy against their export in the current fiscal year 2019-2020. However, the said export privilege shall not be admissible for the institutions located in specialized zones (EPZ, EZ).</p>
<p>FEPD Circular No. 06 February 03, 2020 Regarding import and export of currency notes</p>	<p>The limit of foreign currency brought in without declaration to the Custom Authorities and taken out while proceeding abroad by a concerned person is enhanced to USD 10,000 or its equivalent from USD 5,000 or its equivalent.</p>
<p>FEID Circular No. 02 February 05, 2020 Regarding share money deposit</p>	<ol style="list-style-type: none"> <li>1. The company shall complete the formalities of issuance of shares within 360 days of receiving money for this purpose;</li> <li>2. Share Money Deposit must not be used in any purpose other than the main business of the company i.e. the fund cannot be used in any interest/profit bearing financial instruments;</li> <li>3. In case of calculating Debt Equity Ratio for according permission of foreign loan/foreign currency loan to industrial enterprises and of Taka term loan to foreign owned/controlled company. Share Money Deposit will not be considered as equity component if the company fails to convert it into share within 360 days of such receipt.</li> </ol>
<p>BRPD Circular Letter No. 03 February 06, 2020 Deposit of Fund received under Annual Development Program (ADP) and operating budget and own fund of autonomous, semi-autonomous organizations and government-owned companies</p>	<p>Fifty (50) percent of the fund received under Annual Development Program (ADP) and operating budget and own surplus fund of autonomous, semi- autonomous organizations and government-owned companies is allowed to be deposited at the private banks or non-bank financial institutions operating in Bangladesh. The surplus fund of the aforementioned sources may be deposited at the state-owned commercial banks at maximum 5.50 percent interest rate and 50 percent of the total surplus fund is permitted to be deposited as fixed deposit at the private commercial banks at maximum 6 percent. However, the fund meant for provident fund, pension fund and endowment shall remain excluded of the directive.</p>
<p>BRPD Circular No. 03 February 24, 2020 Rationalization of the rate of interest/profit on lending/investment</p>	<p>In all categories of unclassified loans/investments but credit card, the maximum rate of interest/profit is set at 9 percent.</p> <p>If a borrower becomes default even at this margin/ceiling, banks are allowed to impose additional 2 percent penal interest/profit on loan/investment of the corresponding borrower for the tenure it remains default. Apart from the 2 per cent additional charge, banks are barred from the imposition of any additional interest/profit/penal interest/additional charge on their loan/investment.</p> <p>The rate of interest/profit for pre-shipment export loan shall remain unchanged at prevailing 7 percent.</p> <p>The balance of loans to manufacturing segment of the small and medium entrepreneurs including industry sector from the current year cannot anyhow be less than the average loan balance to those sectors in the preceding three years.</p> <p>The directive shall come into effect from April 01, 2020.</p>
<p>FEPD Circular No. 09 February 25, 2020 Enhancement of loan limit from Export Development Fund</p>	<p>The limit to borrow maximum USD 15.00 million by the Authorized Dealers (ADs) from EDF against their foreign currency financing to manufacturer-exporters for input procurement is enhanced to USD 20.00 million for member mills of BKMEA</p>

<p>BRPD Circular No. 05 March 22, 2020 Directives to prevent the outbreak of Coronavirus (COVID-19)</p>	<p>Every scheduled bank shall form a “Central Quick Response Team” constituting the high officials of the respective bank in the Head Office so that the Central Quick Response Team may take quick and effective decisions in no time on behalf of the bank to cope with the changing environments of Coronavirus pandemic. Likewise, a “Quick Response team” shall have to be formed in every divisional/zonal/area office to take special decisions locally. The name, designation, mobile number etc. of the team members so formed shall have to be displayed at the website of the respective bank.</p>
<p>DCM Circular No. 01 March 22, 2020 Initiatives to be taken to prevent COVID-19 and safe cash management by scheduled banks</p>	<p>Cash officials/staffs serving in cash counter of the branches of all scheduled banks must wear mask and hand gloves while receiving from and paying money to the customer. They are also asked to use hand sanitizer, or wash hands with soap after calculating/sorting notes every time.</p>
<p>DMD Circular No. 01 March 22, 2020 Regarding Transactions of Government Securities</p>	<p>Scheduled banks and financial institutions are allowed to sell the excess government securities to the Bangladesh Bank at market rate after maintaining required Statutory Liquidity Reserves (SLR). Bangladesh Bank strengthened purchase of government securities from the secondary market to tackle impending liquidity management crisis brought on by the coronavirus (COVID-19) pandemic.</p>
<p>FEPD Circular No. 14 March 22, 2020 Remittance on account of bonus by foreign nationals working in Bangladesh</p>	<p>Foreign nationals are allowed to remit up to 75% of their bonus after deduction of applicable taxes and payment thereof at one-go without spreading over the subsequent 12 months. Foreign nationals, however, can exercise prevailing regulations at their options.</p>
<p>FEPD Circular No. 15 March 23, 2020 Advance Payment against imports of life saving drugs, etc.</p>	<p>Authorized Dealers (ADs) are allowed to effect, without repayment guarantee, advance payment up to USD 500,000.00 or equivalent other foreign currency for import of coronavirus related life-saving drugs, medical kits/equipment and other essential medical items. This instruction will be valid till September 30, 2020.</p>
<p>MPD Circular No. 01 March 23, 2020 Maintenance of Cash Reserve Requirement (CRR) with Bangladesh Bank</p>	<p>CRR is re-fixed at 5.0 percent on bi-weekly average basis with a provision of minimum 4.5 percent on daily basis effective from April 01, 2020.</p>
<p>MPD Circular No. 02 March 23, 2020 Re-fixation of Repo interest rate of Bangladesh Bank</p>	<p>The existing Repo interest rate of Bangladesh Bank is reduced by 25 basis points and re-fixed at 5.75 percent from that of 6.00 percent while Reverse Repo rate will remain unchanged at 4.75 percent. This instruction will be effective from March 24, 2020</p>