

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

January-March, 2023

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Content

Economic and Financial Developments

Executive Summary	vii
I. Real Economy	1
II. Price	4
III. Money and Credit Market	9
IV. Fiscal Sector	13
V. External Sector	15
VI. Banking Sector	19
VII. Capital Market	23

Charts

I.1 Growth of Real GDP and Per Capita Income	1
I.2 Production of Major Crops	1
I.3 Growth Decomposition of Quantum Index of Industrial Production	2
I.4 Heat Map for Large and Medium Scale Manufacturing Output Growth	2
I.5 Growth of Credit to Trade and Commerce, and Consumer Finance and Total Cargo Handled by Chattogram port	3
II.1 Point-to-Point CPI Inflation	4
II.2 12-Month Average CPI Inflation	4
II.3 Inflation Momentum	4
II.4 Point-to-Point Inflation Heat Map	5
II.5 Decomposition of CPI Food Inflation	6
II.6 Decomposition of CPI Non-food Inflation	6
II.7 Food Inflation	6
II.8 Non-food Inflation	6
II.9 Wage Rate	7
II.10 Inflation in Peer Countries	7
II.11 Inflation in Advanced Economies	8
II.12 Global Commodity Price Indices	8
III.1 Growth of Reserve money, claims on govt and DMBs	9
III.2 Broad Money Growth: Program Vs Actual	9
III.3 Growth of M2, NDA, and NFA	10
III.4 Growth of Credit to Public and Private Sectors	10
III.5 Liquidity	11
III.6 Movements in Policy and Money Market Rates	11
III.7 Interest Rate Spread	11

III.8	Interest Rate of Government Securities	11
IV.1	Trends in Total Revenue	13
IV.2	Trends in NBR Tax Revenue	13
IV.3	Trends in Government Expenditure	14
IV.4	Sources of Financing of Budget Deficit	14
V.1	Trends in Balance of Payments	15
V.2	Trends in Export and Import Growth	16
V.3	Decomposition of Export Growth	16
V.4	Decomposition of Import Growth	16
V.5	Remittance Inflows	16
V.6	Region-wise Growth of Remittance Inflows	17
V.7	International Reserve	17
V.8	Effective Exchange Rate Indices	17
V.9	Peer Countries' National Currency Appreciation/ Depreciation (+/-) against USD	18
VI.1	Ratio of Gross NPLs to Total Loans	19
VI.2	Ratio of Gross NPLs and Net NPLs to Total Loans	19
VI.3	Capital to Risk Weighted Asset Ratio (CRAR)	20
VI.4	Advance Deposit Ratio	21
VI.5	Excess of SLR as % of TDTL	21
VII.1	Trends in DSEX Index and Turnover	23
VII.2	Synchronization of DSEX with Global Markets	23
VII.3	Index of Major Sectors, March 2023	23
VII.4	Selected Countries: Stock Market Capitalization, March 2023	23
VII.5	Heat Map for Sectoral Price-Earnings Ratio of DSE	24
VII.6	Turnover of Major Sectors in Q3FY23	24

Tables

I.1	Macroeconomic Framework: Key Economic Indicators	29
I.2	Real GDP Growth by Sectors	30
I.3	Nominal GDP by Sectors	31
I.4	Crop-wise Agricultural Production	32
I.5	Quantum Index of Medium and Large- scale Manufacturing Industries, Mining and Electricity	32
I.6	Quantum Index of Medium and Large- scale Manufacturing Industries by Major Industries	33
I.6 (A)	Quantum Index of Large-scale Manufacturing Industries by Major Groups	34
I.6 (B)	Quantum Index of Small, Medium & Micro-scale Manufacturing Industries by Major Groups	35

I.6 (C) Quantum Index of Cottage-scale Manufacturing Industries by Major Groups	36
I.7 Cargo Handled by Chattoram Port	37
I.8 Trends in Private Sector Credit	37
I.9 Bank Advances (Private Sector) by Economic Purposes	38
I.9 (1) Performance Indicators of NBFIs	39
I.10 Trends in Agricultural Credit	40
I.11 Microcredit Operations of Grameen Bank and Large NGOs	40
I.12 Microcredit Operations of MFIs	41
I.13 Industrial Term Lending by Banks and NBFIs	42
II.1 Trends in Inflation	43
II.2 Commodity Prices in the International Market	44
II.3 Inflation in Peer Countries	44
III.1 Movements in Reserve Money	45
III.2 Movements in Broad Money	46
III.3 Interest Rates Developments	47
III.4 Outstanding Stocks of Bangladesh Bank Bills, Treasury Bills, Bonds, and NSD Certificates	48
IV.1 Government Fiscal Operations	49
V.1 Balance of Payments	50
V.2 Trends in the Commodity Composition of Exports	51
V.3 Major Destination-wise RMG Related Exports	52
V.4 Export Performance for July — March, FY23	53
V.5 Trends in the Commodity Composition of Imports	54
V.6 Sector-wise Comparative Statement of the Opening and Settlement of Import LCs	55
V.7 Country-wise Workers' Remittances	56
V.8 Exchange Rate Movements	57
V.9 Trends in Foreign Aid	58
VI.1 Gross NPL Ratios by Type of Banks	58
VI.2 Net NPL Ratios by Type of Banks	58
VI.3 Capital to Risk Weighted Asset Ratios by Type of Banks	59
VI.4 Profitability Ratios by Type of Banks	59
VII.1 Indicators of Capital Market Developments	59
VII.2 Group-wise Market Capitalization of Dhaka Stock Exchange	60

Annexure

Major Policy Announcements: January — March, 2023	63
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Economic and Financial Developments

Executive Summary

The Bangladesh economy continues to showcase remarkable resilience, navigating through a challenging landscape of geopolitical conflicts, supply-side disruptions, a global economic slowdown, and recent turbulence in the financial sector. Notably, the economy achieved a moderately high real GDP growth rate of 6.03 percent for FY23, building upon the consistently high economic growth rate sustained in the previous two fiscal years. These figures underscore the inherent strength and resilience of Bangladesh's economy. The robust growth momentum witnessed in FY23 can be attributed to the simultaneous healthy expansion of the service and manufacturing sectors, effectively complemented by the agriculture sector.

Regarding inflation, the headline Consumer Price Index (CPI) has followed an upward trajectory, rising to 9.33 percent in Q3FY23 from 8.71 percent in Q2FY23. This increase has been driven by both food and non-food inflation. Import costs have surged primarily due to the pass-through effect of significant currency depreciation and upward adjustments to domestic electricity and fuel prices, contributing to inflation dynamics. Notably, food inflation experienced substantial pressures, with certain cereal items witnessing significant price increases, pushing food inflation to 9.1 percent in March 2023, compared to 8.1 percent in December 2022. However, non-food inflation witnessed a marginal decrease from 9.9 percent in December 2022 to 9.7 percent in March 2023. Moreover, the twelve-month average CPI inflation rose to 8.39 percent in Q3FY23, compared to 7.70 percent in Q2FY23 and 5.75 percent in Q3FY22.

The current account balance experienced a notable turnaround, recording a surplus of USD 1.63 billion in Q3FY23. This positive development can be attributed to a decline in import payments and increased export earnings and remittance inflows, supported by various policy initiatives to limit imports and encourage forex inflows. The surplus in the current account and a narrowed deficit in the financial account significantly contributed to easing the balance of payment (BoP) deficit to USD 1.00 billion in Q3FY23. However, despite the improvement in the current account balance during the first nine months of FY23, the BoP deficit widened to USD 8.17 billion, primarily due to an increase in the financial account deficit. In response to the demand-supply gap in the foreign exchange market, Bangladesh Bank addressed the situation by selling foreign currencies and allowing depreciation, resulting in a decline in foreign exchange reserves to USD 31.14 billion in March 2023.

The growth of net domestic assets (NDA) and a sizable reduction in net foreign assets (NFA) have contributed to a 9.1 percent expansion in broad money (M2) by the end of Q3FY23, slightly below the target of 10.7 percent set for March 2023. Likewise, the reserve money (RM) growth remained subdued in Q3FY23, owing to BB's net selling of foreign currency in the market resulting in an automatic quantitative tightening stance. On the other hand, there has been a rebound in the growth

of total deposits amid BB's liquidity-supporting measures to increase liquidity in the banking system during the review period.

The overall fiscal developments in Q3FY23 exhibited a slower pace than the previous quarter, as reflected by sluggish revenue mobilization and government expenditure growth. Despite reducing government expenditure growth, the budget deficit increased due to relatively lower revenue collections. Most of the widened budget deficit was financed through domestic borrowing, as foreign funding decreased noticeably. In terms of domestic borrowing, the government's reliance on the banking sector witnessed a significant increase.

Capital market performance in Q3FY23 displayed a mixed picture, with price indices remaining almost unchanged, a marginal rise in market capitalization, a slight improvement in the price-earnings ratio, and a significant decline in turnover compared to the previous quarter. These trends can be attributed, in part, to concerns among equity investors stemming from challenging domestic and global macroeconomic conditions. Notably, the MSCI emerging market and DSEX indexes demonstrated synchronized movement during Q3FY23.

Looking ahead, the Bangladesh economy is poised to maintain its growth momentum in a pandemic-free environment amidst stabilized global commodity price conditions. However, it faces two critical challenges that demand immediate attention - rising inflation and exchange rate pressure. Recognizing the urgency, Bangladesh Bank has prioritized addressing these challenges, as outlined in its Monetary Policy Statement (MPS) for H1FY24.

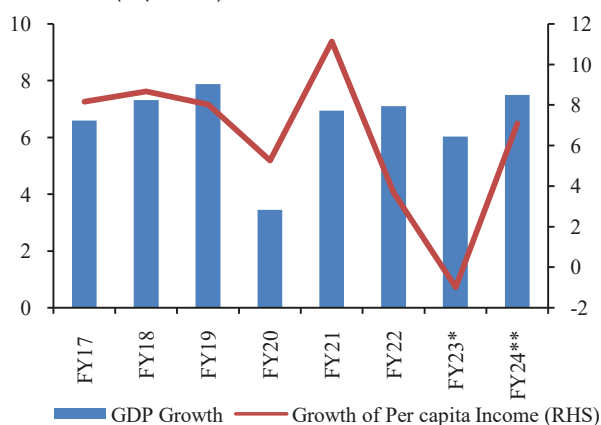
Bangladesh Bank has introduced several key measures to stabilize prices and exchange rates. These include implementing an interest rate corridor system, withdrawing lending rate caps, and adopting a market-driven single exchange rate regime. These policy initiatives were aimed at containing inflation and stabilizing the exchange rate. By adopting a market-oriented framework, BB seeks to maintain a delicate balance between promoting economic growth and maintaining price stability. It acknowledges the importance of managing inflation expectations and safeguarding the export sector's competitiveness.

As Bangladesh marches forward, policymakers, regulators, and market participants must remain vigilant and adaptable. Successful implementation of the aforesaid measures, coupled with sustained efforts to enhance fiscal management and undertake structural reforms, will be instrumental in navigating the challenges ahead. By prioritizing price and exchange rate stability, Bangladesh can fortify its position as a resilient emerging economy and sustain its growth trajectory in the years to come.

I. Real Economy

I.1 The Bangladesh economy continued its robust growth momentum with a real GDP growth rate of 6.03 percent, estimated for FY23. Healthy expansion in the service and manufacturing sectors helped maintain the robust growth on the back of well-supported agriculture sector related activities. In the last two fiscal years, the economy has held around 7 percent growth rates, reflecting its underlying strength and resilience amidst the impact of ongoing global geopolitical uncertainties, the COVID-19 pandemic, and recent global financial turmoil. Effective pandemic control, domestic and foreign demand management, and well-coordinated monetary and fiscal policy support contributed to the robust growth rates. The target for real GDP growth in FY24 is 7.5 percent

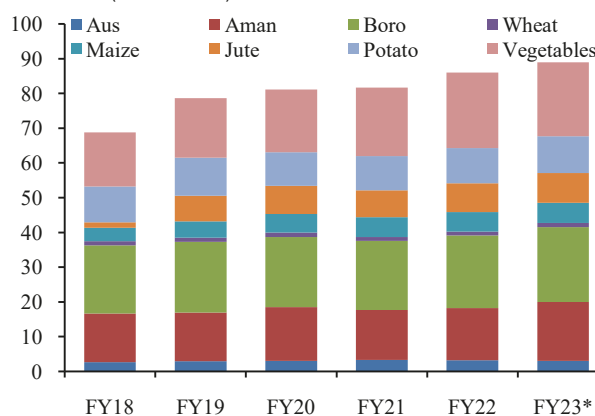
Chart I.1: Growth of Real GDP and Per Capita Income
(In percent)



* Provisional; ** Estimated.

Source: Bangladesh Bureau of Statistics (BBS).

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



*Provisional.

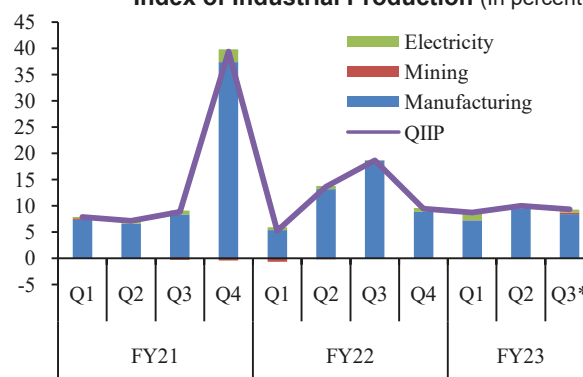
Source: Department of Agricultural Extension (DAE).

I.2 The agriculture sector has maintained a broad-based growth momentum, as reported by the Bangladesh Bureau of Statistics (BBS). Total food grain production increased by 2.5 percent to 39.0 MMT in FY22. Following this resilient nature of the agricultural output, the Department of Agricultural Extension (DAE) has set higher production targets for main crops for FY23. All major rice variants, such as Aus, Aman, and Boro are expected to grow 13.7, 9.3, and 2.7 percent in FY23 compared to FY22. Aman rice, the country's second-biggest crop after boro, exceeded the production target of 16.4 MMT and grew by 17.01 MMT, which is a growth of 13.7 percent from the previous year mostly because of adequate sunlight, irrigation, and fertilizer application despite insufficient rainfall during the planting season. On the other hand, Aus rice production fell by 7.5 percent due to flooding during cultivation. Besides, increased cropping intensity, attractive market conditions, affordable financing, subsidies, and availabilities of inputs ensure impetus for the growth targets for major non-rice crops such as wheat (6.9 percent), potatoes (4.1 percent), jute (3.4 percent), and onions (3.0 percent) for FY23 (Chart I.2).

During the third quarter of FY23, wholesale prices of rice and wheat were broadly stable, although the nominal price rose by 0.72 percent, while the real price declined by 0.98 percent. In the case of wheat, real and nominal prices fell by 3.2 percent and 4.8 percent, respectively. Considering the inflationary situation, the government set the target for public sector food grain imports at 1.6 MMT for FY23, of which rice and wheat contained 0.9 MMT and 0.7 MMT, respectively.

Additionally, the closing balance of food grain stocks was 1.86 MMT at the end of March 2023, which was 15.8 percent higher than the same period of the previous year, according to the Food Planning and Monitoring Unit (FPMU) of the Ministry of Food¹. The agriculture sector seems robust, as it observed a 17.9 percent growth in credit, which further signals higher production and greater price stabilization in the market.

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



*Based on data available for January, 2023
Source: BB Staff's calculation based on BBS data

I.3 The industrial sector showed promising performance during the quarter under observation as measured by the available data on industrial production for selected industrial production indexes (manufacturing, mining & electricity). As per the index, productions in major industrial sectors grew by 9.4 percent in the first month of Q3FY23 compared to the same period of last year, reflecting mainly 9.3 percent growth of manufacturing output and 14.97 percent of mining output. The growth of manufacturing production in large industries stemmed primarily from the growth in the production of textiles (29.4 percent), wearing apparel (10.2 percent), non-metallic mineral products (32.1 percent), leather and related products (32.7 percent), tobacco (49.4 percent), beverages (112.07 percent) (Chart I.4). Continued sector-specific fiscal supports, higher external demand, and accommodative monetary policy facilitated this growth. As such, domestic credit to industries grew by 11.5 percent in Q3FY23.

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

	Weight	FY21		FY22				FY23			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Weight	Q2	Q3*
General Index of Manufacturing	100	14.2	46.8	14.4	13.3	11.4	3.1	5.6	100	10.8	11.0
Food products	10.8	8	14	11	-14	-23	-25	-4	4.0	-6	-32
Beverage	0.3	71	160	52	89	52	54	18	1.2	197	112
Tobacco product	2.9	-9	-15	-9	-15	-14	-23	4	3.7	23	49
Textile	14.1	21	50	26	25	5	-9	-1	11.6	15	29
Wearing apparel	34.8	3	106	17	42	48	33	19	61.0	30	10
Leather and related product	4.4	78	116	47	-26	-37	-46	-12	0.8	49	33
Wood and product of wood and cork	0.3	26	12	16	-15	-10	-5	11	0.0	16	-16
Paper and paper products	0.3	17	-11	14	68	56	108	58	0.4	45	-20
Printing and recorded media	1.8	10	3	-3	-11	-9	-5	5	0.1	19	26
Coke and refined petroleum product	1.3	103	171	14	-39	3	-5	-2	0.1	-4	-9
Chemical and chemical product	3.7	12	15	-24	-10	0	18	-25	1.3	-31	10
Pharmaceuticals products	8.2	21	19	12	18	10	6	2	3.0	-7	-22
Rubber and plastic products	1.6	-8	6	-7	-7	27	27	2	0.4	17	25
Non-metallic mineral product	7.1	16	31	14	3	5	-6	-6	4.3	-9	32
Basic metal	3.2	-5	65	24	14	18	17	17	0.7	5	-19
Fabricated metal product	2.3	37	33	-22	-28	-30	-23	-16	0.6	-13	-10
Computer and electronic products	0.2	-1	143	-14	2	-4	-19	-41	0.5	-30	-13
Electrical equipments	0.7	254	92	-39	-56	-60	-38	15	1.2	12	-8
Machinery and equipments	0.2	0	3	-1	1	4	6	9	0.0	14	-6
Motor vehicles and trailers	0.1	-13	114	105	480	150	161	106	0.0	164	14
Transport equipment	0.7	12	31	-1	-6	-3	-54	-56	4.2	-49	-10
Furniture	0.9	18	19	-13	-4	-21	-10	11	0.5	2	23

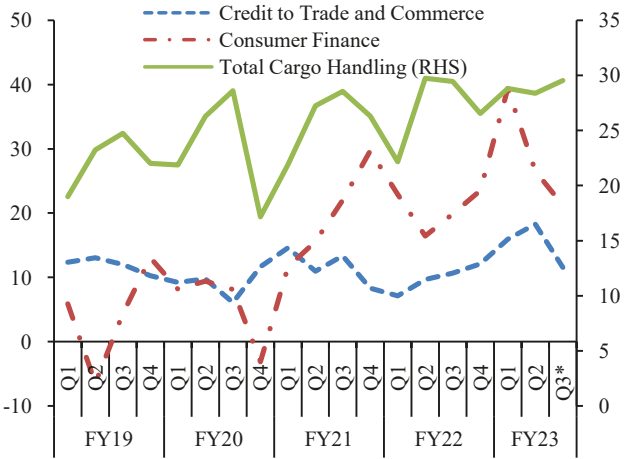
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*Data available for January 2023. Note: Data from Q2FY23 contains large-scale manufacturing with the base year 2015-16.
Source: BB staff's calculation based on BBS data.

¹ Bangladesh Food Situation Report, January-March 2023, Volume-132, Food Planning and Monitoring Unit (FPMU).

I.4 Service sector-related activities manifested a broadly moderating trend during Q3FY23 on the back of growth in the commodity-producing sectors and international trade, as reported by various proxy indicators. Among those proxy indicators, total cargo handling through Chattogram port showed a slight uptrend in Q3FY23. Similarly, the growth in credit to trade and commerce and consumer finance moderated compared to the preceding quarter. In contrast, the y-o-y growth in credit to trade and commerce and consumer finance reached 11.5 and 21.2 percent in Q3FY23, respectively (Chart I.5). Moreover, credit to the construction sector increased by 12.7 percent in Q3FY23. Credit to transportation remained in positive territory, although, it grew marginally by 0.09 percent in Q3FY23.

Chart I.5: Growth of Credit to Trade and Commerce and Consumer Finance (In percent) and Total Cargo Handled by Chattogram Port (In MMT)



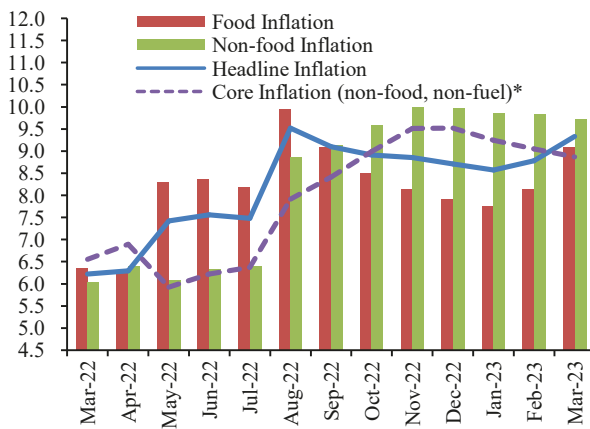
* Credit to Trade and Commerce and Consumer Finance data are Provisional.
Source: Bangladesh Bank and Chattogram Port Authority.

I.5 Moving forward, growth momentum in economic activities is expected to prevail in this fiscal year and beyond, led by strong industry and agriculture productions and activities. The growth momentum is anticipated to accelerate in the period ahead due to the favorable effects of an improving global supply situation, fiscal support, and an ongoing supportive monetary policy that ensure sufficient low-cost credit to the productive sectors. Financial support and incentives, improved infrastructure and business conditions, and uninterrupted supply of electricity, gas, and fertilizer would be the key factors to materialize the growth targets of Bangladesh economy. However, the economy's future course would be crucially dependent on the external sector and the country's balance of payments position. BB is watchful of the global economic and financial situation, taking necessary adjustments in its policies to improve macroeconomic stability while aiming at robust economic growth.

II. Price

2.1 The headline inflation (point-to-point) has been rising, increasing from 8.71 percent in Q2FY23 to 9.33 percent in Q3FY23. The inflation was 6.22 percent in Q3FY22. The inflation dynamics can be attributed to higher food and non-food inflation stemming largely from higher import costs mainly because of pass-through from significant currency depreciation and substantial upward adjustments to domestic electricity and fuel prices. Likewise, twelve-month average headline inflation continued rising and reached 8.39 percent in Q3FY23 from 7.70 percent in Q2FY23 and 5.75 percent in Q3FY22. The core inflation, which excludes food and fuel inflation, has moderated to 8.87 percent in Q3FY23 from 9.52 percent in Q2FY23, although it remained at 2.32 percentage points higher than that of Q3FY22 (Chart II.1 & II.2). The inflation momentum in this quarter was significantly higher, partly offset by the overwhelming dominance of the base effect² (Chart II.3).

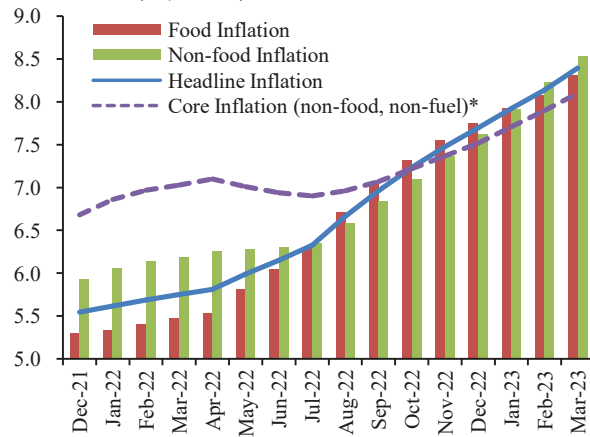
Chart II.1: Point-to-Point CPI Inflation
(In percent)



Source: Bangladesh Bureau of statistics.

*Core inflation is calculated by Research Department of BB using BBS data.

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

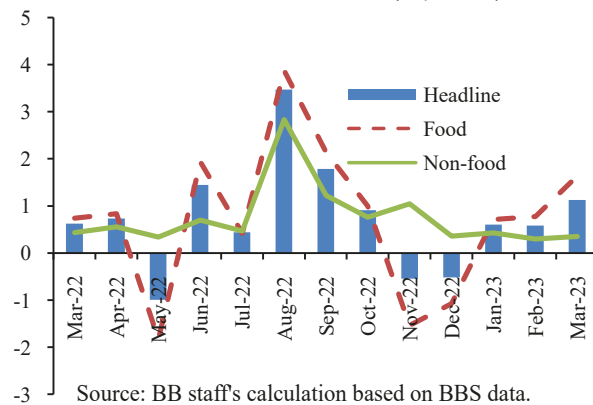


Source: Bangladesh Bureau of statistics.

*Core inflation is calculated by Research Department of BB using BBS data.

2.2 Point-to-point food inflation increased to 9.1 percent in March 2023 from 8.1 percent in December 2022, which was 6.3 percent in March 2022. The food inflation momentum picked up sharply from the first month of this quarter under review, reflecting the knock-on effect of substantial upward adjustments to domestic electricity and fuel prices and the lag effect of global commodity price increases. Another impetus came from the seasonal *Ramadan* effect, which added momentum to food inflation in this

Chart II.3 Inflation Momentum (In percent)



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

² Change in annual inflation rate for two consecutive months \approx Base effect + Momentum effect. Momentum refers to the contribution to the change in the annual inflation rate from the month-on-month rate of change in the current year, i.e., $\ln(\text{pt}) - \ln(\text{pt}-1)$. While the contribution to the change in the annual inflation rate from the month-on-month rate of change one year earlier, i.e., $\ln(\text{pt}-12) - \ln(\text{pt}-13)$. Momentum is favorable if it turns negative, lowering the headline inflation and vice versa.

quarter. Inflation remained pronounced across most of the items of the food basket, of which price pressures from cereals such as pulses, spices, milk and milk products, and protein-based food were significant (Chart II.4). On the other hand, vegetable inflation remained low in this quarter, reflecting the availability of seasonal variety. On the contribution side, cereals contributed the most to the CPI food basket, followed by eggs and meat during Q3FY23. The contribution of eggs and meat inflation to overall food inflation increased sharply to 2.67 percent in March 2023, while spices contributed to 1.17 percent. The contribution of edible oils and fats and fish prices to inflation started easing in December 2022, reflecting softening of those prices (Chart II.5).

Chart II.4: Point-to-point Inflation Heat Map (In percent)

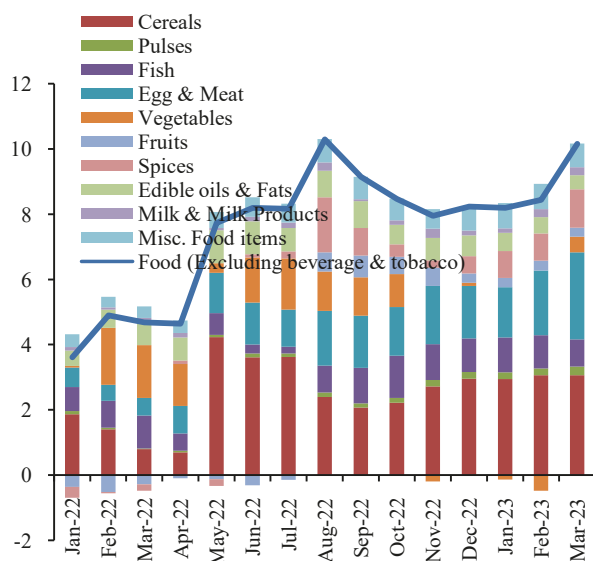
	WEIGHTS	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Headline	100.00	6.22	6.29	7.42	7.56	7.48	9.52	9.10	8.91	8.85	8.71	8.57	8.78	9.33
Food, Beverage and Tobacco	56.18	6.3	6.2	8.3	8.4	8.2	9.9	9.1	8.5	8.1	7.9	7.8	8.1	9.1
1. Food	52.17	4.7	4.6	7.7	8.2	8.2	10.3	9.1	8.5	8.0	8.2	8.2	8.4	10.2
(a) Cereals	21.62	2.0	1.7	11.0	9.3	9.4	6.1	5.2	5.7	6.9	7.4	7.4	7.7	7.8
(i) Rice	20.31	1.7	1.5	10.9	9.1	9.1	5.7	4.8	5.2	5.6	6.0	6.0	6.4	6.6
(ii) Other Cereals	1.30	7.8	6.2	12.5	14.3	14.1	13.4	13.8	15.9	33.5	34.7	34.5	32.8	29.8
(b) Pulses:	1.51	0.8	2.0	3.1	5.1	4.8	6.0	5.8	6.5	8.8	9.4	9.3	9.3	11.7
(c) Fish (fresh) & dry fish	6.98	7.9	4.0	5.0	2.1	1.5	6.2	8.3	10.0	8.5	7.9	8.1	7.8	6.3
(d) Eggs and Meat	4.94	4.9	7.8	11.1	11.4	10.1	14.9	14.2	13.3	16.2	14.5	13.9	17.9	23.9
(e) Vegetable	4.78	17.0	12.6	2.9	13.0	14.9	11.4	11.2	9.4	-1.9	0.9	-1.3	-4.5	4.5
(f) Fruits	1.85	-6.5	-2.3	-3.1	-7.8	-3.8	15.3	17.5	13.6	14.3	7.3	7.3	7.8	7.4
(g) Spices	4.29	-2.4	1.4	-2.3	1.2	2.4	19.6	9.8	4.2	2.6	6.4	10.1	10.3	14.6
(h) Edible oils & fats	1.93	21.5	23.0	31.8	31.1	21.8	25.3	25.5	18.8	21.0	19.0	16.4	14.4	12.1
(i) Milk and milk products	2.05	4.7	3.9	1.8	3.7	4.6	7.3	1.8	3.9	8.0	3.9	3.8	6.6	6.7
(j) Miscellaneous food items	2.24	8.4	9.2	11.5	14.1	13.7	17.2	16.5	16.0	14.0	17.3	17.7	18.0	16.7
2. Beverage	1.34	77.4	64.3	38.6	20.6	18.8	17.0	17.1	18.1	27.9	20.0	16.0	15.9	4.3
3. Tobacco & Products	2.67	10.4	11.2	5.8	7.3	6.0	4.5	6.2	6.2	4.8	1.3	1.0	2.6	-0.1
Non-food	43.82	6.0	6.4	6.1	6.3	6.4	8.8	9.1	9.6	10.0	10.0	9.8	9.8	9.7
I. Clothing and Footwear	6.84	7.1	7.9	8.0	8.2	8.4	7.7	7.5	7.5	7.6	7.0	6.9	6.5	6.1
II. Rent, Fuel & Lighting	14.88	2.0	2.3	2.5	3.9	3.9	8.4	7.6	7.4	7.1	7.0	7.5	8.0	8.2
III. Household Furniture, operations and repairing	4.73	6.9	6.9	7.3	7.1	6.9	7.7	7.8	8.7	10.0	10.8	10.5	10.2	10.0
IV. Medical Care & Health Expenses	3.47	1.1	1.2	1.4	1.5	1.5	10.9	15.9	16.6	19.6	19.8	19.8	19.9	20.1
V. Transport and Communication	5.80	16.0	16.2	16.4	9.3	8.3	10.4	11.2	11.6	10.9	10.9	10.5	10.2	10.2
VI. Recreation & Educational Expenses	4.28	4.6	5.4	5.9	7.0	7.5	8.1	7.4	7.8	7.9	7.8	7.3	7.3	6.7
VII. Miscellaneous Goods & Services	3.82	6.3	6.8	7.1	7.8	9.5	10.4	11.4	13.9	15.5	15.6	14.7	14.6	14.1

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



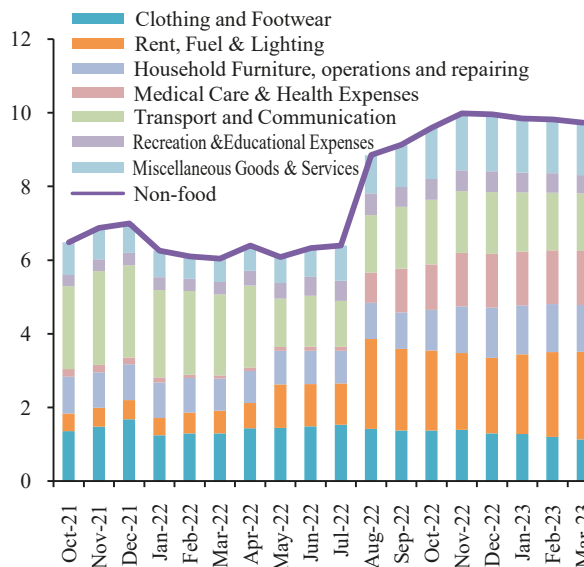
2.3 Point-to-point non-food inflation decreased gradually from 9.9 percent in December 2022 to 9.7 percent in March 2023, which was 6.0 percent in Q3FY22 (Chart II.3). However, over 50.0 percent of the broad categories of the non-food basket accounted more than 10 percent inflation primarily because of continued supply side disruptions and exchange rate pressure. Medical care and health expenses exhibited 20.1 percent inflation, followed by transport and communication expenses at 10.2 percent, household furniture, operations, and repairing prices at 10.0 percent, rent, fuel, and lighting at 8.2 percent in March 2023. In addition, miscellaneous goods and services registered 14.1 percent inflation during the same month (Chart II.4). Most of the non-food items of the CPI basket had contributed significantly to the inflation build-up. Rent, fuel, and lighting was the highest contributor during the quarter under review on the back of subsequent fuel and electricity price hikes. The rise in fuel prices impacted the inflation of transport and communication expenses which contributed 1.59 percent on an average during January–March 2023. Medical care and health expenses contributed 1.32 percent on average during this period (Chart II.6).

Chart II.5: Decomposition of CPI Food (excluding beverage and tobacco) Inflation (In percent)



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

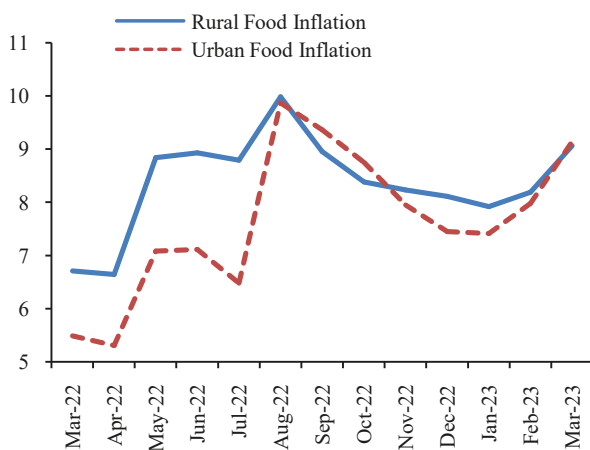
Chart II.6: Decomposition of CPI Non-food Inflation (In percent)



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

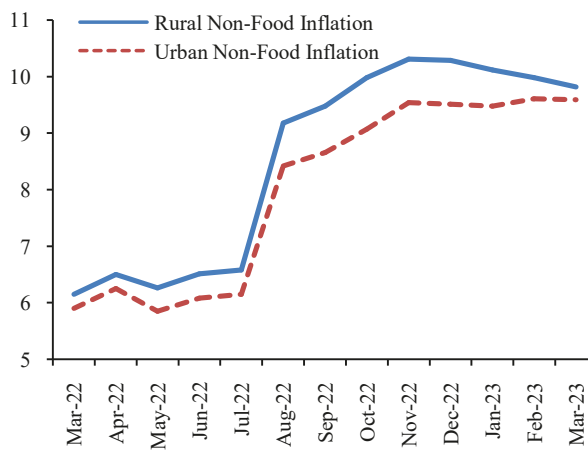
2.4 Headline point-to-point inflation in rural and urban areas exhibited an upward trend in Q3FY23. Headline inflation in rural and urban areas reached 9.32 percent and 9.36 percent in March 2023, respectively. Food inflation in both rural and urban areas increased and reached 9.06 and 9.14 percent in March 2023, respectively (Chart II.7). On the other hand, non-food inflation followed a declining trend in rural areas and reached 9.82 percent in March 2023. In contrast, in urban areas, non-food inflation exhibited some volatility registering 9.59 percent in March 2023 (Chart II.8).

Chart II.7: Food Inflation (Point-to-point)



Source: Bangladesh Bureau of statistics.

Chart II.8: Non-Food Inflation (Point-to-point)



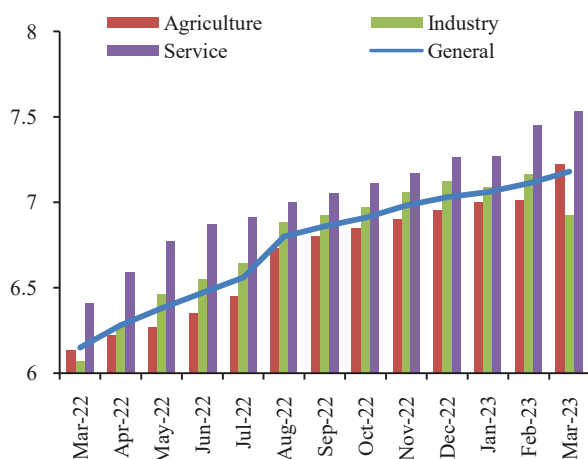
Source: Bangladesh Bureau of statistics.

2.5 The nominal wage rate growth gradually increased to 7.18 percent in March 2023 from 6.15 percent in the same month of the previous year. The growth in the wage rate index largely manifested the recent inflation episode. However, wage rate growth was still low compared to the CPI growth, impacting the purchasing power of the households. Among the three broad sectors, the service sector attained the highest percentage of wage growth (7.53 percent), followed

by the agriculture sector (7.22 percent) and industry sector (6.92 percent) in March 2023 (Chart II.9). Both the agriculture and service sector witnessed a rise in wage growth compared to the previous quarter while that of industry sector decreased partly because of the slowdown in industry sector production in the face of global inflation and subdued demand.

Chart II.9: Wage Rate Index

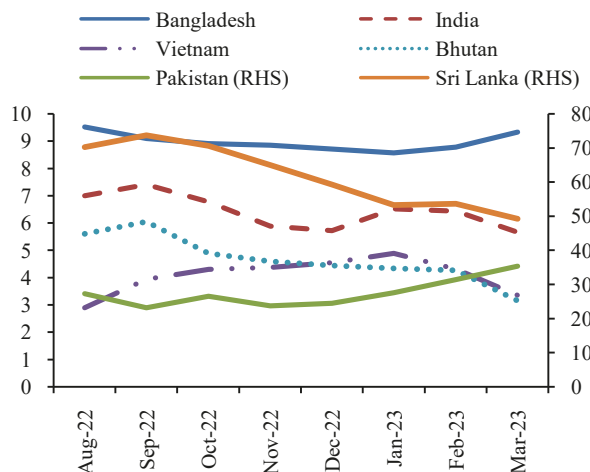
(Percentage Change, Point-to-point)



Source: Bangladesh Bureau of statistics.

Chart II.10: Inflation in Peer Countries

(In percent)



Sources: Central Banks and Statistics Departments of Respective Countries.

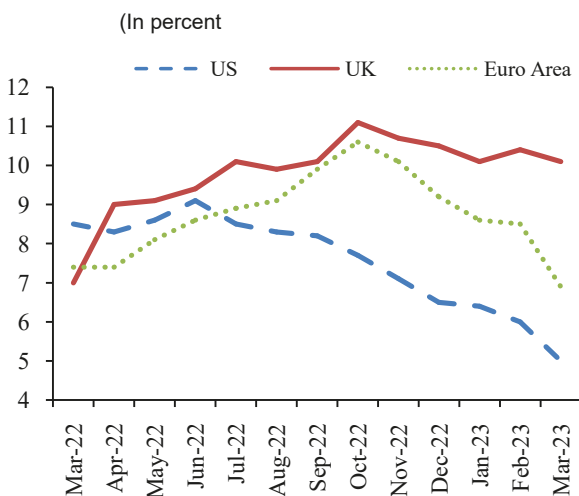
2.6 Inflation in selected peer countries except Pakistan exhibited a downward nudge in March 2023. CPI point-to-point inflation in India, Bhutan, Vietnam, and Sri Lanka declined to 5.66, 3.15, 3.35, and 49.2 percent in March 2023 from 5.72, 4.44, 4.55, and 59.2 percent in December 2022, respectively. Inflation in Pakistan increased further from 24.5 percent in December 2022 to 35.4 percent in March 2023 (Chart II.10).

2.7 Among the selected advanced countries, inflation continued to improve in January-March 2023, reflecting their tight monetary policy stances and a slowdown in world commodity prices. Nonetheless, the inflation momentum remained above the historical averages. Inflation in the United States and Euro Area decelerated substantially to 5.0 and 6.9 percent in March 2023 from 6.5 and 9.2 percent in December 2022, respectively. However, inflation in the United Kingdom fell slightly to 10.1 percent in March 2023 from 10.5 percent in December 2022 (Chart II.11).

2.8 Global commodity prices continued their downward trend during January-March 2023, reflected in the downshift in the World Bank's energy, non-energy, and food price indices. The energy prices index decreased significantly by 20.8 percent in March 2023 compared to December 2022 (Chart II.12). The decline in the energy price index mostly stemmed from the subdued demand in Europe in the face of favorable winter weather and intensive effort to increase energy efficiency and conservation. The non-energy and food price indices decreased marginally by 0.7 and 0.5 percent in March 2023 than in December 2022, respectively, reflecting partly a redirection of key commodity exports from Russia and Ukraine to other countries. Among the energy prices,

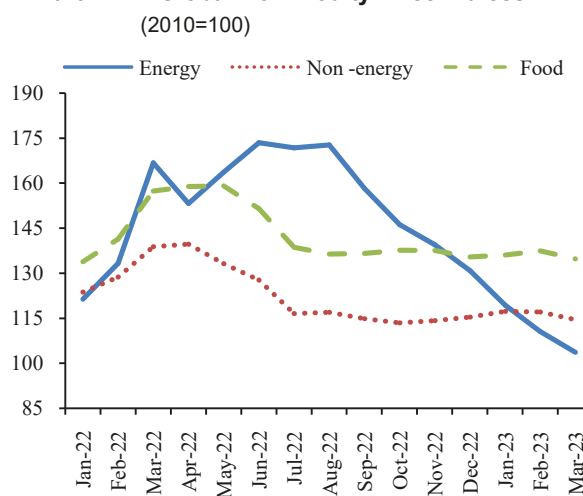
the crude oil price increased slightly to USD 77.5 a barrel in March 2023 from USD 76.8 a barrel in December 2022. Among the food categories, the rice price increased marginally to USD 476 a metric ton and soybean oil dropped to USD 1113.2 a metric ton in March 2023 from USD 467 and 1409.2 a metric ton in December 2022, respectively (Table II.2 in Annexure).

Chart II.11: Inflation in Advanced Economies



Sources: Respective Central Banks and Statistics Departments.

Chart II.12 : Global Commodity Price Indices



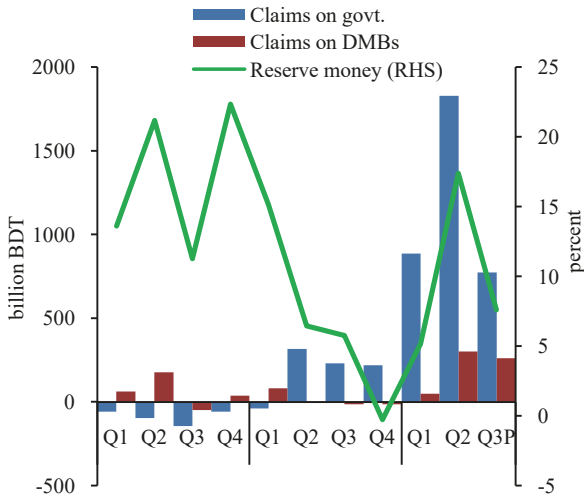
Source: Commodity Market Outlook, World Bank.

2.9 Looking ahead, good crop production in the country, moderation in food and non-food commodity prices in the international market, falling down inflation in peer and advanced countries, and cautiously tightened monetary policy by Bangladesh Bank are expected to help soften inflation outcome in the near future. The BB increased its policy repo rate to 6.0 percent since January 2023 to ease inflation and exchange rate pressures. In the meantime, BB has significantly increased margins on opening letters of credit to discourage imports of luxury goods. Although global crude oil and food prices have been muted in recent months, the lag effect of global commodity prices and geopolitical hostilities still persist. Therefore, the country's macroeconomic stability largely depends on the effectiveness of BB's policy measures to control exchange rate pressure, which can contribute to the containment of inflationary pressure.

III. Money and Credit Market

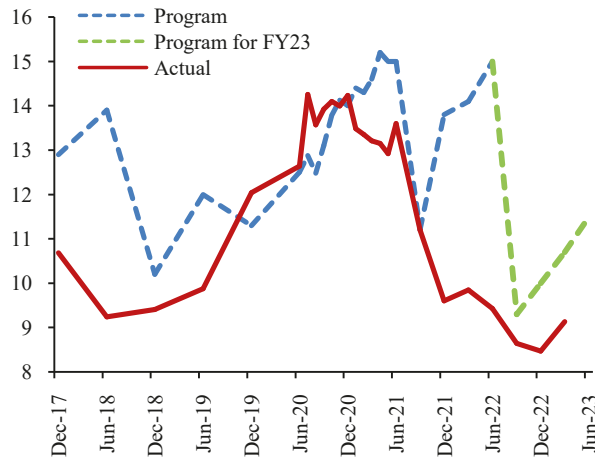
3.1 BB's net sell of foreign currencies in response to deficits in the BoP led to a slowdown in reserve money growth in Q3FY23, although broad money (M2) growth increased during this period. The growth in M2 emanated mainly from healthy growth in domestic credit. The interest rates in the interbank markets descended during February – March 2023 as liquidity stress eased somewhat during this period amid an increase in deposit growth and BB's continued liquidity support. However, interest rates in the retail market crept slowly up.

Chart III.1: Growth of RM, Claims on govt., and DMBs



Source: Bangladesh Bank.

Chart III.2: Broad Money Growth: Program vs. Actual
(In percent):



Source: Bangladesh Bank.

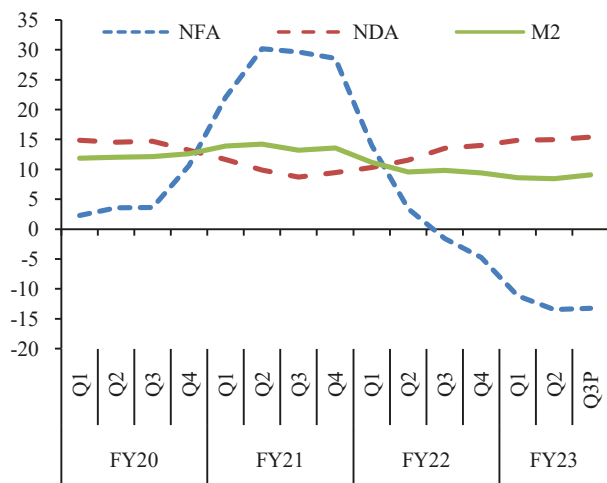
3.2 The quantitative tightening resulting from BB's net sell in the foreign exchange market led to a moderate growth of 7.6 percent in reserve money (RM) at the end of Q3FY23 compared to the target of 11.5 percent for March 2023. Nonetheless, this growth in RM resulted from high growth in BB's (net domestic asset) NDA in the face of a rise in the government's and DMBs' borrowings from the central bank. NDA of BB grew remarkably by 369.4 percent in Q3FY23 compared to 45.4 percent in Q3FY22 (Chart III.1).

3.3 On the other hand, M2 grew by 9.1 percent at the end of Q3FY23 compared to the growth rate of 9.9 percent during Q3FY22 against the target of 10.7 percent set for March 2023 (Chart III.2). The ongoing FY23 observed lower-than expected growth in NDA and continuous decline in the net foreign asset (NFA). NFA growth remained negative, primarily due to the unfavorable development in the balance of payments (BoP). NFA growth stood at -13.3 percent at the end of March 2023 compared to -1.6 percent at the end of March 2022, against a negative 21.2 percent programmed growth for March 2023 (Chart III.2).

3.4 Meanwhile, the growth of NDA increased from 13.5 percent in Q3FY22 to 15.40 percent in Q3FY23, emanating from a surge in the domestic credit, although the growth remained below the target growth of 20.5 percent set for March 2023. While domestic credit grew by 16.2 percent

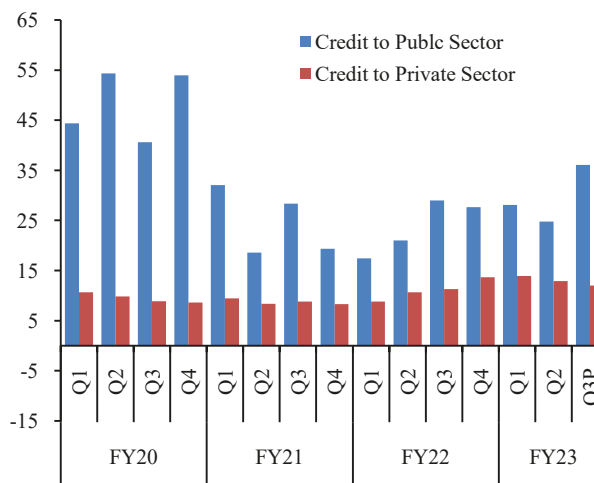
(y-o-y) at the end of March 2023, hinging upon the growth of public sector credit, private sector credit growth slowed somewhat. Against the growth target of 36.3 percent for March 2023, public sector credit grew by 36.1 percent (y-o-y) at the end of March 2023.

Chart III.3: Growth of M2, NDA, and NFA
(In percent)



P = Provisional.
Source: Bangladesh Bank.

Chart III.4: Growth of Credit to Public and Private Sector
(In percent)

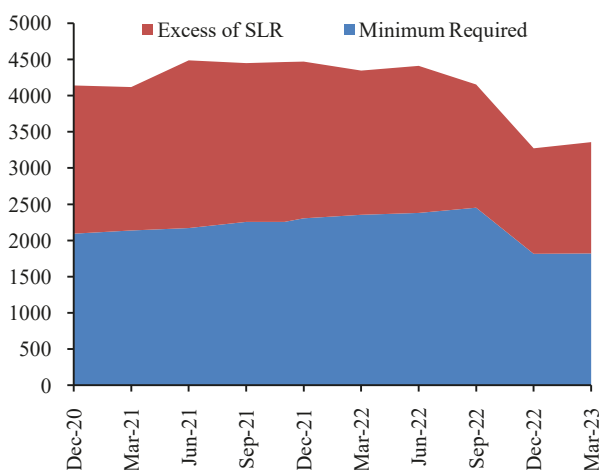


P = Provisional.
Source: Bangladesh Bank.

The major impetus to public sector credit growth steamed from the higher budget deficit financing by the government from the banking sector (185.2 percent) in the face of a remarkable decline in the net sales of National Savings Certificates (125.22 percent) during July-March FY23. Besides, credit to the private sector fell short of the target growth of 13.8 percent for March 2023, although registering 12.0 percent growth in Q3FY23 (y-o-y). This growth shortfall originated from lower investment demand on the back of a decline in imports of capital machinery and industrial raw materials on the one hand and depressed demands for consumer goods on the other hand. Contrastingly, broad-based growth was observed in the sector-wise distribution of credit supported by the healthy growth of credit to agriculture (17.9 percent), industry (11.5 percent), construction (12.74 percent), and consumer finance (21.19 percent) by the end of March 2023 compared to the same period last year.

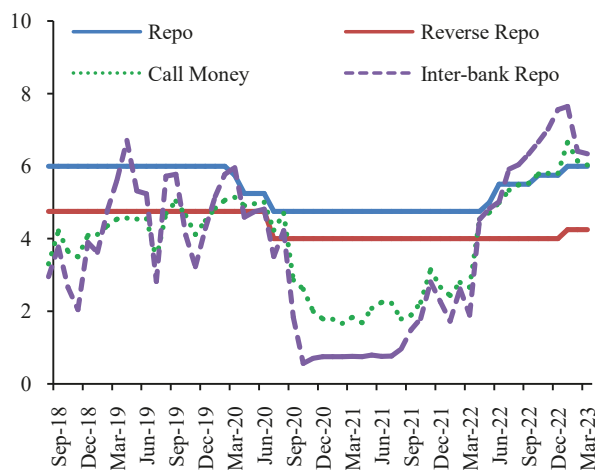
3.5 After observing a sharp decline during the first two quarters of FY23, the liquidity in the banking system improved slowly during Q3FY23 on the back of a rise in total deposit growth (7.5 percent) and lower growth in currency outside the bank (19.7 percent) in comparison to the preceding quarter. According to the available data, maintained liquid assets stood at BDT 3360.7 billion in March 2023, while the amount was BDT 3275.2 billion in February 2023. On the other hand, excess of SLR amount also edged up to BDT 15.4 billion from 14.6 billion during the same time (Chart III.5). In this circumstance, BB has maintained its continuous liquidity support for the money market through various available instruments, such as repo and Islamic Bank liquidity facility (IBLF), etc.

Chart III.5: Liquidity (In billion BDT)



Source: Bangladesh Bank.

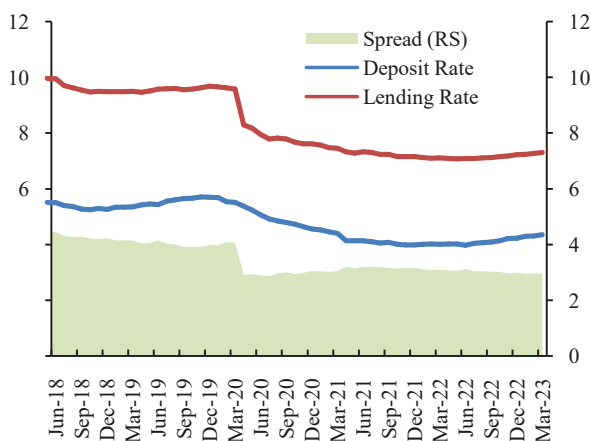
Chart III.6: Movements in Policy and Money Market Rates (In percent)



Source: Bangladesh Bank.

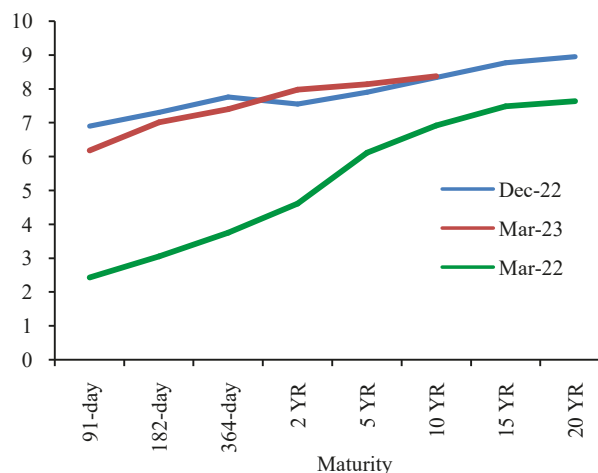
BB has been continuing its monetary tightening policy to curb inflationary pressure while ensuring sufficient funds for investment and employment-generating activities. In this line, BB raised its repo and reverse repo rates by 25 basis points to 6.00 percent and 4.25 percent, respectively, at the beginning of Q3FY23, the third time in a row since May 2022. On the other hand, the interest rate in the call money market edged up to 6.03 percent from 5.8 percent. In contrast, the inter-bank repo market moderated to 6.34 percent in March 2023 from 7.6 percent in December 2022 (Chart III.6).

Chart III.7: Interest Rate Spread (In percent)



Source: Bangladesh Bank.

Chart III.8: Interest Rate of Government Securities (In percent)



Source: Bangladesh Bank.

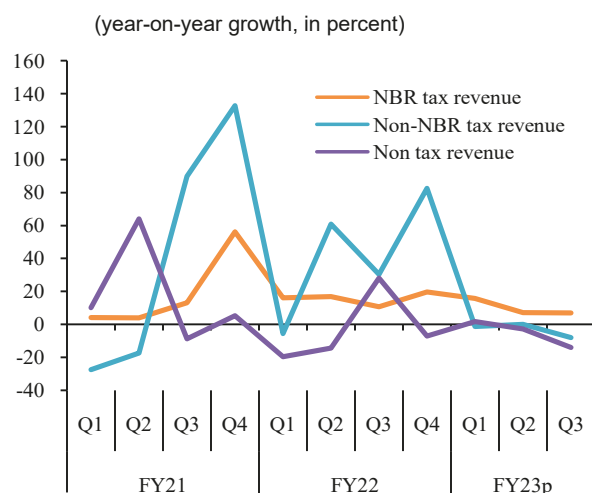
However, weighted average interest rates in the retail market continued to follow an upward trend since Q1FY23, reflecting the tighter liquidity situation in the banking system and the relaxation of the upper cap of lending rate in consumer credit. Weighted average lending and deposit rates went up to 7.3 percent and 4.4 percent, consecutively, in March 2023 from 7.2 percent and 4.2 percent in December 2022, respectively, marking the decrease of spread from 2.99 percent in December 2022 to 2.96 percent in March 2023 reflecting the efficiency gain in banking sector (Chart III.7).

3.6 Average yields of government securities for all medium and long-term maturities observed an upward shift in March 2023 compared to December 2022. In contrast, short-term government securities observed a downward change during the same time. The yields on 2-year, 5-year, and 10-year treasury bonds increased to 7.97, 8.14, and 8.37 percent in March 2023 from 7.55, 7.90, and 8.33 percent in December 2022, respectively. On the contrary, the yields on 91-day, 182-day, and 364-day treasury bills nudged down to 6.18, 7.01, and 7.40 percent consecutively in March 2023 from 6.90, 7.30, and 7.76 percent, respectively, in December 2022. Although the auction of 15-year and 20-year treasury bonds has not taken place in March 2023, their yield rates moderated in February 2023 compared to December 2022 (Chart III.8).

IV. Fiscal Sector

4.1 The overall momentum of the fiscal stance was subdued in Q3FY23 compared to the previous quarter, as reflected by the sluggish growth of both revenue mobilization and government expenditure. Despite declining government expenditure, slower revenue collection led to an increased budget deficit. The widened budget deficit was financed mainly through domestic borrowing from the banking sector.

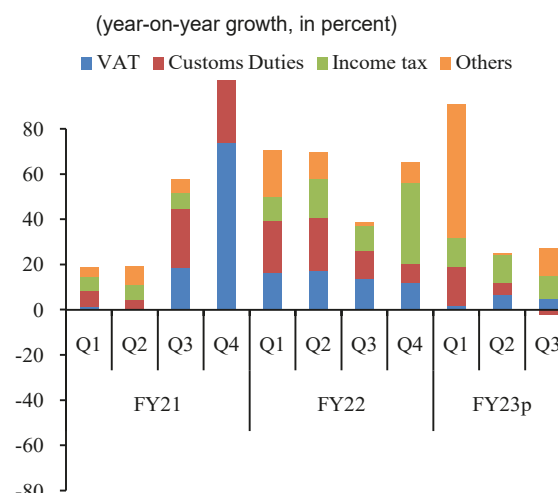
Chart IV.1: Trends in Total Revenue



FY23 provisional.

Sources: Ministry of Finance, National Board of Revenue.

Chart IV.2: Trends in NBR Tax Revenue



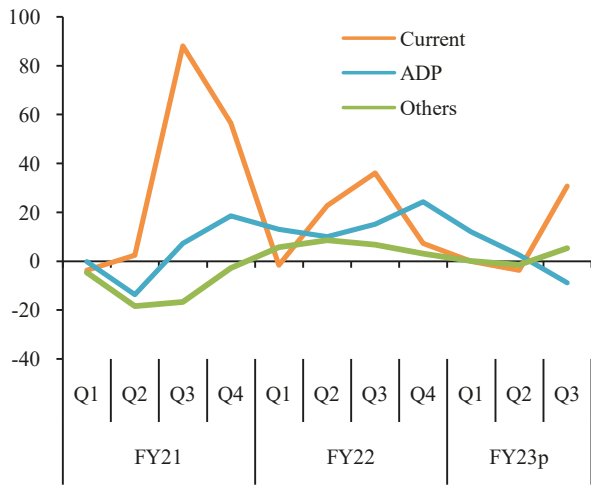
FY23 provisional.

Source: National Board of Revenue.

4.2 The growth in total revenue receipts moderated to 3.9 percent in Q3FY23 compared to 6.1 percent in the previous quarter and 5.7 percent in Q3FY22, mostly due to the down-cycle of economic activities and lower international trade volumes as a result of the ongoing Russia-Ukraine war. The NBR tax revenue increased by around 7.0 percent to BDT 800.8 billion in Q3FY23 from BDT 749.2 billion in Q3FY22 on the back of higher growth in both income tax and value-added tax collection by 10.4 percent and 4.7 percent, respectively. Moreover, *other* revenue collection by NBR also witnessed 12.3 percent growth in Q3FY23 from Q3FY22. On the other hand, customs duties decreased by 2.2 percent in the quarter under review from Q3FY22 (Chart IV.1 and Chart IV.2). Non-NBR tax and non-tax revenue collection also declined by 8.0 percent and 14.0 percent, respectively, in Q3FY23 compared to Q3FY22. In the first nine months of FY23, the total revenue collected fulfilled 59.2 percent of the annual target. At the same time, non-NBR tax and non-tax revenue achieved 32.0 percent and 56.0 percent of the revised budget in FY23, respectively.

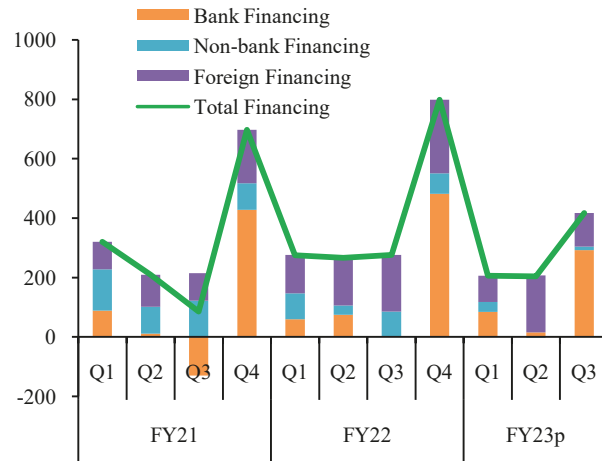
4.3 Total expenditure growth decelerated to 15.1 percent and reached BDT 1336.1 billion in Q3FY23 compared to 26.0 percent growth in Q3FY22. Current expenditure grew by 30.8 percent, while ADP expenditure declined by 8.8 percent compared to the same quarter of the previous year. Likewise, growth in *other expenditures* grew by 5.3 percent in Q3FY23 than in Q3FY22 (Chart IV.3). During the first nine months of the current fiscal year, total expenditure stood at 51.4 percent of the revised budget target of BDT 6605.1 billion for FY23. The government implemented 43.3 percent of the ADP expenditure target and 53.6 percent of the current expenditure target during this period.

Chart IV.3: Trends in Government Expenditure
(year-on-year growth, in percent)



P= provisional
Sources: Ministry of Finance and Ministry of Planning

Chart IV.4: Sources of Financing of Budget Deficit
(In billion Taka)



P= provisional
Sources: Bangladesh Bank and Ministry of Finance

4.4 The fiscal deficit widened in Q3FY23 compared to the same quarter of the previous year due to slower revenue collections. The deficit increased by 50.9 percent from BDT 276.7 billion in Q3FY22 to 417.7 billion in Q3FY23. Most of the deficit financing came from domestic sources, of which borrowing from the banking sector contributed the majority. The bank borrowing constituted BDT 291.9 billion, and the non-bank borrowing facilitated BDT 11.7 billion of the deficit financing. However, foreign financing declined 40.4 percent to BDT 114.0 billion in Q3FY23 compared to BDT 191.4 billion in Q3FY22 (Chart IV.4).

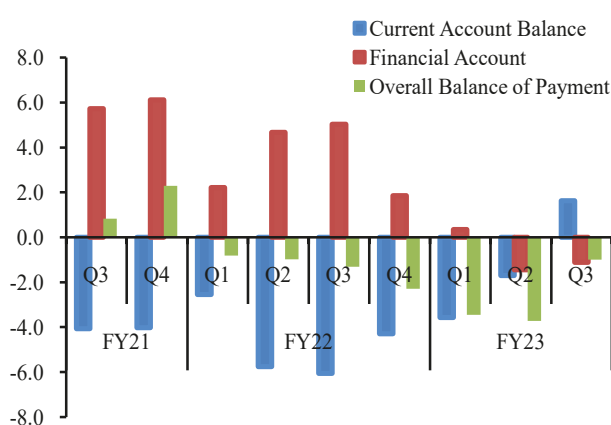
4.5 The overall macroeconomic performance of Bangladesh was moderate in the quarter under review. The global supply shock stemmed from COVID-19, and the ongoing Russia-Ukraine war put economic progress at risk. Despite those headwinds, a broad-based recovery of the economy has continued since the beginning of FY23, and it is expected that growth will pick up in coming periods on the back of rising demand, a recovery in investment, and growing remittance inflows. Therefore, the government's revenue collection may gain momentum in the near future. However, the lag effect of the global energy price increase might have an upside risk for the budget deficit. In addition, a narrow tax base has a dwindling impact on revenue collections.

V. External Sector

5.1 The balance of payment (BoP) deficit eased somewhat in Q3FY23, aided by a surplus in the current account and a decline in the deficit in the financial account. A sharper fall in import payments with a rise in remittance inflows led to a current account surplus in Q3FY23. During the first nine months of FY23, the current account deficit narrowed to USD 3.64 billion, contributed by the contraction of the trade deficit amid exchange rate depreciation and several policy initiatives for increasing remittance inflows and containing imports. Despite an improvement in the current account balance, the overall BoP deficit widened to USD 8.17 billion in the first nine months of FY23, as the financial account turned into a deficit. To address the demand-supply gap in the foreign exchange market, the Bangladesh Bank responded by selling foreign currencies and allowing depreciation, which resulted in a rapid decline in foreign exchange reserves to USD 31.14 billion in March 2023.

5.2 The current account balance turned to a surplus of USD 1.63 billion in Q3FY23 from a deficit of USD 1.71 billion in Q2FY23 owing to a moderation in the trade deficit and a rise in remittance inflows during the quarter. A significant decline in import payments reduced the trade deficit to USD 2.31 billion in Q3FY22 from USD 4.75 billion in Q2FY23. On the other hand, the deficit in the financial account slightly declined to USD 1.12 billion in Q3FY23 from USD 1.45 billion in Q2FY23. Consequently, the deficit of overall BoP turned down to USD 1.0 billion in Q3FY23 from USD 3.72 billion in the previous quarter (Chart V.1).

Chart V.1: Trends in the Balance of Payments

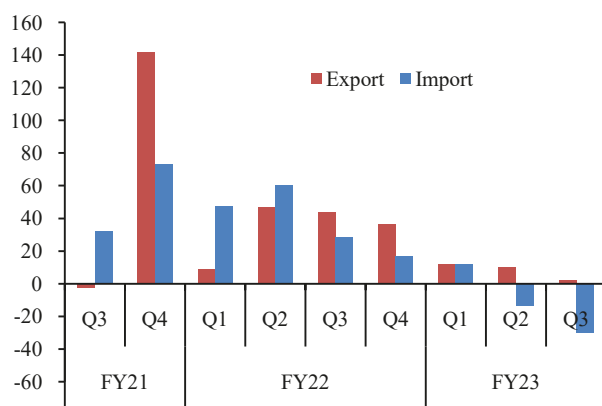


Source : Bangladesh Bank.

5.3 Country's export earnings increased by 2.0 percent to USD 13.5 billion in Q3FY23 from USD 13.2 billion in Q3FY22. The lion's share (85.1 percent) of the total export earnings came from ready-made garments, which grew by 6.3 percent. Almost all items of export declined except the woven garments and knitwear products with 40.1 percent and 45.0 percent share in total export, respectively (Chart V.3). These two items grew by 3.74 percent (y-o-y) to USD 5.8 billion and 8.72 percent (y-o-y) to USD 6.5 billion, respectively during the quarter. The USA and European countries were the major destinations for the exports of woven garments and knitwear products.

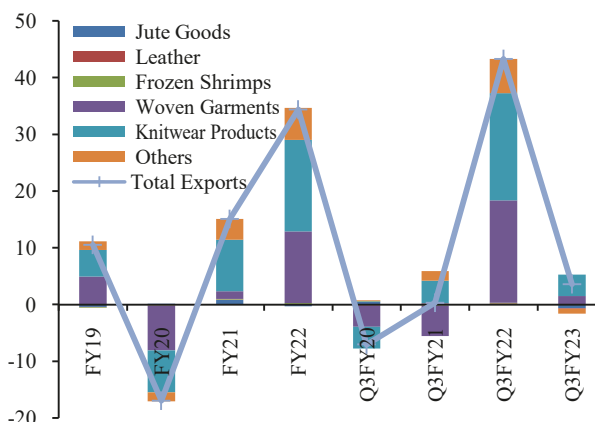
Total export of the country amounted to USD 41.7 billion in the first nine months of FY23, with moderate growth of 8.07 percent (y-o-y). During this period, the major destination of RMG exports was European countries, where RMG exports grew by 11.1 percent, while exports to the USA declined by 5 percent.

Chart V.2: Trends in Export and Import Growth
(Year on year growth in percent)



Source: Bangladesh Bank.

Chart V.3: Decomposition of Export Growth
(In percent)

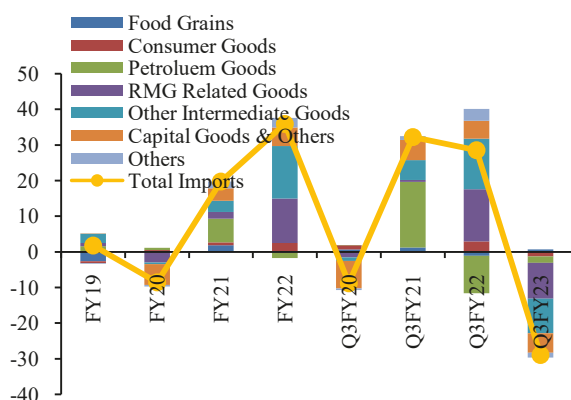


Source: BB's staff calculation based on EPB data.

5.4 Import payments continued to ebb since Q4FY22 and declined sharply by 29.9 percent to USD 15.8 billion in Q3FY23 from USD 22.6 billion in Q3FY22, aided by a significant depreciation of BDT, deferring low-priority foreign exchange-related purchases by the government, and several policy initiatives taken by BB for containing import demand. Total import payments accounted mainly for intermediate goods (56.4 percent), followed by capital goods (18.0 percent) and consumer goods (8.3 percent) during this quarter. The commodity composition of import reveals that all categories of import items except food grain (4.1 percent share) dropped in the study period (Chart IV.4).

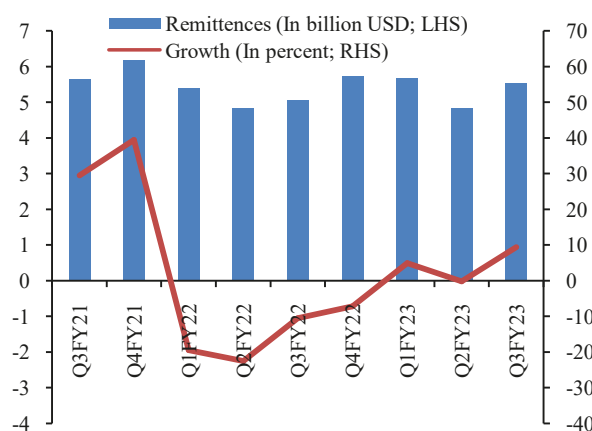
During the July-March period of FY23, import payments declined by 12.3 percent (y-o-y) and stood at USD 53.9 billion. This downturn in import payments helped to reduce the trade deficit to USD 14.61 billion in this period, whereas the trade deficit was USD 25.03 billion during the same period of FY22.

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



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

Chart V.5: Remittance Inflows



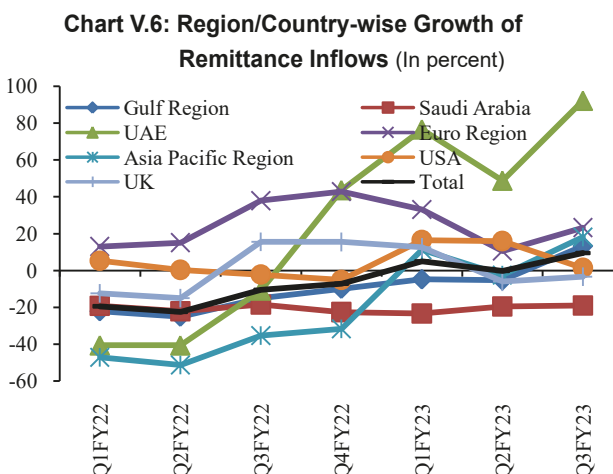
Source: Bangladesh Bank

5.5 Remittance inflows grew notably by 9.5 percent to USD 5.5 billion in Q3FY23 from USD 5.1 billion in Q3FY22. The inflows of remittances from the Gulf region increased by 13.3 percent in Q3FY23, around half of the total remittance inflows into the country. Among the Gulf countries, the UAE and Saudi Arabia were the main sources, which comprised 29.6 and 29.1 percent of inward

remittances from the Gulf region, respectively. The inward remittance from UAE grew significantly by 92.2 percent (y-o-y), while remittance from Saudi Arabia declined by 19.1 percent. Moreover, the inflow of remittances from the USA and the Asia Pacific region, comprising about 15.1 percent and 9.3 percent share of total inward remittances, grew by 1.3 and 18.2 percent, respectively, during this period. (Chart V.5 and Chart V.6).

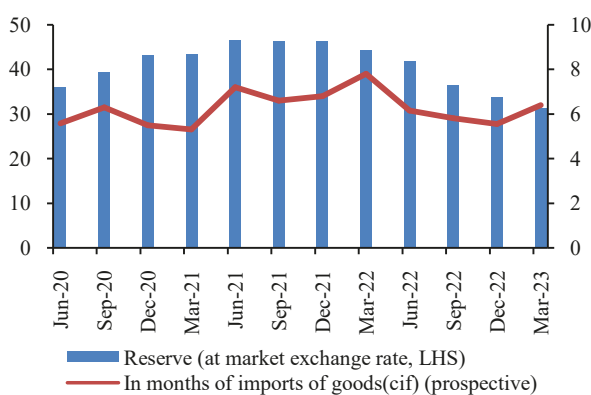
Remittance inflow grew by a moderate rate of 4.8 percent (y-o-y) to USD 16.0 billion in July-March of FY23 after a decline in FY22. This positive growth of remittance inflows and subsided trade deficit resulted in a decline in the current account deficit to USD 3.64 billion in the first nine months of FY23.

5.6 The deficit in the financial account narrowed to USD 1.12 billion in Q3FY23 from USD 1.45 billion in Q2FY23. This deficit was due to slow long-term private foreign loan inflows amid rising global economic uncertainties, faster repayment of short-term private foreign borrowings than receipts to avoid additional costs that emerged from rising international base interest rates and lower inflows of net aid and medium and long-term loans. The capital account recorded a surplus of USD 116 million during this period. Nonetheless, the unusual deficit in the financial account resulted in a deficit in the overall BoP of USD 1.0 billion in Q3FY23. The financial account deficit reached USD 2.2 billion in July-March of FY23, in contrast to a surplus of USD 11.9 billion during the same period of FY22.



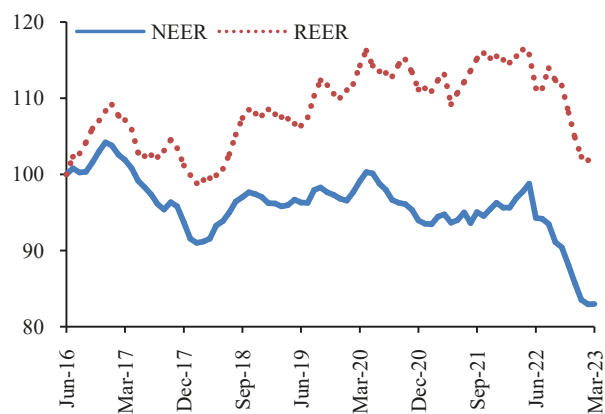
Source: Bangladesh Bank

Chart IV.7: International Reserve
(In billion USD)



Source : Bangladesh Bank.

Chart V.8: Effective Exchange Rate Indices
(Base : Jun-2016=100)

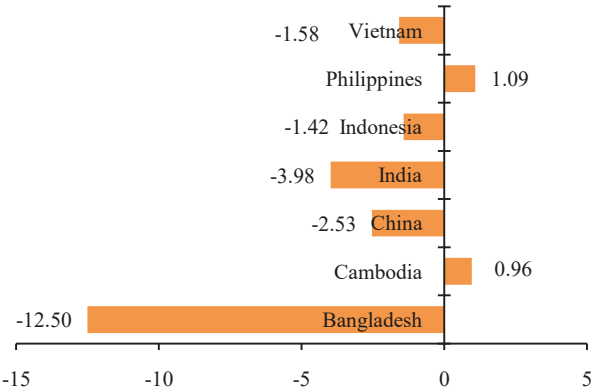


Source : Bangladesh Bank.

5.7 The exchange rate of Bangladeshi Taka against the US dollar depreciated by 7.3 percent during December 2022–March 2023 period and 12.5 percent during June 2022– March 2023 period. To reduce the demand-supply gap in the foreign exchange market and restrain any abrupt depreciation,

BB continued selling foreign currency with net sales of 3.1 billion during this quarter. As a result, the foreign exchange reserve declined to USD 31.14 billion at the end of March 2023 compared to USD 41.83 billion at the end-June 2022. This level of foreign exchange reserve was enough to maintain the prospective import payments of 6.4 months (Chart V.7). The depreciation of BDT against USD is also reflected in the nominal effective exchange rate (NEER) and the real effective exchange rate (REER). The NEER and REER depreciated by 12.0 and 8.3 percent, respectively, at the end of March 2023 compared to that of June 2022 (Chart V.8). The nominal exchange rate of peer countries except the Philippines and Cambodia depreciated at the end of March 2023 compared to the end June 2022 (Chart V.9).

Chart V.9: Peer Countries' National Currency Appreciation/ Depreciation (+/-) against US dollar at end March, 2023 from end June, 2022



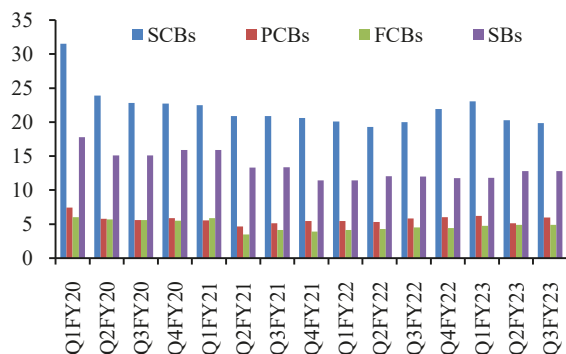
Source: BB's staff calculation based on IFS, IMF data

5.8 Looking ahead, it is expected that the upcoming disbursements of foreign assistance for budget support and other development programs from development partners could provide some respite for the BoP and foreign exchange reserve pressure. Moreover, the government and BB have already taken several policy measures to reduce the pressure on the BoP and increase the foreign exchange reserve. A significant fall in the letter of credit (LC) opening might lessen the trade deficit. The improvement in the current account balance will depend on the pickup in the growth of exports and remittance inflows. However, downside risks to future export growth might develop from the growth slowdown in major export destination economies such as the USA and European countries.

VI. Banking Sector

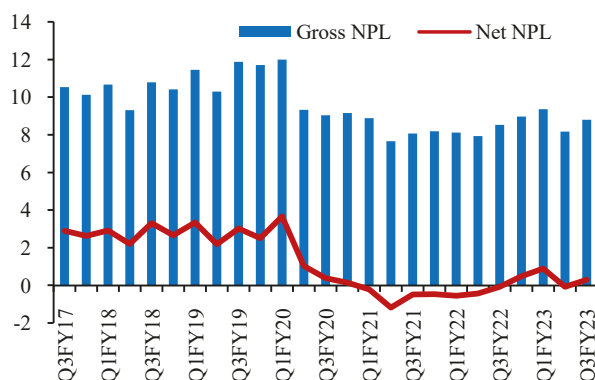
6.1 The overall banking sector showed a mixed performance in Q3FY23, as evidenced by an increase in the ratio of non-performing loans (NPLs) to total loans, an improvement in the growth of bank deposits, a moderate decrease in bank advance growth, a deterioration in provision maintaining, and an enhancement in excess liquidity of the banking system. The ratio of gross non-performing loans to total loans rose in Q3FY23 compared to Q2FY23, owing mostly to Private Commercial Banks (PCBs). Moreover, the ratio of net non-performing loans to total loans increased in Q3FY23 compared to Q2FY23.

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



Source: Bangladesh Bank.

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

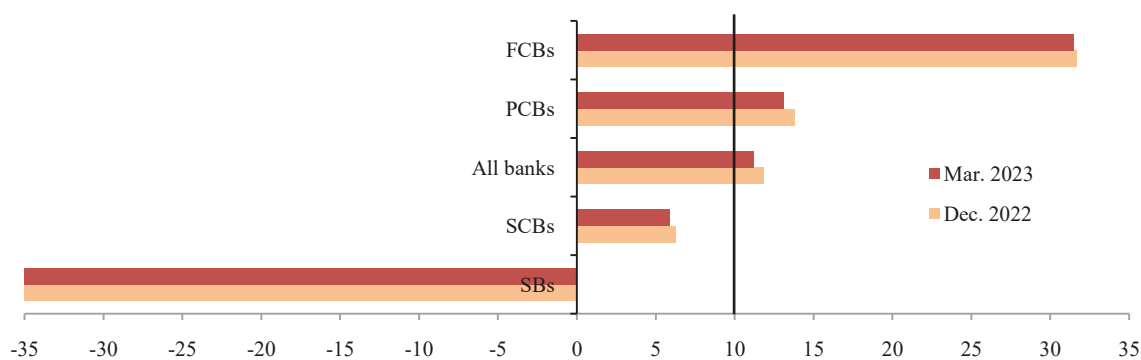


Source: Bangladesh Bank.

6.2 The banking sector experienced an upswing in non-performing loans (NPLs) during Q3FY23, mostly driven by the discontinuation of relaxed loan repayment policies. The ratio of gross NPLs to total loans increased and reached 8.80 percent at the end of Q3FY23 from 8.16 percent at the end of Q2FY23. Moreover, the ratio of NPLs to total loans for the PCBs increased to 5.96 percent at the end of Q3FY23 from 5.13 percent at the end of Q2FY23. The Foreign Commercial Banks (FCBs) and the Specialized Banks (SBs) maintained their NPL ratios at 4.91 percent and 12.80 percent, respectively, in Q3FY23, almost similar to the previous quarter (Table VI.2 and Chart VI.1). However, the SCBs observed a slight decline in their gross NPL ratio, dropping to 19.87 percent in Q3FY23 from 20.28 percent in the previous quarter. Furthermore, the ratio of net NPLs to total loans also increased, reaching 0.30 percent at the end of Q3FY23, compared to (-) 0.08 percent at the end of Q2FY23. This rise reflects a significant shortfall in provisions maintained during this quarter compared to the previous quarter (Table VI.1, Table VI.2, and Chart VI.2).

6.3 The overall capital adequacy ratio of the banking system remained stable at the end of Q3FY23. The PCBs' capital-to-risk-weighted assets ratio (CRAR) decreased slightly to 13.08 percent at the end of Q3FY23 from 13.80 percent at the end of Q2FY23. Moreover, the CRAR of SCBs declined to 5.90 percent at the end of Q3FY23 from 6.26 percent at the end of Q2FY23. The overall CRAR went down to 11.23 percent at the end of Q3FY23 from 11.83 percent at the end of Q2FY23 (Table VI.3 and Chart VI.3).

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



Source: Bangladesh Bank.

6.4 The banking industry's profitability witnessed some moderation at the end of Q3FY23 compared to the end of Q3FY22, which was reflected by a decline in both return on assets (ROA) and return on equity (ROE). The net profit of the banking sector went down to BDT 14.75 billion at the end of Q3FY23 from BDT 15.02 billion at the end of Q3FY22, partly due to a fall in non-interest income. The overall ROA and ROE reduced to 0.39 percent and 6.82 percent at the end of Q3FY23 from 0.45 percent and 7.89 percent at the end of Q3FY22, respectively. Moreover, the ROA and the ROE for SCBs went down to -0.10 percent and -2.74 percent at the end of Q3FY23 from 0.16 percent and 4.0 percent at the end of Q3FY22 respectively. In addition, ROA and ROE for the PCBs also declined to 0.40 percent and 6.23 percent at the end of Q3FY23 from 0.54 percent and 8.23 percent at the end of Q3FY22, respectively (Table VI.4).

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

Quarters	Items	SCBs	SBs	PCBs	FCBs	All Banks
Q3FY22	Total classified loan	487.4	40.2	578	28.8	1134.41
	Required provision	365	23.3	439.8	22.5	850.68
	Provision maintained	204	23.7	447.8	27.8	703.22
	Excess(+)/ shortfall(-)	-161	0.3	8.0	5.2	-147.46
Q4FY22	Total classified loan	554.3	41.9	626.8	29.6	1252.58
	Required provision	315.3	23.9	499.4	24.1	862.68
	Provision maintained	209.1	24.5	468.3	28.7	730.48
	Excess(+)/ shortfall(-)	-106.2	0.6	-31.1	4.5	-132.2
Q1FY23	Total classified loan	605.01	42.27	666.95	29.7	1343.96
	Required provision	321.1	23.97	518	23.74	886.83
	Provision maintained	213.26	24.54	484.55	29.18	751.53
	Excess(+)/ shortfall(-)	-107.84	0.57	-33.45	5.43	-135.29
Q2FY23	Total classified loan	564.6	47.1	564.4	30.5	1206.57
	Required provision	301.4	24.7	491.3	24.1	841.57
	Provision maintained	213.2	24.8	463.9	29.63	731.48
	Excess(+)/ shortfall(-)	-88.3	0.1	-27.4	5.6	-110.09
Q3FY23	Total classified loan	579.6	47.3	658.9	30.4	1316.21
	Required provision	314.5	24.8	563.0	23.9	926.2
	Provision maintained	211.09	24.76	498.18	29.17	763.2
	Excess(+)/ shortfall(-)	-103.4	-0.03	-64.8	5.3	-163.0

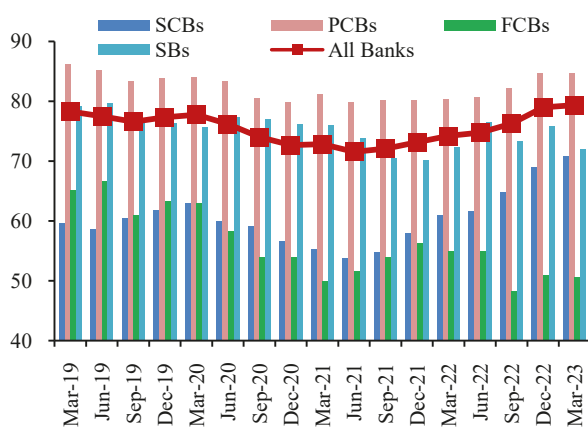
6.5 The country's banking sector deposit growth surged to 6.6 percent at the end of Q3FY23 from 5.60 percent at the end of Q2FY23 due to the removal of the deposit interest rate restriction. On the other hand, the bank's advance growth dropped to 13.0 percent at the end of Q3FY23 from 14.1 percent at the end of Q2FY23. Consequently, the overall advance-deposit ratio (ADR) rose to 79.36 percent at the end of Q3FY23 from 79.00 percent at the end of Q2FY23, remaining broadly stable (Table 6.2, Chart VI.5).

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. 23	Dec. 22	Mar. 23	Dec. 22	Mar. 23	Dec. 22
SCBs	2.44	0.50	17.71	18.80	70.86	69.0
PCBs	7.39	6.90	11.81	13.20	84.78	84.6
FCBs	21.71	15.50	15.10	7.80	50.69	50.9
SBs	4.31	6.40	8.51	11.20	71.89	75.8
All	6.66	5.60	13.00	14.10	79.36	79.0

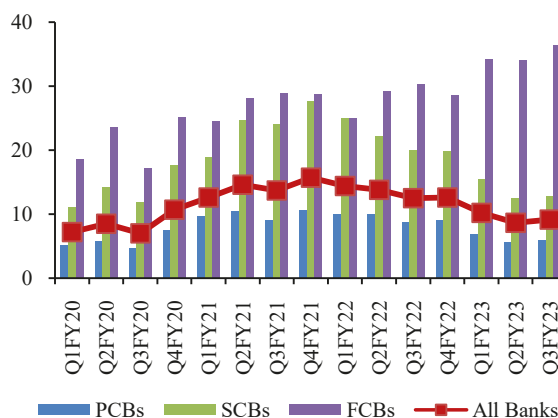
Source: Bangladesh Bank. *Adjusted deposits growth for ADR.

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



Source: Bangladesh Bank.

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



Source: Bangladesh Bank staff's calculation.

6.6 Although the surplus liquidity in the banking sector tightened during the first two-quarters of FY23, it modestly rose in Q3FY23. At the end of Q3FY23, excess liquidity went up to BDT 1537.60 from BDT 1457.28 billion at the end of Q2FY23, partly due to higher deposit growth compared to moderated advance growth and declined foreign currency sales by the central bank. The excess liquidity- the excess of CRR and SLR as a percent of total demand and time liabilities (TDTL) modestly improved to 9.1 percent at the end of Q3FY23 from 8.6 percent at the end of Q2FY23 (Table 6.3, Chart VI.6).

Table 6.3: Liquidity Position of the Scheduled Banks (In billion 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, 2023						
SCBs	163.19	178.56	15.37	525.73	1049.71	523.98
SBs*	17.56	17.68	0.12	0	0	0
PCBs (other than Islamic)	290.44	308.88	18.44	957.22	1591.86	634.64
Private Banks (Islamic)	157.22	172.98	15.76	217.6	247.57	29.97
FCBs	34.75	79.1	44.35	122.57	471.56	348.99
All	663.18	757.24	94.06	1823.13	3360.73	1537.6
As of end December, 2022						
SCBs	160.5	186.3	25.8	516.9	1013.27	496.37
SBs*	17.56	17.83	0.27	0	0	0
PCBs (other than Islamic)	290.13	333.97	43.83	956.31	1501.51	545.19
Private Banks (Islamic)	162.91	253.42	90.51	225.89	325.67	99.77
FCBs	33.02	78.01	44.99	118.76	434.71	315.94
All	664.12	869.53	205.4	1817.87	3275.15	1457.28

Source: Bangladesh Bank.

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

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

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

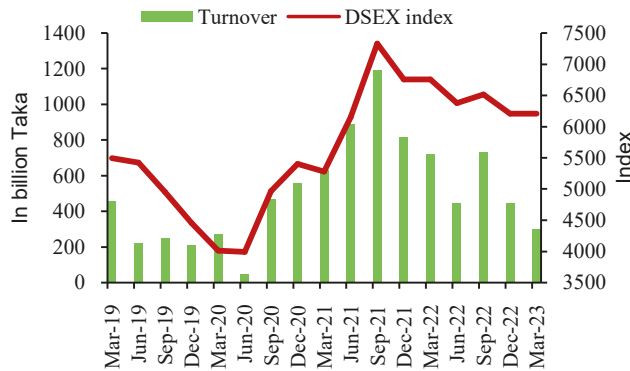
According to circular No. MPD-03, April 09, 2020, CRR revised to 4.0 percent from 5.0 percent effective from April 15, 2020

6.7 The banking sector has been burdened by a high non-performing loan and would need to continue measures in supervision and loan recovery framework. Additionally, the BB has taken an active role in amending the existing Bank Company Act of 1991 to tackle the challenges associated with the high NPL issue. Moreover, the lower growth in bank deposits coupled with the gradual tightening of liquidity conditions and a substantial depreciation of the Bangladeshi Taka may put further challenges for the banking sector.

VII. Capital Market

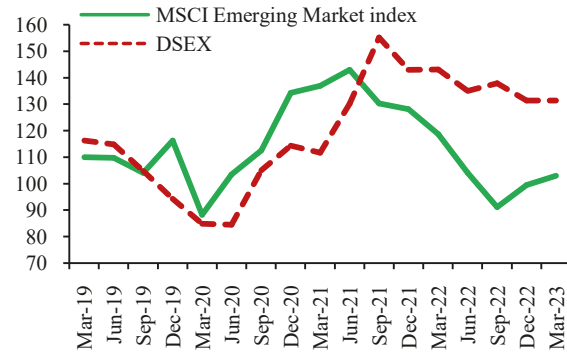
7.1 The capital market of Bangladesh exhibited a mixed performance during Q3FY23 compared to the previous quarter, as reflected by almost unchanged price indices, a marginal rise in market capitalization, a slight improvement in the price-earnings ratio, and a significant decline in turnover. The slowdown in capital market performance was partly due to concerns among equity investors due to unfavorable national and global macroeconomic conditions. Notably, both the MSCI emerging market index and the DSEX index demonstrated synchronized movement in Q3FY23 (Chart VII.2).

Chart VII.1: Trends in DSEX Index and Turnover



Source: DSE Monthly Review, Various Issues.

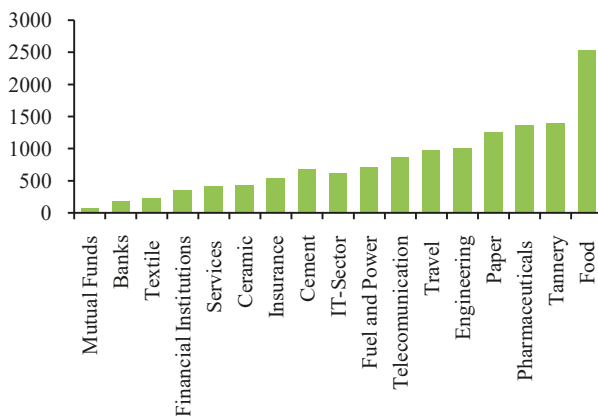
Chart VII.2: Synchronization of DSEX with Global Markets (Base: January 2015=100)



Sources: Dhaka Stock Exchange and www.msci.com.

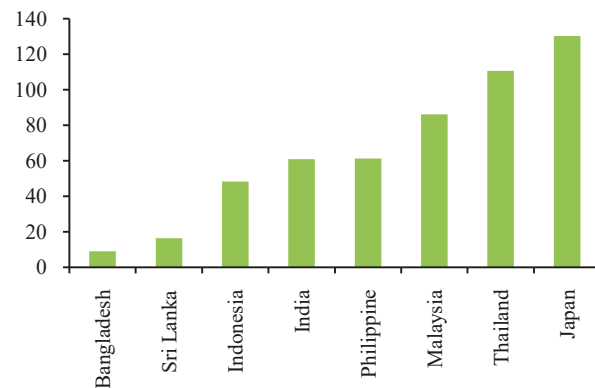
7.2 The DSE broad index (DSEX) remained almost unchanged, while the DSE-30 index rose slightly by 0.6 percent at the end of Q3FY23 from Q2FY23. (Chart VII.1 and Table VII.1). However, year-on-year growth indicates that both the DSEX and DSE-30 index witnessed a significant downturn by 8.2 percent and 10.7 percent, respectively, at the end of Q3FY23 from Q3FY22 (Table VII.1). Moreover, Sector-wise indices³ show that the food and allied index reached the highest (2534.8), while the mutual fund sector's index remained at the lowest level (68.1) in Q3FY23 (Chart VII.3).

Chart VII.3: Index of Major Sectors, March 2023



Source: DSE Monthly Review, March 2023.

Chart VII.4: Selected Countries; Stock Market Capitalization, March 2023 (In percent of GDP)



Source : DSE Monthly Review, April 2023.

³ Sector wise index= (Sector wise market capitalization/ Sector wise paid-up capital)X100

7.3 At the end of Q3FY23, DSE’s market capitalization increased marginally by 0.4 percent to BDT 4488.3 billion from BDT 4471.7 billion in Q2FY23. The pharmaceutical and chemical industries maintained the largest part of the overall market capitalization (15.87 percent). In comparison, the jute sector has the smallest share (0.07 percent) at the end of Q3FY23 (Table VII.2). Moreover, market capitalization as a percent of GDP dropped from 9.04 percent in Q2FY23 to 8.94 percent in Q3FY23 (Chart VII.4).

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

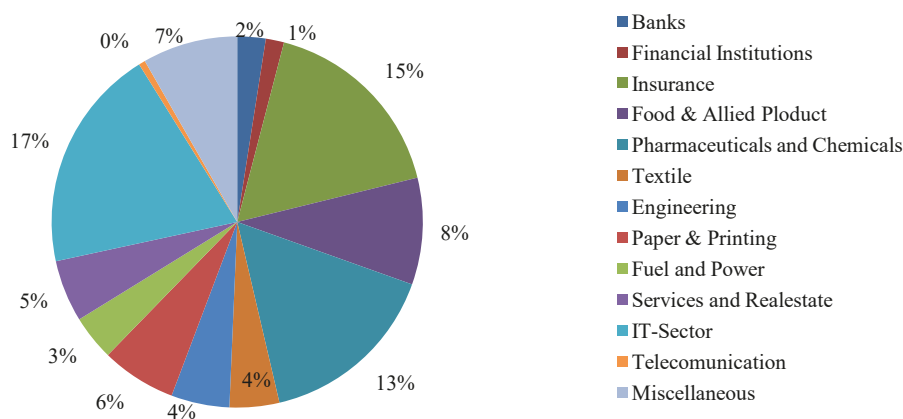
Sector	Share of Total M.cap March-23	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank	15.0	6.6	6.7	7.9	8.1	7.9	9.2	9.7	9.8	9.5	8.0	7.8	7.7	7.8
Financial Institutions	4.2	14.8	15.9	22.6	24.7	20.1	23.4	31.1	23.8	21.9	20.4	20.3	18.9	18.8
Engineering	11.7	10.2	10.1	14.5	35.3	36.2	42.5	26.9	17.6	17.1	17.1	19.1	20.4	20.6
Food & Allied	8.6	16.4	17.4	21.2	23.5	25.5	27.1	32.3	31.4	22.6	21.1	20.5	21.1	18.6
Fuel & Power	10.0	9.5	9.5	11.6	11.9	12.8	13.6	16.1	11.7	12.2	11.7	11.3	12.2	13.1
Textile	3.7	12.2	11.7	14.3	17.9	16.8	23.9	30.2	22.5	24.1	22.3	22.8	16.6	15.8
Pharmaceuticals	15.9	14.6	15.2	17.8	19.6	19.7	21.1	24.9	19.8	20.1	19.5	20.4	17.9	17.5
Service & Realestate	0.7	12.6	12.6	15.6	21.4	19.4	23.8	35.2	25.9	22.7	21.3	27.2	20.1	22.2
Cement	2.5	22.5	20.8	23.0	29.8	27.4	27.0	39.9	21.4	17.2	16.5	17.2	15.7	20.9
IT	1.0	19.2	19.2	23.6	25.1	21.6	28.4	37.5	34.6	35.0	28.4	32.3	30.7	35.1
Tannery	0.7	12.7	12.7	20.2	24.9	23.2	28.5	87.4	89.9	84.0	61.5	55.1	34.7	35.2
Insurance	3.6	12.1	12.2	21.5	26.0	19.2	31.6	28.0	28.1	24.0	19.5	16.9	17.2	16.6
Telecommunication	12.9	9.4	9.6	13.3	18.3	19.7	18.4	19.3	16.9	16.1	15.6	15.4	15.1	15.1
Miscellaneous	4.9	18.9	18.9	20.6	34.4	41.5	46.0	57.6	23.2	23.0	21.7	23.0	11.8	11.8

Sources: DSE Monthly Review, Various Issues.



7.4 The DSE's overall price-earnings (P/E) ratio increased somewhat in Q3FY23 from the level of Q2FY23. The average price-earnings ratios rose slightly to 14.24 in Q3FY23 from 14.11 in Q2FY23. According to sector-specific P/E data, the banking industry had the lowest P/E score in Q3FY23. In contrast, the tannery sector had the highest P/E score (Chart VII.5). Cross-country data on price-earnings (P/E) ratios as of March 2023 show that Bangladesh has a moderate P/E ratio among the South and East Asian selected countries (Table 7.1).

Chart VII.6: Turnover of Major Sectors in Q3FY23



Source: DSE Monthly Review, March 2023.

7.5 The DSE's issued capital kept growing, but the liquidity condition deteriorated in Q3FY23 compared to the preceding quarter. Compared to Q2FY23, the value of issued equity and debt increased by 0.5 percent in Q3FY23 to BDT 951.9 billion, and by adding one new firm, the total listed company became 409 on the capital market. The total turnover value declined by 33.3 percent to BDT 297.6 billion in Q3FY23 from BDT 446.5 billion in Q2FY23 (Chart VII.1). Sector-wise turnover data showed that the IT sector achieved the highest (17 percent) turnover in Q3FY23 (Chart VII.6). Turnover Velocity Ratio (TVR), a measure of market liquidity, decreased from 39.9 percent in Q2FY23 to 26.5 percent in Q3FY23.

Table 7.1: Selected Countries: Price Earnings Ratio as of March 2023

Countries	Price Earnings Ratio
Bangladesh	14.26
India	23.21
Sri Lanka	5.11
Thailand	18.31
Hong Kong	12.20
China	13.61

Source: DSE Monthly Review, March 2023.

7.6 The Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC) have implemented various measures to restore investors' confidence in Bangladesh's capital market. One crucial step the BB takes is advising Non-Bank Financial Institutions (NBFI) to concentrate on collecting long-term investments through the capital market instead of the banking industry. This recommendation aims to avoid the problem of maturity mismatch. Additionally, the BSEC has introduced significant measures to encourage institutional investors' participation in the capital market. The investment limits for mutual funds, excluding special funds like pension funds, have been extended. As part of this initiative, the minimum investment threshold has been increased from 60 percent to 80 percent. These measures are aimed at enhancing the involvement of institutional investors and fostering a robust bond market and a strong capital market in Bangladesh. Moreover, the BSEC has organized investment summits in Qatar and Japan to showcase the investment opportunities and outlook in Bangladesh's capital market. These events aim to attract foreign investment and highlight the potential returns and growth prospects available in the country. Through these initiatives, the BB and BSEC seek to create a vibrant and attractive capital market in Bangladesh, fostering economic growth and providing local and foreign investors with opportunities.

Tables

Table I.1: Macroeconomic Framework: Key Economic Indicators

(Growth in percent, unless otherwise indicated)

Indicators	FY16	FY17	FY18	FY19	FY20	FY21	FY22 ^R
Real GDP (Base 2015 -16)	-	6.59	7.32	7.88	3.45	6.94	7.10
GDP deflator	-	5.05	5.81	3.65	3.85	4.12	5.05
CPI Inflation (average)	5.50	5.94	5.78	5.47	5.65	5.56	6.15
CPI Inflation (point to point)	5.90	5.44	5.54	5.71	6.02	5.64	7.56
Money and credit							
Private sector credit	16.78	15.66	16.94	11.32	8.61	8.35	13.66
Broad money (M2)	16.35	10.88	9.24	9.88	12.64	13.60	9.43
External Sector							
Exports, f.o.b.	8.90	1.70	6.66	9.10	-18.89	14.89	33.45
Imports, f.o.b.	5.90	9.00	25.23	1.80	-8.57	19.71	35.95
In percent of GDP							
Gross Domestic Savings	27.27	27.07	26.45	26.88	27.08	25.34	25.22
Gross domestic investment	30.24	30.95	31.82	32.21	31.31	31.02	32.05
Total revenue	8.55	9.40	9.83	10.73	10.98	8.78	8.64
Tax	7.49	8.27	8.80	9.81	9.87	7.36	7.76
Nontax	1.06	1.13	1.03	0.92	1.10	1.28	0.88
Total expenditure	12.75	13.65	14.08	14.99	15.82	12.50	12.71
Current expenditure	7.24	8.30	7.98	9.04	9.31	6.96	6.95
Annual Development Program	4.38	4.99	5.82	5.66	6.08	4.87	5.13
Other expenditure (residual)	1.12	0.36	0.27	0.30	0.42	0.67	0.63
Overall balance (including grants)	-3.96	-4.04	-4.08	-4.14	-4.73	-3.72	-4.07
Financing (net) (a+b)	4.20	4.25	4.25	4.27	4.73	3.72	4.07
a. Domestic financing	2.99	3.01	2.50	2.67	3.07	2.38	2.24
Banking System	1.53	1.03	0.75	1.05	2.60	1.13	1.56
Non-bank	1.47	1.98	1.75	1.62	0.47	1.25	0.68
b. Foreign Financing	1.20	1.04	1.57	1.60	1.66	1.34	1.84
Current account balance	1.61	-0.45	-2.98	-1.45	-1.26	-0.91	-4.02
Overall balance	1.90	1.08	-0.27	0.05	0.85	2.23	-1.16
Broad Money (M2)	44.15	43.72	42.06	41.32	43.33	44.22	43.01
Broad Money (M3)	51.87	53.07	52.05	51.98	53.74	54.64	52.82
Deposit (DD+TD)	38.24	37.77	36.69	36.07	37.25	38.26	37.04
Private Sector Credit	32.33	33.39	34.39	34.23	34.61	33.68	34.02
In billion USD							
Exports, f.o.b.	33.44	34.02	36.29	39.60	32.12	36.90	49.25
Imports, f.o.b.	39.90	43.49	54.46	55.44	50.69	60.68	82.50
Gross official reserves	30.18	33.41	32.94	32.72	36.04	46.39	41.83
In terms of month of imports	7.2	6.6	6.0	6.0	6.1	6.2	6.3
Memorandum items:							
Nominal GDP (In billion Taka)	20,758	23,243	26,392	29,514	31,705	35,302	39,717
Nominal GDP (In billion USD)	265	294	321	351	374	416	460

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

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

Sectors	FY18	FY19	FY20	FY21	FY22	FY23 ^P
Agriculture	3.54	3.26	3.42	3.17	3.05	2.61
	(13.14)	(12.56)	(12.52)	(12.07)	(11.61)	(11.20)
Agriculture, forestry and fishing	3.54	3.26	3.42	3.17	3.05	2.61
i) Crops and horticulture	2.75	2.07	2.50	2.29	2.61	2.26
ii) Animal farmings	2.90	3.01	3.19	2.94	3.10	3.23
iii) Forest and related services	5.08	5.13	5.34	4.98	5.08	5.16
iv) Fishing	4.93	4.99	4.40	4.11	2.64	1.14
Industry	10.2	11.63	3.61	10.29	9.86	8.18
	(33.85)	(34.99)	(34.94)	(36.01)	(36.92)	(37.56)
a) Mining and quarrying	9.55	11.31	3.16	6.49	-1.12	5.74
b) Manufacturing	10.45	12.33	1.68	11.59	11.41	9.23
i) Large Industry	11.08	12.79	0.41	10.61	15.68	8.46
ii) Small, Medium, and Micro Industry	11.10	10.61	2.69	13.89	4.84	9.73
iii) Cottage Industry	7.45	14.17	3.67	10.27	11.12	10.69
c) Electricity, gas, steam and air conditioning supply	8.27	8.24	0.67	9.54	6.15	4.54
d) Water supply, sewerage, and waste management	2.96	6.31	2.18	6.65	9.54	10.02
e) Construction	10.06	10.47	9.13	8.08	8.71	6.41
Service	6.55	6.88	3.93	5.73	6.26	5.84
	(53.01)	(52.45)	(52.54)	(51.92)	(51.48)	(51.24)
a) Wholesale and retail trade	8.74	8.85	3.21	7.64	8.46	6.65
b) Transportation and storage	6.74	7.01	1.73	4.04	5.75	5.99
c) Accommodation and food service activities	5.52	5.64	1.69	4.53	5.37	5.89
d) Information and communication	6.77	7.36	6.57	7.11	4.79	5.42
e) Financial and insurance activities	6.94	8.25	4.72	5.82	5.87	5.76
f) Real estates activities	3.48	3.61	3.68	3.42	3.70	3.87
g) Professional, scientific and technical activities	4.08	4.17	3.38	5.09	4.25	4.37
h) Administrative and support service activities	7.74	8.17	6.33	6.02	6.01	6.13
i) Public administrative and defence	8.67	6.49	5.49	6.05	4.91	6.95
j) Education	5.89	7.06	5.33	5.81	7.87	9.88
k) Human health and social work activities	9.20	12.20	10.70	10.6	9.88	8.36
l) Arts, entertainment and recreation	5.24	5.48	5.43	5.76	6.07	6.36
m) Others service activities	3.22	3.27	3.06	3.08	3.19	3.27
GDP (at constant market price)	7.32	7.88	3.45	6.94	7.10	6.03

Source: Bangladesh Bureau of Statistics; R = Revised.
The parentheses indicate the percentage share of total producer price GDP at constant price.

Table I.3: Nominal GDP by Sectors: Base 2015-16

(In billion Taka)

Sectors	FY18	FY19	FY20	FY21	FY22	FY23^P
Agriculture	3,294	3,534	3,804	4,107	4,455	4,863
Agriculture, forestry, and fishing	3,294	3,534	3,804	4,107	4,455	4,863
i) Crops and horticulture	1,623	1,734	1,861	1,996	2,154	2,369
ii) Animal farmings	532	563	597	633	674	736
iii) Forest and related services	436	466	504	559	637	682
iv) Fishing	703	771	842	918	990	1,077
Industry	8,441	9,696	10,435	11,761	13,472	15,195
a) Mining and quarrying	443	526	552	591	589	629
b) Manufacturing	5,490	6,259	6,531	7,497	8,644	9,831
i) Large Industry	2,757	3,119	3,180	3,574	4,229	4,717
ii) Small, Medium, and Micro Industry	1,739	1,981	2,087	2,490	2,736	3,176
iii) Cottage Industry	995	1,160	1,263	1,433	1,680	1,938
c) Electricity, gas, steam and air conditioning supply	326	381	445	449	504	565
d) Water supply; sewerage,waste management	25	27	28	30	38	43
e) Construction	2,157	2,503	2,879	3,195	3,696	4,125
Service	13,431	15,008	16,332	18,110	20,271	22,685
a) Wholesale and retail trade	3,737	4,184	4,458	4,977	5,671	6,405
b) Transportation and storage	1,978	2,197	2,323	2,562	2,853	3,141
c) Accommodation and food service activities	301	335	360	399	445	511
d) Information and communication	295	322	351	384	414	469
e) Financial and insurance activities	817	933	1,032	1,153	1,295	1,462
f) Real estates activities	2,360	2,607	2,880	3,130	3,402	3,661
g) Professional, scientific and technical activities	47	52	57	63	69	78
h) Administrative and support service activities	173	200	230	271	311	379
i) Public administrative and defence	902	990	1,070	1,170	1,274	1,437
j) Education	682	770	856	956	1,095	1,266
k) Human health and social work activities	734	868	1,015	1,185	1,382	1,598
l) Arts, entertainment and recreation	38	42	48	53	61	69
m) Others service activities	1,368	1,507	1,652	1,807	1,999	2,211
Total GVA at current basic price	25,166	28,238	30,570	33,978	38,198	42,743
Tax less subsidy	1,226	1,276	1,134	1,324	1,519	1,649
GDP at current market price	26,392	29,514	31,705	35,302	39,717	44,393

Source: Bangladesh Bureau of Statistics; R = Revised.

Table I.4: Crop-wise Agricultural Production

Crops	Actual for FY21		Actual for FY22		Target for FY23		Actual for FY23	
	Area	Production	Area	Production	Area	Production	Area	Production
	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)
Aus	13.05	32.85	11.59	32.45	13.09	36.90	10.67	30.01
Aman	56.26	144.38	57.20	149.58	59.06	163.45	59.02	170.08
Boro	47.87	198.85	49.52	209.77	49.78	215.34	....	....
Total Rice	117.18	376.08	118.31	391.80	121.93	415.69	....	....
Wheat	3.29	10.85	3.15	10.86	3.18	11.60	....	....
Maize	5.64	56.63	5.52	56.30	5.62	57.68	....	....
Total Cereal	126.11	443.56	126.98	458.96	130.72	484.98	....	....
Jute	6.82	77.25	7.45	82.77	7.45	85.55	....	....
Gram	0.04	0.06	0.04	0.05	0.03	0.05	....	....
Moong	2.63	2.52	2.32	2.83	2.43	3.07	....	....
Mosur	1.83	2.58	1.53	2.08	1.55	2.20	....	....
Mustard	5.90	7.87	6.11	8.24	6.70	9.38	....	....
Onion	2.53	33.62	2.59	36.41	2.67	37.50	....	....
Potato	4.69	98.87	4.64	101.45	4.64	105.56	....	....
Vegetables	9.36	197.19	10.34	216.70	10.13	212.99	....	....

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

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

	FY21				FY22				FY23		
	FY21	FY22	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃ *
Manufacturing	166.2	185.4	168.6	172.3	169.1	188.9	194.4	189.3	182.9	208.9	222.6
Mining	93.7	84.2	87.4	86.5	82.9	87.6	84.8	81.7	84.6	85.6	101.0
Electricity	143.9	156.5	126.2	162.7	168.9	140.5	138.3	178.3	199.3	152.9	140.9
Growth in percent (y-o-y)											
Manufacturing	15.53	11.57	9.35	42.56	6.10	14.76	15.33	9.91	8.14	10.60	9.32
Mining	-3.16	-10.12	-9.82	-10.95	-22.57	-6.80	-3.04	-5.49	2.05	-2.25	14.97
Electricity	13.06	8.78	12.71	28.99	6.56	9.63	9.63	9.63	18.04	8.78	11.28

Source: Bangladesh Bureau of Statistics.

Note: * = January 2023.

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

	FY21			FY22			FY23	
	Weight	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁
General Index	100.0	488.4	496.7	498.8	509.8	536.2	500.2	500.3
Food products	10.8	688.2	725.7	617.0	572.3	510.7	493.6	504.8
Beverages	0.3	433.3	528.0	562.4	487.4	658.2	811.9	663.6
Tobacco products	2.9	135.6	128.7	114.9	113.3	111.5	101.7	122.9
Textile	14.1	288.5	324.9	311.0	326.3	300.7	296.1	307.9
Wearing apparel	34.8	435.4	441.3	506.7	565.9	643.5	585.2	603.7
Leather and related products	4.4	683.1	850.8	799.2	386.0	388.3	375.2	445.8
Wood and products of wood and cork	0.3	532.0	427.8	452.8	455.4	425.8	403.3	501.5
Paper and paper products	0.3	180.2	203.5	245.4	315.2	358.8	385.4	387.7
Printing and reproduction of recorded media	1.8	238.0	229.3	206.1	208.6	207.4	207.7	216.1
Coke and refined petroleum products	1.3	109.4	116.5	122.9	72.7	112.1	112.8	113.6
Chemicals and chemical products	3.7	143.4	134.0	120.6	127.6	138.6	153.0	94.3
Pharmaceuticals and medicinal chemical	8.2	1031.8	1037.8	1075.9	1180.8	1178.1	1176.2	1098.0
Rubber and plastic products	1.6	422.2	415.9	395.7	399.2	532.3	519.1	411.6
Other non-metallic mineral products	7.1	632.9	554.0	551.0	561.8	669.2	528.5	493.5
Basic metal	3.2	185.5	189.6	200.3	225.2	220.0	225.5	233.5
Fabricated metal products	2.3	491.9	401.6	340.9	340.0	303.5	268.7	272.1
Computer, electronic and optical product	0.2	291.2	278.0	285.8	269.3	279.8	226.1	167.5
Electrical equipment	0.7	1246.1	950.7	327.9	438.9	379.7	399.7	356.0
Machinery and equipment	0.2	797.4	775.9	761.8	774.4	822.8	812.6	811.5
Motor vehicles and trailers	0.1	234.6	320.2	347.4	604.1	585.9	796.1	794.2
Other transport equipment	0.7	747.7	721.4	696.0	697.0	689.3	317.8	309.3
Furniture	0.9	241.8	210.1	142.5	176.0	175.5	173.0	168.6

Source: Bangladesh Bureau of Statistics.

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

	Weight	2022				2023
		Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
General Index	100.0	171.9	189.3	218.1	237.3	237.3
Food products	4.00	120.1	118.3	111.6	186.1	205.2
Beverages	1.23	340.8	319.9	305.9	363.6	383.3
Tobacco products	3.72	227.2	241.1	244.7	256.3	266.9
Textile	11.59	168.1	179.7	198.5	211.4	256.9
Wearing apparel	61.00	150.3	175.8	212.1	233.3	221.3
Leather and related products	0.81	195.3	199.5	196.7	197.0	200.8
Wood and products of wood and cork	0.03	124.0	124.0	122.1	121.5	122.3
Paper and paper products	0.44	140.2	134.8	139.3	138.8	141.3
Printing and reproduction of recorded media	0.10	139.2	149.9	138.8	138.2	140.3
Coke and refined petroleum products	0.12	124.9	124.9	124.3	124.3	126.6
Chemicals and chemical products	1.29	109.4	112.7	112.0	109.9	133.5
Pharmaceuticals and medicinal chemical	3.05	261.7	280.5	319.1	321.9	283.9
Rubber and plastic products	0.45	132.0	125.8	138.5	132.5	177.2
Other non -metallic mineral products	4.25	410.8	410.6	459.8	474.0	482.1
Basic metal	0.72	229.0	234.9	245.5	243.1	306.3
Fabricated metal products	0.65	119.7	117.6	122.4	124.9	129.6
Computer, electronic and optical product	0.54	87.6	136.7	133.5	120.4	126.8
Electrical equipment	1.18	151.6	151.7	143.0	138.6	143.7
Machinery and equipment	0.01	126.1	119.5	133.9	130.8	134.0
Motor vehicles and trailers	0.01	218.9	180.6	203.3	208.7	214.5
Other transport equipment	4.16	186.2	174.9	208.7	209.6	217.0
Furniture	0.51	140.6	139.0	136.8	144.7	151.4
Other Manufacturing	0.12	112.9	108.9	112.9	123.8	154.3

Source: Bangladesh Bureau of Statistics.

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

	Weight	2022				2023
		Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
General Index	100.0	194.1	196.9	215.1	231.1	221.2
Food products	24.85	145.1	146.9	165.2	166.5	155.2
Beverages	0.76	85.0	85.2	85.3	86.5	84.8
Tobacco products	0.13	196.3	167.9	189.0	189.8	192.6
Textile	9.99	162.1	164.7	172.2	177.8	175.5
Wearing apparel	16.58	271.5	273.2	309.3	347.1	318.2
Leather and related products	3.73	112.6	115.8	116.4	116.7	115.6
Wood and products of wood and cork	0.27	128.1	127.8	128.6	121.2	128.1
Paper and paper products	0.77	161.9	164.9	162.4	161.9	160.1
Printing and reproduction of recorded media	0.36	103.4	99.4	102.0	104.7	110.4
Coke and refined petroleum products	0.12	130.4	148.6	127.7	133.8	130.3
Chemicals and chemical products	0.41	93.3	100.0	98.3	96.1	91.5
Pharmaceuticals and medicinal chemical	0.63	219.1	214.4	209.7	207.1	194.4
Rubber and plastic products	19.92	211.2	216.0	247.3	286.4	276.4
Other non-metallic mineral products	10.69	209.4	215.6	220.9	225.7	229.0
Basic metal	5.14	312.1	310.9	315.9	328.1	324.5
Fabricated metal products	0.59	135.4	132.6	136.6	137.1	135.8
Computer, electronic and optical product	0.76	121.1	124.4	120.7	118.9	114.5
Electrical equipment	1.12	99.1	114.0	111.0	108.7	110.9
Machinery and equipment	0.36	90.1	82.3	87.1	83.9	87.4
Motor vehicles and trailers	0.20	98.5	111.6	101.6	100.2	98.2
Other transport equipment	0.42	122.5	113.1	113.5	113.8	113.6
Furniture	1.34	184.6	186.4	181.5	180.6	170.6
Other Manufacturing	0.86	121.7	115.6	116.9	117.9	112.2

Source: Bangladesh Bureau of Statistics.

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

	Weight	2022				2023
		Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
General Index	100.0	178.7	183.3	181.5	182.3	179.8
Food products	21.64	197.5	204.5	199.3	202.0	200.5
Beverages	0.05	123.7	126.5	124.7	124.5	117.1
Tobacco products	0.21	152.0	156.8	131.8	123.8	132.1
Textile	9.62	127.9	118.4	109.6	109.3	120.3
Wearing apparel	3.78	153.5	156.4	165.7	169.5	161.2
Leather and related products	2.51	123.8	117.3	127.8	130.2	134.0
Wood and products of wood and cork	6.26	179.8	180.7	186.1	187.3	172.5
Paper and paper products	0.50	124.5	147.4	148.7	148.5	156.7
Printing and reproduction of recorded media	2.49	205.0	239.2	219.5	222.4	203.3
Coke and refined petroleum products	0.04	206.1	254.4	246.6	249.8	234.2
Chemicals and chemical products	0.01	131.6	136.8	139.9	141.6	140.5
Pharmaceuticals and medicinal chemical	0.13	228.4	230.8	156.6	198.4	167.9
Rubber and plastic products	0.50	224.0	301.1	333.3	343.5	345.8
Other non-metallic mineral products	2.19	160.4	170.5	177.6	180.6	176.6
Basic metal	0.02	180.1	175.4	173.3	170.7	171.8
Fabricated metal products	12.37	169.4	167.0	171.2	172.6	169.6
Computer, electronic and optical product	0.06	269.0	320.4	323.9	327.8	258.5
Electrical equipment	0.06	126.7	149.2	137.3	135.7	133.9
Machinery and equipment	0.56	102.1	98.8	100.0	100.7	104.8
Motor vehicles and trailers	0.54	109.7	109.4	148.5	137.9	151.8
Other transport equipment	1.70	123.8	120.2	122.2	122.7	125.4
Furniture	18.01	160.0	162.2	160.5	158.9	153.9
Other Manufacturing	15.01	244.7	261.8	255.9	255.0	252.0
Repair and installation of machinery and equipment	1.76	131.2	119.8	121.4	120.8	123.1

Source: Bangladesh Bureau of Statistics.

Table I.7: Cargo Handled by Chattogram Port

(In thousands Metric Tons)

	FY21				FY22				FY23		
	FY21	FY22	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Export	7,368	7,969	1,946	1,869	1,933	2,084	2,036	1,916	1,925	1,852	1,745
Import	96,588	99,903	26,590	24,439	20,223	27,648	27,411	24,621	26,882	26,525	27,788
Total	103,956	107,872	28,536	26,308	22,156	29,732	29,447	26,537	28,807	28,377	29,532
Growth in percent (y-o-y)											
Export	10.88	8.16	6.56	56.16	12.47	13.58	4.65	2.53	-0.43	-11.14	-14.32
Import	10.67	3.43	-0.71	53.09	0.31	8.85	3.09	0.74	32.93	-4.06	1.37
Total	10.68	3.77	-0.25	53.31	1.27	9.17	3.19	0.87	30.02	-4.56	0.29

Source: Chattogram Port Authority.

Table I.8: Trends in Private Sector Credit

(In billion Taka)

Institutions	FY21				FY22				FY23		
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	
Outstanding											
Banks ¹	11,889	13,512	11,889	12,107	12,633	12,914	13,512	13,794	14,261	14,468	
Non-banks ^{2*}	671	693	671	672	673	690	693	704	704	712	
Microfinance institutions ³	606	739	606	628	667	719	739	754	819	861	
Total	13,166	14,944	13,166	13,302	13,972	14,323	14,944	15,252	15,785	16,041	
Growth in percent (y-o-y)											
Banks	8.34	13.66	8.34	8.77	10.68	11.29	13.66	13.93	12.89	12.03	
Non-banks	-0.29	3.28	-0.29	0.72	-0.42	3.72	3.28	4.82	4.71	3.23	
Microfinance institutions	-1.22	21.89	-1.22	4.77	3.88	9.20	21.89	19.98	22.82	19.75	
Total	7.39	13.51	7.39	7.30	9.75	10.80	13.51	14.66	12.97	11.99	

Sources: ¹Monetary Policy Department; ²Department of Financial Institutions and Markets, Bangladesh Bank;³Grameen Bank, BRAC, ASA, Proshika. Note: *=Revised

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

Sectors	FY21		FY22				FY23 ^P				
	FY21	FY22	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂ ^R	Q ₃ ^P
Outstanding											
a. Agriculture	511	606	488	511	509	541	557	600	625	639	656
Crops	462	554	441	462	462	492	510	549	583	587	599
Others	49	52	47	49	47	49	47	51	42	52	57
b. Industry	4,715	5,278	4,594	4,715	4,793	4,961	4,958	5,292	5,242	5,386	5,538
Term Loan	2,365	2,614	2,295	2,365	2,423	2,527	2,530	2,620	2,598	2,711	2,811
Working capital financing	2,351	2,664	2,299	2,351	2,370	2,435	2,428	2,671	2,644	2,675	2,728
c. Construction	943	1,037	932	943	988	1,003	1,031	1,041	1,098	1,097	1,161
d. Transport	76	66	78	76	75	70	70	65	67	69	68
e. Trade and Commerce	3,774	4,232	3,682	3,774	3,813	3,951	4,080	4,230	4,475	4,599	4,545
f. Other Institutional loan	254	288	272	254	244	282	294	289	276	312	335
g. Consumer finance	862	1,071	832	862	888	954	999	1,064	1,125	1,289	1,209
h. Miscellaneous	39	73	38	39	40	49	60	70	76	83	91
Grand Total	11,174	12,650	10,917	11,174	11,350	11,811	12,047	12,650	12,984	13,474	13,603
Growth in percent (y-o-y)											
a. Agriculture	11.19	17.32	13.31	11.19	11.06	13.25	14.08	17.32	22.73	18.29	17.90
Crops	9.26	18.85	12.38	9.26	10.65	13.81	15.62	18.85	26.11	19.52	17.55
Others	33.37	2.91	22.70	33.37	15.25	7.87	-0.28	2.91	-10.28	5.91	21.65
b. Industry	8.48	12.22	6.48	8.48	9.34	9.59	7.91	12.22	9.38	8.56	11.45
Term Loan	9.78	10.81	8.23	9.78	12.93	13.20	10.22	10.81	7.25	7.29	10.77
Working capital financing	7.20	13.64	4.78	7.20	5.89	6.07	5.60	13.64	11.55	9.89	12.16
c. Construction	2.52	10.40	0.90	2.52	7.37	8.15	10.60	10.40	11.16	9.33	12.74
d. Transport	-13.31	-14.14	-1.85	-13.31	-12.19	-14.37	-10.58	-14.14	-10.57	-2.30	0.10
e. Trade & Commerce	8.31	12.08	13.37	8.31	7.12	9.65	10.80	12.08	17.36	16.41	11.54
f. Other Institutional loan	-13.36	13.91	-4.18	-13.36	-8.98	1.49	8.17	13.91	13.10	10.64	14.55
g. Consumer finance	29.68	23.49	21.99	29.68	22.89	16.42	20.02	23.49	26.65	35.07	21.19
h. Miscellaneous	9.07	77.12	-4.52	9.07	9.29	17.72	56.38	77.12	89.25	70.01	56.48
Grand Total	8.57	13.21	9.14	8.57	8.78	9.81	10.36	13.21	14.40	14.08	12.92
Share in percent											
a. Agriculture	4.57	4.74	4.47	4.57	4.49	4.58	4.63	4.74	4.81	4.74	4.82
Crops	4.13	4.34	4.04	4.13	4.07	4.16	4.23	4.34	4.49	4.36	4.40
Others	0.44	0.40	0.43	0.44	0.42	0.41	0.39	0.40	0.33	0.38	0.42
b. Industry	42.20	41.83	42.09	42.20	42.22	42.00	41.15	41.83	40.37	39.97	40.72
Term Loan	21.16	20.71	21.03	21.16	21.34	21.39	21.00	20.71	20.01	20.12	20.66
Working capital financing	21.04	21.12	21.06	21.04	20.88	20.61	20.15	21.12	20.36	19.86	20.05
c. Construction	8.44	8.23	8.54	8.44	8.70	8.50	8.55	8.23	8.46	8.14	8.53
d. Transport	0.68	0.51	0.71	0.68	0.66	0.59	0.58	0.51	0.51	0.51	0.50
e. Trade & Commerce	33.77	33.44	33.73	33.77	33.60	33.45	33.86	33.44	34.46	34.13	33.41
f. Other Institutional loan	2.27	2.29	2.49	2.27	2.15	2.39	2.44	2.29	2.13	2.31	2.46
g. Consumer finance	7.71	8.41	7.62	7.71	7.83	8.08	8.29	8.41	8.67	9.56	8.89
h. Miscellaneous	0.35	0.55	0.35	0.35	0.35	0.42	0.50	0.55	0.58	0.62	0.67
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Table I.9 (1): Performance Indicators of NBFIs

(In billion Taka)

Sectors	FY21		FY22				FY23 ^P			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂ ^R	Q ₃ ^P
Loans and Advances of NBFIs (Outstanding in private sector)										
a. Agriculture	5.0	5.2	5.0	5.0	4.7	4.9	5.2	5.7	5.6	5.7
Crops	3.8	4.1	3.8	3.8	3.5	3.8	4.1	4.5	4.5	4.7
Others	1.2	1.1	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.0
b. Industry	267.5	269.1	267.5	264.8	268.1	274.8	269.1	267.1	275.4	284.7
Term Loan	213.2	211.1	213.2	206.4	207.8	215.9	211.1	212.0	216.4	228.3
Working capital financing	50.1	52.8	50.1	55.0	56.1	54.3	52.8	49.4	52.8	50.5
Factoring	4.2	5.3	4.2	3.4	4.2	4.6	5.3	5.6	6.2	5.9
c. Construction	91.0	97.1	91.0	91.2	93.6	96.2	97.1	97.3	96.0	98.2
d. Transport	12.1	16.7	12.1	13.9	14.9	15.9	16.7	17.1	17.4	17.3
e. Trade and Commerce	156.4	152.8	156.4	151.4	143.6	148.8	152.8	156.5	155.8	165.9
f. Other Institutional loan	38.5	40.8	38.5	39.6	38.7	39.4	40.8	40.9	43.9	41.6
g. Consumer finance	96.2	106.4	96.2	94.3	104.6	106.5	106.4	106.1	105.2	95.6
h. Miscellaneous	0.4	0.3	0.4	0.4	0.4	0.3	0.3	0.3	2.0	1.9
Total loans and advances	667.0	688.6	667.0	660.5	668.5	686.8	688.6	690.9	701.1	711.0
NBFIs Deposits by its type										
Fixed Deposits	419.5	409.8	419.5	421.4	415.7	413.0	409.8	404.6	426.1	425.3
Recurring Deposits	3.7	5.9	3.7	3.7	5.2	5.5	5.9	6.1	6.3	6.5
Special Purpose Deposits	2.7	4.5	2.7	2.6	3.9	4.1	4.5	4.5	4.3	4.6
Restricted (Blocked) Deposits	0.2	0.6	0.2	0.2	0.2	0.2	0.6	0.6	0.7	0.4
Total Deposits	426.0	420.9	426.0	427.9	425.0	422.7	420.9	415.9	437.5	436.8
Interest Rates of NBFIs										
Deposit Rate	7.82	7.49	7.82	7.51	7.62	7.36	7.49	7.48	7.74	7.78
Lending Rate	11.25	9.85	11.25	10.89	10.43	10.22	9.85	9.11	8.89	8.89
Spread	3.43	2.36	3.43	3.38	2.81	2.86	2.36	1.63	1.15	1.11
Growth in percent (y-o-y)										
NBFIs Advances										
a. Agriculture	-6.83	4.87	-6.83	9.51	-8.94	-6.88	4.87	13.43	19.75	16.21
Crops	-3.69	8.25	-3.69	15.44	-11.80	-7.04	8.25	20.07	30.45	25.53
Others	-15.45	-5.71	-15.45	-5.70	0.29	-6.32	-5.71	-7.42	-10.55	-14.48
b. Industry	7.11	0.62	7.11	4.83	1.40	4.80	0.62	0.87	2.71	3.61
Term Loan	6.17	-1.01	6.17	0.68	-0.53	3.47	-1.01	2.75	4.10	5.76
Working capital financing	11.16	5.47	11.16	25.79	10.14	9.86	5.47	-10.18	-5.81	-7.05
Factoring	8.90	25.26	8.90	-12.47	-7.34	10.90	25.26	65.37	47.28	29.17
c. Construction	-1.28	6.74	-1.28	-0.50	1.95	4.70	6.74	6.70	2.63	2.07
d. Transport	-7.45	38.27	-7.45	3.10	-3.10	4.82	38.27	23.56	16.70	9.00
e. Trade & Commerce	-2.59	-2.28	-2.59	-1.31	-4.94	-5.03	-2.28	3.35	8.51	11.50
f. Other Institutional loan	-3.48	6.09	-3.48	2.49	-6.05	-1.80	6.09	3.33	13.37	5.56
g. Consumer finance	0.47	10.59	0.47	0.40	13.52	12.48	10.59	12.51	0.55	-10.25
h. Miscellaneous	-75.04	-21.34	-75.04	-87.01	-34.50	-36.75	-21.34	-28.39	426.42	534.98
Total Advances	1.37	3.23	1.37	1.45	1.04	3.05	3.23	4.61	4.89	3.51

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

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

	FY21				FY22				FY23			
	FY21	FY22	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	
Program/Target (July-June)	262.9	283.9	262.9	262.9	283.9	283.9	283.9	283.9	309.1	309.1	309.1	
Total disbursement	255.1	288.3	64.4	70.0	52.1	92.9	70.1	73.3	65.8	100.9	74.5	
Crop	128.9	128.3	31.6	30.7	23.0	44.5	32.0	28.9	30.8	48.3	36.9	
Irrigation	2.5	2.4	0.6	0.7	0.4	0.5	0.7	0.8	0.9	0.5	0.5	
Agricultural equipment	1.9	2.4	0.5	0.6	0.3	0.6	0.6	0.8	0.7	0.5	0.6	
Live-stock	35.3	54.3	10.0	8.3	9.3	16.0	13.2	15.8	13.5	21.4	15.7	
Fisheries	29.5	35.9	7.9	8.8	7.2	11.2	8.3	9.2	8.6	11.6	9.5	
Grain storage & marketing	1.8	1.8	0.4	0.6	0.3	0.5	0.5	0.5	0.5	0.4	0.3	
Poverty alleviation	20.4	21.1	4.5	7.7	3.5	8.1	5.2	4.4	3.5	6.7	3.9	
Others	34.9	42.2	8.9	12.7	8.1	11.6	9.6	12.9	7.5	11.5	7.2	
Total recovery	271.2	274.6	56.8	73.5	55.9	80.1	63.8	74.9	70.8	93.5	77.9	
Total overdue	58.7	59.5	62.9	58.7	71.7	69.3	64.7	59.5	78.0	72.1	70.7	
Outstanding	459.4	498.0	453.5	459.4	456.9	476.6	488.9	498.0	502.5	510.0	512.8	
Overdue as percent of outstanding	12.77	11.95	13.86	12.77	15.69	14.55	13.24	11.95	15.53	14.14	13.78	
	Growth in percent ¹											
Total disbursement	12.14	13.03	5.13	20.09	11.24	25.60	8.89	4.74	26.37	8.61	6.35	
Total recovery	27.67	1.25	4.43	70.82	-11.02	2.49	12.29	1.88	26.68	16.81	22.06	

Source: Agricultural Credit Department, Bangladesh Bank.

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

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

Institutions	FY21				FY22				FY23			
	FY21	FY22	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	
1. Total disbursement	948.5	1157.1	281.3	152.5	176.5	337.1	328.6	314.9	316.0	404.5	390.6	
i) Grameen Bank	196.8	206.6	61.0	25.0	30.0	54.8	63.1	58.6	56.6	66.8	65.2	
ii) BRAC	419.1	491.0	116.2	65.4	82.9	155.7	130.2	122.2	139.0	190.6	172.1	
iii) ASA	324.8	446.4	101.6	59.8	61.4	123.2	131.6	130.2	115.9	141.9	147.8	
iv) Proshika	7.8	13.2	2.5	2.4	2.2	3.4	3.7	4.0	4.5	5.2	5.5	
2. Total recovery	1011.1	1118.6	283.3	210.1	207.0	303.2	294.4	314.0	325.7	352.1	371.3	
i) Grameen Bank	206.7	203.2	58.6	27.0	34.3	58.1	57.5	53.3	54.9	61.8	61.3	
ii) BRAC	492.7	527.6	134.6	117.2	109.7	144.1	128.7	145.2	149.8	157.3	172.6	
iii) ASA	304.0	375.0	87.7	63.7	60.8	97.8	104.7	111.7	116.7	127.8	131.9	
iv) Proshika	7.7	12.8	2.3	2.2	2.3	3.1	3.5	3.9	4.3	5.2	5.4	
3. Loans outstanding	606.2	738.9	658.5	606.2	628.5	667.2	719.1	738.9	754.1	819.4	861.1	
4. Loans overdue	41.4	32.7	32.2	41.4	33.1	42.3	41.8	32.7	33.7	24.9	26.1	
5. Overdue as percent of outstanding	6.80	4.43	4.90	6.80	5.27	6.34	5.81	4.43	4.47	3.04	3.03	

Source : Grameen Bank, BRAC, ASA and Proshika.

Table I.12: Microcredit Operations of MFIs
(In billion Taka)

Indicators	FY20		FY21		FY22		FY23		
	FY21	FY22	July- Dec/19	Jan- Jun/20	July- Dec/20	Jan- Jun/21	July- Dec/21	Jan- Jun/22	July- Dec/22
Total disbursement	1512.09	1918.3	774.94	589.24	718.84	793.25	891.21	1027.1	1400.6
Total recovery	1397.12	1652.7	794.92	536.56	766.38	729.75	724.53	928.2	1148.1
Loans outstanding	949.85	1241.5	856.48	892.23	925.19	949.85	1073.81	1241.5	1402.7
Loans overdue	78.95	101.5	.....	.....	33.66	78.95	78.95	101.5	109.4
Overdue as percent of outstanding	8.31	8.17	.....	.....	3.64	8.31	7.35	8.17	7.80

Source: Microcredit Regulatory Authority.

Table I.13: Industrial Term Lending by Banks and NBFIs
(In billion Taka)

Institutions	FY21		FY22				FY23		
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂
Disbursement									
SOBs	57.2	64.5	23.5	7.7	12.0	21.7	23.1	7.1	4.2
PCBs	545.5	547.3	149.7	122.8	150.6	121.4	152.5	143.9	260.9
Foreign banks	32.0	32.6	7.3	4.5	9.8	6.5	11.9	8.4	8.6
Specialized banks	8.1	10.3	2.5	2.1	0.01	3.63	4.50	9.96	7.97
Non-bank financial institutions	44.9	68.9	11.3	11.2	15.4	20.1	22.1	16.2	14.0
All Banks and NBFIs	687.7	723.6	194.3	148.3	187.7	173.4	214.1	185.6	295.7
Recovery									
SOBs	27.4	30.1	5.3	2.8	6.9	9.1	11.4	14.1	11.9
PCBs	450.7	502.6	114.2	101.2	147.9	125.6	127.9	166.9	462.9
Foreign banks	33.7	35.5	8.1	7.9	9.5	10.0	8.0	4.5	6.7
Specialized banks	9.9	12.5	4.3	4.1	2.0	3.3	3.1	1.6	3.0
Non-bank financial institutions	63.2	67.9	15.4	13.7	18.6	17.7	17.9	19.0	21.4
All Banks and NBFIs	584.9	648.6	147.3	129.8	184.8	165.7	168.3	206.1	505.9
Outstanding									
SOBs	752.5	633.8	752.5	601.2	590.5	603.3	633.8	648.9	661.3
PCBs	2,050.0	2152.5	2050.0	2065.5	2099.0	2104.5	2152.5	2218.9	2516.7
Foreign banks	78.8	70.8	78.8	75.2	73.7	70.2	70.8	73.6	71.7
Specialized banks	17.5	24.1	17.5	18.9	31.9	32.2	24.1	28.2	33.4
Non-bank financial institutions	254.1	323.0	254.1	272.4	294.0	295.5	323.0	317.8	317.5
All Banks and NBFIs	3,152.9	3204.1	3152.9	3033.3	3089.2	3105.7	3204.1	3287.4	3600.5
Growth in percent ¹									
Disbursement									
SOBs	-23.92	12.70	82.10	-29.55	-7.38	118.83	-1.49	-7.14	-65.19
PCBs	-5.89	0.35	53.68	-3.71	11.92	-9.16	1.88	17.13	73.28
Foreign banks	-23.68	2.15	-2.09	-31.96	207.80	-56.18	62.05	86.98	-11.54
Specialized banks	208.66	26.43	42.34	21.46	-99.57	112.32	78.68	369.66	86583.7
Non-bank financial institutions	3.83	53.38	538.68	44.77	26.06	47.49	96.01	44.83	-8.92
All Banks and NBFIs	-7.40	5.23	60.16	-4.02	13.78	-0.22	10.20	25.13	57.54
Recovery									
SOBs	-51.97	10.04	-17.02	-49.78	28.27	-18.51	113.89	404.48	73.34
PCBs	-18.74	11.51	42.91	25.86	19.02	-4.72	11.99	64.87	213.08
Foreign banks	57.76	5.31	85.11	-24.87	12.55	53.44	-1.80	-43.39	-29.48
Specialized banks	357.60	26.11	1269.45	804.36	181.00	-26.88	-26.28	-61.61	50.98
Non-bank financial institutions	1.88	7.47	42.37	-15.33	11.56	18.77	16.10	38.37	15.52
All Banks and NBFIs	-16.11	10.90	44.63	14.64	18.91	-1.90	14.24	58.79	173.81
Outstanding									
SOBs	34.52	-15.78	34.52	20.76	25.34	-14.50	-15.78	7.92	11.98
PCBs	13.12	5.00	13.12	10.17	8.08	8.96	5.00	7.43	19.90
Foreign banks	-6.38	-10.23	-6.38	-2.18	1.99	-11.41	-10.23	-2.20	-2.75
Specialized banks	-2.90	37.20	-2.90	0.87	50.97	71.50	37.20	49.48	4.65
Non-bank financial institutions	-15.18	27.11	-15.18	-0.76	19.31	15.75	27.11	16.66	7.99
All Banks and NBFIs	13.68	1.62	13.68	10.59	12.21	3.85	1.62	8.38	16.55

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	Point-to-Point			12 Month Average		
	General	Food	Non-food	General	Food	Non-food
2021						
January	5.02	5.23	4.69	5.64	5.78	5.43
February	5.32	5.42	5.17	5.63	5.82	5.34
March	5.47	5.51	5.39	5.63	5.87	5.26
April	5.56	5.57	5.55	5.60	5.84	5.22
May	5.26	4.87	5.86	5.59	5.82	5.23
June	5.64	5.45	5.94	5.56	5.73	5.29
July	5.36	5.08	5.80	5.54	5.68	5.33
August	5.54	5.16	6.13	5.53	5.60	5.43
September	5.59	5.21	6.19	5.50	5.49	5.52
October	5.70	5.22	6.48	5.44	5.32	5.64
November	5.98	5.43	6.87	5.48	5.29	5.78
December	6.05	5.46	7.00	5.54	5.30	5.93
2022						
January	5.86	5.60	6.26	5.62	5.33	6.06
February	6.17	6.22	6.10	5.69	5.40	6.13
March	6.22	6.34	6.04	5.75	5.47	6.19
April	6.29	6.24	6.39	5.81	5.53	6.26
May	7.42	8.30	6.08	5.99	5.81	6.27
June	7.56	8.37	6.33	6.15	6.05	6.31
July	7.48	8.19	6.39	6.33	6.31	6.35
August	9.52	9.94	8.85	6.66	6.71	6.58
September	9.10	9.08	9.13	6.96	7.04	6.84
October	8.91	8.50	9.58	7.23	7.32	7.10
November	8.85	8.14	9.98	7.48	7.55	7.37
December	8.71	7.91	9.96	7.70	7.75	7.62
2023						
January	8.57	7.76	9.84	7.92	7.92	7.92
February	8.78	8.13	9.82	8.14	8.08	8.23
March	9.33	9.09	9.72	8.39	8.31	8.53

Source: Bangladesh Bureau of Statistics (BBS).
Note: Food includes food, beverage & tobacco.

Table II.2: Commodity Prices in the International Markets

	FY21		FY22				FY23		
	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃ [*]
Rice (USD/MT)	542.3	484.7	405.7	400.3	425.3	446.3	429.3	446.0	517.0
Soybean oil (USD/MT)	1169.0	1493.1	1433.7	1445.9	1674.1	1887.4	1560.2	1545.6	1351.8
Sugar (USD /kg)	0.35	0.37	0.42	0.42	0.41	0.43	0.40	0.40	0.42
Crude Petroleum (Dubai) (USD/Barrel)	59.5	66.4	71.4	77.9	96.5	108.9	98.3	84.6	80.0
Palm Oil (USD/MT)	1013.5	1073.0	1128.7	1307.0	1548.0	1633.6	997.3	925.0	942.0

Source: World Bank. Note: MT=Metric Ton, *January 2023.

Table II.3: Inflation in South Asia

(Point-to-point)

Country	FY21		FY22				FY23				
	FY21	FY22	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃ [*]
Bangladesh	5.64	7.56	5.47	5.64	5.59	6.05	6.22	7.56	9.10	8.71	8.57
Bhutan	7.42	6.54	9.11	7.42	4.97	6.87	5.57	6.54	6.05	4.44	4.33
India (CPI NS)	6.26	7.01	5.52	6.26	4.35	5.66	6.95	7.01	7.41	5.72	6.52
Pakistan	9.70	21.30	9.10	9.70	9.00	12.30	12.70	21.30	23.2	24.5	27.60
Vietnam	2.41	3.37	1.16	2.41	2.06	1.81	2.41	3.37	3.94	4.55	4.89

Source: Central Banks and Statistics Departments of respective countries.

Note: Quarterly data indicate end quarter, *January 2023.

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

	FY21		FY22				FY23			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Outstanding										
1. Net foreign assets of BB	3,669.2	3,477.6	3,669.2	3,617.3	3,546.1	3,447.6	3,477.6	3,190.4	2,975.0	2,820.2
2. Net domestic assets of BB	-188.5	-6.0	-188.5	-384.0	-309.4	-236.0	-6.0	210.4	825.1	635.8
a) Claims on public sector	205.0	583.7	205.0	105.8	86.1	162.9	583.7	753.0	1,089.9	1,154.2
i) Claims on govt. (net)	172.9	549.3	172.9	72.7	54.6	128.0	549.3	716.6	1,053.4	1,118.0
ii) Claims on other public sector	32.2	34.4	32.2	33.0	31.5	34.9	34.4	36.3	36.5	36.3
b) Claim on private sector	58.4	59.4	58.4	58.3	57.0	57.8	59.4	60.2	62.6	71.9
c) Claims on banks	189.5	160.7	189.5	183.8	166.0	161.4	160.7	273.5	666.1	581.2
d) Other items (net)	-641.4	-809.7	-641.4	-731.8	-618.5	-618.2	-809.7	-876.2	-993.4	-1,171.6
3. Currency issued	2,268.9	2,561.8	2,268.9	2,276.7	2,294.9	2,319.2	2,561.8	2,616.4	2,923.6	2,789.6
i) Currency outside banks	2,095.2	2,364.5	2,095.2	2,096.2	2,107.2	2,126.9	2,364.5	2,400.0	2,681.8	2,546.7
ii) Cash in tills	173.7	197.3	173.7	180.5	187.7	192.4	197.3	216.4	241.8	242.9
4. Deposits of banks with BB	1,211.8	909.8	1,211.8	956.6	941.8	892.3	909.8	784.4	876.5	666.4
5. Reserve money (RM)	3,480.7	3,471.6	3,480.7	3,233.3	3,236.7	3,211.6	3,471.6	3,400.8	3,800.1	3,456.0
6. Money multiplier (M2/RM)	4.48	4.92	4.48	4.90	5.01	5.08	4.92	5.07	4.63	5.15
Growth in percent (y-o-y)										
1. Net foreign assets of BB	28.3	-5.2	28.3	15.3	3.9	-0.6	-5.2	-11.8	-16.1	-18.2
2. Net domestic assets of BB	-1110.0	96.8	-1110.0	-17.1	16.7	45.3	96.8	154.8	366.7	369.4
a) Claims on public sector	-54.1	184.7	-54.1	-28.4	107.7	349.1	184.7	611.7	1165.9	608.6
i) Claims on govt. (net)	-59.0	217.7	-58.9	-40.3	315.7	230.6	217.7	885.7	1829.4	773.4
ii) Claims on other public sector	26.1	6.7	26.2	27.7	11.2	7.1	6.7	10.1	15.7	3.9
b) Claim on private sector	9.3	1.6	9.3	15.7	7.0	5.9	1.6	3.2	9.8	24.4
c) Claims on Banks	37.7	-15.2	37.7	81.3	2.9	-15.4	-15.2	48.8	301.3	260.1
3. Currency issued	9.0	12.9	9.0	10.7	13.0	14.9	12.9	14.9	27.4	20.3
4. Deposits of banks with BB	58.6	-24.9	58.6	27.1	-6.7	-12.3	-24.9	-18.0	-6.9	-25.3
5. Reserve money (RM)	22.4	-0.3	22.4	15.1	6.5	5.8	-0.3	5.2	17.4	7.6

Source: Statistics Department, Bangladesh Bank.

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

	FY21		FY22				FY23			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Outstanding										
1. Net foreign assets	3,823.4	3,643.0	3,823.4	3,775.9	3,691.6	3,564.0	3,643.0	3,354.4	3,194.0	3,090.8
2. Net domestic assets	11,785.6	13,438.2	11,785.6	12,082.3	12,514.8	12,735.0	13,438.2	13,873.9	14,385.7	14,695.8
a) Domestic credit	14,399.0	16,717.5	14,399.0	14,689.0	15,321.9	15,627.1	16,717.5	17,100.7	17,617.6	18,159.6
Credit to public sector	2,510.4	3,205.1	2,510.4	2,581.8	2,689.4	2,712.7	3,205.1	3,306.6	3,356.3	3,691.5
Credit to govt. (net)	2,210.3	2,833.1	2,210.3	2,275.4	2,345.4	2,354.9	2,833.1	2,924.9	2,936.2	3,245.6
Credit to other public sector	300.2	372.0	300.2	306.4	344.0	357.8	372.0	381.7	420.1	445.9
Credit to private sector	11,888.6	13,512.4	11,888.6	12,107.2	12,632.5	12,914.4	13,512.4	13,794.1	14,261.3	14,468.1
b) Other items (net)	-2,613.4	-3,279.3	-2,613.4	-2,606.8	-2,807.1	-2,892.1	-3,279.3	-3,226.9	-3,231.9	-3,463.8
3. Narrow Money	3,758.3	4,259.0	3,758.3	3,665.7	3,793.1	3,755.6	4,259.0	4,184.5	4,525.4	4,352.5
a) Currency outside banks	2,095.2	2,364.5	2,095.2	2,096.2	2,107.2	2,126.9	2,364.5	2,400.0	2,681.8	2,546.7
b) Demand deposits	1,663.1	1,894.6	1,663.1	1,569.5	1,685.9	1,628.7	1,894.6	1,784.5	1,843.6	1,805.8
4. Time deposits	11,850.7	12,822.2	11,850.7	12,192.5	12,413.2	12,543.5	12,822.2	13,043.8	13,054.3	13,434.1
5. Broad money	15,609.0	17,081.2	15,609.0	15,858.2	16,206.4	16,299.1	17,081.2	17,228.3	17,579.7	17,786.6
Growth in percent (y-o-y)										
1. Netforeign assets	28.59	-4.72	28.59	14.02	3.41	-1.60	-4.72	-11.16	-13.48	-13.28
2. Net domestic assets	9.49	14.02	9.49	10.34	11.57	13.54	14.02	14.83	14.95	15.40
a) Domestic credit	10.11	16.10	10.11	10.20	12.37	14.01	16.10	16.42	14.98	16.21
Credit to public sector	19.33	27.67	19.33	17.42	21.00	28.96	27.67	28.07	24.80	36.08
Credit to govt. (net)	22.01	28.18	22.01	19.44	22.61	31.62	28.18	28.55	25.19	37.82
Credit to other public sector	2.75	23.93	2.75	4.30	11.00	13.80	23.93	24.57	22.12	24.61
Credit to private sector	8.35	13.66	8.35	8.77	10.68	11.29	13.66	13.93	12.89	12.03
3. Narrow money	14.49	13.32	14.49	12.60	12.76	13.88	13.32	14.15	19.31	15.89
4. Time deposits	13.35	8.20	13.35	10.77	8.67	8.69	8.20	6.98	5.16	7.10
5. Broad money	13.62	9.43	13.62	11.19	9.60	9.85	9.43	8.64	8.47	9.13

Source: Statistics Department, Bangladesh Bank.

Table III.3: Interest Rates Developments

Instruments	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22	Jun.21	Sep.22	Dec.22 ^R	Mar.23 ^P
T - Bills									
14 - day	...	...	...	...	...	...	...	...	...
91 - day	0.75	0.52	2.00	2.36	2.43	5.94	6.01	6.90	6.18
182 - day	0.99	0.68	2.50	3.19	3.05	6.44	6.47	7.30	7.01
364 - day	1.86	1.21	2.76	3.44	3.75	6.62	6.80	7.76	7.40
BGTB									
2 - year	3.13	2.44	...	4.68	4.61	7.21	7.47	7.55	7.97
5 - year	4.24	3.84	4.67	6.41	6.11	7.80	7.73	7.90	8.14
10 - year	...	5.38	6.19	7.38	6.92	8.03	8.09	8.33	8.37
15-year	...	5.65	6.19	7.77	7.48	8.27	8.49	8.77	...
20-year	...	6.06	6.31	7.87	7.63	8.48	8.52	8.95	...
Repo									
1-3 day	4.75	4.75	4.75	4.75	4.75	5.50	5.50	5.75	6.00
Reverse Repo									
1-3 day	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25
Bangladesh Banks Bills									
07-Day	...	...	1.28	...	0.00	0.00	...	...	...
14-Day	...	...	1.51	...	0.00	0.00	...	...	...
30-Day	...	...	1.89	...	0.00	0.00	...	...	...
Call Money Rate	1.82	2.25	1.90	2.66	2.66	4.88	5.53	5.80	6.03
Lending Rate									
All Banks	7.57	7.43	7.38	7.42	7.28	7.26	7.14	7.23	7.30
State Owned Banks	6.21	6.20	6.28	6.47	6.35	6.32	6.28	6.46	6.47
Private Banks	7.91	7.74	7.65	7.67	7.53	7.5	7.38	7.44	7.54
(a) Domestic	7.96	7.81	7.72	7.73	7.57	7.55	7.39	7.45	7.55
(b) Foreign	6.70	6.17	5.87	6.10	6.28	6.39	6.87	7.09	7.40
Specialized Banks	7.59	7.24	7.19	7.13	7.09	7.01	6.65	6.93	6.96
Islamic Banks	8.14	8.02	8.01	8.10	7.79	7.69	7.25	7.20	7.17
Deposits Rate									
All Banks	4.39	4.14	4.09	4.06	4.04	3.98	4.13	4.24	4.37
State Owned Banks	5.43	4.32	4.24	4.12	3.87	3.84	4.11	4.03	4.14
Private Banks	4.32	4.02	3.98	3.98	4.05	3.98	4.09	4.26	4.4
(a) Domestic	4.53	4.22	4.18	4.18	4.25	4.17	4.29	4.49	4.64
(b) Foreign	1.16	0.92	0.87	0.87	0.85	0.9	0.96	1.00	1.14
Specialized Banks	4.48	5.62	5.46	5.67	5.37	5.27	5.44	5.56	5.66
Islamic Banks	4.87	4.56	4.49	4.38	4.45	4.39	4.44	4.83	5.07
National Savings Certificate[@]									
5 - year Bangladesh Sanchayapatra ¹	11.28	11.28	11.28 ^a	11.28 ^a	11.28 ^a	11.28 ^a	11.28 ^a	11.28 ^a	11.28 ^a
3 - year Sanchayapatra (Tin Mas Antar Munafa Vittik) ²	11.04	11.04	11.04 ^b	11.04 ^b	11.04 ^b	11.04 ^b	11.04 ^b	11.04 ^b	11.04 ^b
5 - year Pensioner Sanchayapatra ³	11.76	11.76	11.76 ^c	11.76 ^c	11.76 ^c	11.76 ^c	11.76 ^c	11.76 ^c	11.76 ^c
5 - year Paribar Sanchayapatra ⁴	11.52	11.52	11.52 ^d	11.52 ^d	11.52 ^d	11.52 ^d	11.52 ^d	11.52 ^d	11.52 ^d

Sources: Monetary Policy Department and Statistics Department, Bangladesh Bank; Department of National Savings; ... = No auction; P = Provisional, R = Revised. Note: Revised interest rates for NSC were effective from 21 September 2021.

^a The interest rates are 11.28%, 10.30% & 9.30% for upto Tk 15 lac, 15+ lac to 30 lac, & above 30 lac respectively.

^b The interest rates are 11.04%, 10.0% & 9.0% for upto Tk 15 lac, 15+ lac to 30 lac, & above 30 lac respectively.

^c The interest rates are 11.76%, 10.75% & 9.75% for upto Tk 15 lac, 15+ lac to 30 lac & above 30 lac respectively.

^d The interest rates are 11.52%, 10.50% & 9.50% for upto Tk 15 lac, 15+ lac to 30 lac & above 30 lac respectively.

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

Instruments	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22	Jun.22	Sep.22	Dec.22	Mar.23
Bangladesh Banks Bills									
07-Day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14-Day	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0
30-Day	0.0	0.0	95.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub Total	0.0	0.0	102.0	0.0	0.0	0.0	0.0	0.0	0.0
T - Bills									
14 - day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
91 - day	127.0	112.5	142.9	196.0	102.8	302.8	277.0	403.3	279.7
182 - day	105.0	121.0	162.3	138.7	106.4	183.0	215.0	180.0	292.0
364 - day	248.5	287.5	272.5	286.8	284.6	305.1	292.1	309.8	433.5
Sub Total	480.5	521.0	577.6	621.5	493.7	790.9	784.2	894.1	1005.2
BGTB									
2 - year	397.0	440.0	430.0	431.2	453.0	413.0	388.0	393.0	443.0
5 - year	573.5	566.5	597.0	637.6	651.6	711.6	757.6	799.6	879.6
10 - year	825.7	865.7	911.7	941.7	955.2	999.2	1037.7	1046.7	1089.7
15-year	388.2	416.2	429.7	451.2	466.7	510.8	526.6	538.1	549.6
20-year	363.9	385.9	397.3	416.8	433.4	488.2	506.0	522.5	536.0
Sub Total	2548.2	2674.2	2765.6	2878.4	2959.8	3122.7	4000.1	4194.0	4503.0
National Savings Certificate	3353.4	3440.9	3526.5	3536.8	3606.1	3640.1	3643.4	3609.0	3598.5
Total (excluding BB bills)	6382.1	6636.1	6869.7	7036.7	7059.6	7553.8	7643.5	7803.0	8101.5

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

Table IV.1: Government Fiscal Operations

(In billion Taka)

	FY22 ^R					FY23 ^P				
	FY22 ^R	Q ₁	Q ₂	Q ₃	Q ₄	Budget	Revised Budget	Q ₁	Q ₂	Q ₃
Revenue	3,431	682	792	883	1,071	4,330	4330	780	866	589
a) NBR Tax revenue	3,013	584	707	748	977	3,700	3700	671	783	506
i) VAT	1,169	241	281	294	353	1,412	1412	244	312	199
ii) Customs duties	353	77	85	93	98	441	441	91	88	57
iii) Income tax	1,026	179	215	237	398	1,210	1210	198	241	156
iv) Others	465	87	127	124	127	637	637	138	141	94
b) Non-NBR tax revenue	70	9	16	25	14	180	180	18	17	16
c) Non-tax revenue*	348	90	68	110	80	450	450	91	66	67
Expenditure	5,050	958	1,058	1,160	1,870	6,781	6605	986	1070	626
a) Current*	2,762	707	619	678	755	3,732	4143	711	622	233
b) ADP	2,038	196	374	420	1,048	2,461	2276	219	384	383
c) Others*	250	56	65	62	66	588	187	56	65	10
Budget Deficit	-1618	-276	-267	-277	-799	-2451	-2275	-206	-210	-418
Financing	1,618	276	267	277	799	2,451	2275	206	204	418
a) Domestic financing	889	147	106	85	551	1,463	1404	118	12	304
i) Bank financing	619	60	75	2	482	1,063	1154	85	15	292
ii) Non-bank financing	269	87	31	83	69	400	250	33	-3	12
b) Foreign financing**	729	129	161	191	248	987	871	89	199	114
In Percentage of GDP										
Revenue	8.64	1.71	1.99	2.23	2.71	9.75	9.75	1.76	1.95	1.33
a) NBR Tax revenue	7.59	1.46	1.78	1.89	2.46	8.33	8.33	1.51	1.76	1.14
i) VAT	2.94	0.60	0.71	0.74	0.89	3.18	3.18	0.55	0.70	0.45
ii) Customs duties	0.89	0.19	0.21	0.23	0.25	0.99	0.99	0.20	0.20	0.13
iii) Income tax	2.58	0.44	0.54	0.60	1.00	2.73	2.73	0.45	0.54	0.35
iv) Others	1.17	0.22	0.32	0.31	0.32	1.44	1.44	0.31	0.32	0.21
b) Non-NBR tax revenue	0.18	0.02	0.04	0.06	0.05	0.41	0.41	0.04	0.04	0.04
c) Non tax revenue	0.88	0.23	0.17	0.28	0.20	1.01	1.01	0.20	0.15	0.15
Expenditure	12.71	2.40	2.66	2.92	4.72	15.27	14.88	2.22	2.41	1.41
a) Current	6.95	1.77	1.56	1.71	1.92	8.41	9.33	1.60	1.40	0.53
b) ADP	5.13	0.49	0.94	1.06	2.64	5.54	5.13	0.49	0.86	0.86
c) Others	0.63	0.14	0.16	0.16	0.17	1.32	0.42	0.13	0.15	0.02
Budget Deficit	-4.07	-0.69	-0.67	-0.70	-2.01	-5.52	-5.12	-0.46	-0.47	-0.94
Financing	4.07	0.69	0.67	0.70	2.01	5.52	5.12	0.46	0.46	0.94
a) Domestic financing	2.24	0.37	0.27	0.21	1.39	3.30	3.16	0.26	0.03	0.68
i) Bank financing	1.56	0.15	0.19	0.01	1.21	2.40	2.60	0.19	0.03	0.66
ii) Non-bank financing	0.68	0.22	0.08	0.21	0.17	0.90	0.56	0.07	-0.01	0.03
b) Foreign financing	1.84	0.32	0.41	0.48	0.62	2.22	1.96	0.20	0.45	0.26
Memorandum item										
GDP at current market price	39,717	39,717	39,717	39,717	39,717	44,393	44,393	44,393	44,393	44,393

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

* = Estimated, ** = Grants included; P = Provisional, Note: GDP for FY23 is provisional.

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

	FY21				FY22 ^{RP}				FY23 ^P		
	FY21	FY22 ^{RP}	Q ₄	Q ₁	Q ₂	Q ₃ ^R	Q ₄ ^{RP}	Q ₁ ^P	Q ₂ ^P	Q ₃ ^P	
Current Account Balance	-4575	-18639	-4020	-2545	-5752	-6051	-4291	-3564	-1706	1629	
Trade balance	-23778	-33250	-8560	-6775	-8932	-9324	-8219	-7548	-4752	-2313	
Export f.o.b.	36903	49245	9354	10546	12718	13229	12752	11800	14032	13493	
of which : Readymade garments	31457	42613	7969	9059	10841	11527	11185	10274	12723	12255	
Import f.o.b.	60681	82495	17914	17321	21650	22553	20971	19348	18784	15806	
Services	-3020	-3955	-1028	-606	-1077	-1111	-1161	-1059	-896	-941	
Credit	7439	9925	1991	2161	2595	2458	2711	2262	2290	1953	
Debit	10459	13880	3019	2767	3672	3569	3872	3321	3186	2894	
Primary Income	-3172	-3152	-781	-731	-759	-820	-842	-782	-1079	-801	
Credit	217	345	82	93	64	100	88	90	125	110	
Debit	3389	3497	863	824	823	920	930	872	1204	911	
Secondary Income	25395	21718	6349	5567	5016	5204	5931	5825	5021	5684	
Official Transfers	51	16	29	7	5	3	1	15	23	22	
Private Transfers	25344	21702	6320	5560	5011	5201	5930	5810	4998	5662	
Of which : workers' remittances	24778	21032	6179	5408	4831	5058	5734	5673	4820	5537	
Capital & Financial Account	14525	13956	6450	2286	4746	5059	1865	386	-1313	-1002	
Capital account	458	181	333	68	70	28	15	36	135	116	
Capital transfers	458	181	333	68	70	28	15	36	135	116	
Financial account	14067	13775	6117	2218	4676	5031	1850	350	-1448	-1118	
Foreign direct investment (Gross Inflows)	3387	4636	774	907	1422	1202	1105	1159	1469	1153	
Of which: FDI net liabilities	1355	1827	213	375	743	517	192	457	694	190	
Portfolio investment	-269	-158	-41	-62	-27	-21	-48	-15	-15	-11	
Of which : Investment by NRBs	209	114	35	32	28	26	28	32	24	37	
Other investment	12981	12106	5945	1905	3960	4535	1706	-92	-2127	-1297	
Net aid flows	6032	8284	2866	1439	1808	2199	2838	885	1825	1051	
Medium and long-term (MLT) loans	7449	9811	3216	1863	2162	2591	3195	1298	2204	1515	
MLT amortization payments	1417	1527	350	424	354	392	357	413	379	464	
Other long term loans	1684	1443	690	479	537	246	181	89	-319	442	
Other short term loans	2064	3114	1061	172	1231	1551	160	659	-897	-1426	
Trade credit	3749	-1920	864	-405	-105	-162	-1248	-1252	-1537	-409	
DMBs and NBDCs	-548	1185	464	220	489	701	-225	-473	-1199	-955	
Assets	391	791	166	550	14	-445	672	-94	495	253	
Liabilities	-157	1976	630	770	503	256	447	-567	-704	-702	
Net Errors & Omissions	-676	-697	-146	-551	25	-314	143	-268	-704	-1624	
Overall Balance	9274	-5380	2284	-810	-981	-1306	-2283	-3446	-3723	-997	
Reserve Assets	-9274	5380	-2284	810	981	1306	2283	3446	3723	997	
Bangladesh Bank	-9274	5380	-2284	810	981	1306	2283	3446	3723	997	
Assets	9924	-3711	2869	-29	-18	-1947	-1717	-4685	-3376	-1064	
Liabilities	650	1669	585	781	963	-641	566	-1239	347	-67	

	FY21		FY22 ^{RP}				FY23 ^P			
	FY21	FY22 ^{RP}	Q ₄	Q ₁	Q ₂	Q ₃ ^R	Q ₄ ^{RP}	Q ₁ ^P	Q ₂ ^P	Q ₃ ^P
Memorandum Items										
Grossofficial reserves	46391	41827	46391	46200	46154	44147	41827	36476	33748	31143
In months of imports of goods & services	5.8	5.6	5.6	6.1	6.3	7.1	5.4	5.2	5.0	5.8
In months of prospective imports	6.2	6.3	7.2	6.6	6.8	7.8	6.2	5.8	5.5	6.4
Export growth (in percent)	14.89	33.44	141.77	8.77	46.91	43.86	36.33	11.89	10.33	2.00
Import growth (in percent)	19.71	35.95	72.92	47.59	60.49	28.57	17.06	11.70	-13.24	-29.92
Remittances growth (in percent)	36.11	-15.12	39.50	-19.44	-22.46	-10.53	-7.22	4.90	-0.25	9.47

Source: Statistics Department, Bangladesh Bank.

R=Revised, P=Provisional, RP=Revised but still provisional.

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

Items	FY21		FY22				FY23			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
1. Rawjute	138.2	216.2	23.1	39.5	80.3	37.6	58.8	55.4	51.5	43.9
2. Jute goods	1023.3	911.5	184.8	172.8	297.5	259.4	181.8	190.2	188.8	169.0
3. Tea	3.6	2.1	0.4	0.4	0.7	0.8	0.3	0.5	0.6	0.6
4. Leather	119.1	151.4	35.9	32.0	37.9	46.0	35.6	34.5	29.6	29.1
5. Frozenshrimps and fish	444.4	499.1	103.5	145.0	177.0	86.7	90.4	126.2	102.8	88.6
6. Woven garments	14,496.7	19,398.8	3,663.0	3,895.3	4,843.8	5,569.4	5,090.3	4,624.9	5,712.1	5,778.0
7. Knitwear products	16,960.0	23,214.3	4,305.9	5,164.2	5,997.5	5,958.3	6,094.4	5,649.5	7,010.2	6,477.8
8. Fertilizer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Terry towels	34.8	46.0	6.1	12.0	12.4	10.8	10.8	10.7	7.9	6.5
10. Others	5,538.2	7,643.2	1,497.4	1,560.9	2,229.6	1,938.1	1,914.7	1,805.0	1,710.9	1,817.0
Total exports	38,758	52,083	9,820	11,022	13,677	13,907	13,477	12,497	14,814	14,410
Of which: exports from EPZ	5306	6899	1474	1531	1676	1835	1857	1,688	1,721	1,499
Total exports (adjusted)	36,903	49,246	9,354	10,591	12,763	13,263	12,629	11,800	14,032	13,493

Source: Export Promotion Bureau, Bangladesh.

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

	FY21		FY22				FY23			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Exports of RMG	31457	42613	7969	9059	10841	11528	11185	10274	12722	12256
European Countries	20297	26837	5058	5604	6891	7368	6974	6278	7999	7797
USA	5946	9013	1639	1912	2319	2358	2423	2010	2268	1981
Other Countries	5214	6763	1272	1543	1631	1801	1787	1986	2455	2478
Woven Garments	14497	19399	3663	3895	4844	5569	5090	4625	5712	5778
European Countries	8116	10364	2014	2011	2575	3155	2623	2275	2936	3271
USA	3888	5893	1044	1171	1511	1593	1617	1367	1610	1358
Other Countries	2493	3142	605	713	758	821	850	983	1165	1149
Knitwear Products	16960	23214	4306	5164	5997	5958	6094	5649	7010	6478
European Countries	12181	16474	3044	3593	4316	4214	4351	4003	5062	4526
USA	2059	3120	595	741	808	765	806	643	658	623
Other Countries	2720	3620	666	830	873	980	937	1003	1290	1329
Growth in percent (y-o-y)										
Exports of RMG	12.55	35.47	107.22	11.48	46.12	45.14	40.36	13.41	17.35	6.32
European Countries	13.45	32.23	106.96	7.39	41.46	43.10	37.89	12.03	16.08	5.81
USA	15.54	51.57	112.78	21.03	75.71	67.60	47.82	5.13	-2.21	-15.99
Other Countries	6.13	29.71	101.50	16.20	32.83	29.94	40.55	28.70	50.51	37.58
Woven Garments	3.24	33.82	93.60	6.35	44.30	46.01	38.97	18.73	17.93	3.74
European Countries	4.94	27.70	91.88	2.26	36.77	40.04	30.26	13.10	14.05	3.69
USA	3.04	51.58	99.15	11.69	74.16	71.78	54.93	16.73	6.57	-14.79
Other Countries	-1.64	26.03	90.16	10.13	24.98	29.56	40.39	37.89	53.73	39.90
Knitwear Products	21.94	36.88	120.42	15.69	47.63	44.34	41.54	9.40	16.89	8.72
European Countries	19.93	35.24	118.31	10.50	44.42	45.48	42.93	11.42	17.30	7.40
USA	49.88	51.56	141.81	39.45	78.68	59.53	35.35	-13.21	-18.62	-18.51
Other Countries	14.41	33.08	112.99	21.98	40.49	30.26	40.69	20.81	47.72	35.63

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

Table V.4: Export Performance for July-March, FY 23

(In million USD)

	Export for FY22	Export Target for FY23	Strategic Target for July-Mar, FY23	Export Performance for July-Mar, FY23	Export Performance for July-Mar, FY22	% Change of export performance over Export Target	% Change of export performance for July-Mar, FY23 Over July-Mar, FY22
All Products (A+B)	52,082.7	58,000.0	42,264.0	41,721.6	38,605.7	-1.28	8.07
A. Primary Commodities:	1,695.2	2,028.1	1,477.9	1,033.6	1,394.4	-30.06	-25.87
Frozen & Live Fish	532.9	634.0	462.0	346.6	435.9	-24.99	-20.50
Agricultural Products	1,162.3	1,394.1	1,015.9	687.1	958.5	-32.37	-28.31
B. Manufactured Commodities:	50,387.5	55,971.9	40,786.1	40,688.0	37,211.3	-0.24	9.34
Cement salt stone etc.	9.6	11.0	8.0	9.7	6.5	20.70	48.69
Ores, Slag and Ash	46.8	70.0	51.0	28.3	28.0	-44.60	1.07
Petroleum bi Products	33.5	45.0	32.8	14.2	23.3	-56.82	-39.33
Chemical products	364.1	429.6	313.0	226.8	282.1	-27.54	-19.60
Plastic, Melamine Products	166.3	200.0	145.7	154.7	115.4	6.15	34.07
Rubber	46.8	60.0	43.7	26.0	36.5	-40.62	-28.90
Leather & Leather products (including leather footwear)	1,245.2	1,440.0	1,049.3	919.7	896.8	-12.35	2.56
Wood and Wood Products	5.2	6.5	4.7	7.1	3.6	48.73	94.75
Handicrafts	42.8	50.0	36.4	21.3	33.5	-41.67	-36.59
Pulp	0.0	0.0	0.0	0.0	0.0	0.00	0.00
Paper and Paper Products	105.1	115.0	83.8	165.1	72.7	97.03	127.14
Printed Materials	2.4	2.5	1.8	5.8	1.5	220.88	286.75
Silk	1.0	1.7	1.2	0.7	0.9	-46.77	-23.26
Wool and woolen Products	0.2	0.3	0.2	0.1	0.2	-55.56	-61.90
Cotton and Cotton Products	244.9	260.0	189.5	286.7	173.0	51.32	65.72
Jute and Jute Goods	1,127.6	1,280.0	932.7	698.7	887.1	-25.09	-21.23
Man Made Filaments and Staple Fibers	216.8	260.0	189.5	218.0	169.5	15.06	28.64
Carpet	36.8	44.0	32.1	19.3	28.7	-39.86	-32.78
Specialized Textiles	314.8	387.0	282.0	207.8	257.4	-26.33	-19.29
Readymade Garments	42,613.2	46,800.0	34,102.7	35,252.4	31,428.4	3.37	12.17
Knitwear	23,214.3	25,600.0	18,654.5	19,137.5	17,119.9	2.59	11.78
Woven Garments	19,398.8	21,200.0	15,448.2	16,115.0	14,308.5	4.32	12.63
Home Textile	1,621.9	1,980.0	1,442.8	859.9	1,157.9	-40.40	-25.73
Other Footwear (excluding leather footwear)	449.2	520.0	378.9	358.3	338.9	-5.45	5.73
Headgear/Cap	364.6	410.1	298.8	351.1	262.5	17.47	33.73
Umbrella Waking Sticks	0.2	0.3	0.2	0.1	0.2	-77.27	-77.27
Wigs and Human Hair	105.9	130.0	94.7	95.1	73.4	0.37	29.47
Building Materials	1.1	1.3	1.0	0.6	0.6	-33.68	0.00
Ceramic Products	41.4	50.0	36.4	32.3	31.7	-11.34	1.80
Glass and Glass ware	18.7	24.0	17.5	8.3	16.7	-52.83	-50.63
Engineering Products	795.6	964.4	702.7	400.3	603.3	-43.04	-33.65
Ships, boats & floating structures	0.2	0.3	0.2	5.1	0.2	2227.27	3100.00
Other Manufactured Products	365.6	429.0	312.6	314.9	280.8	0.73	12.12

Source: Export Promotion Bureau, Bangladesh.

Table V.5: Trends in the Commodity Composition of Imports
(In million USD)

	FY21		FY22				FY23 ^P			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁ ^P	Q ₂ ^P	Q ₃ ^P
A. Food Grains	2,681	2,562	780	541	1,047	552	421	405	919	718
1. Rice	851	427	320	232	165	20	10	83	308	172
2. Wheat	1,830	2,135	460	309	882	533	411	322	612	545
B. Consumer Goods	4,156	5,779	1,288	1,160	1,414	1,749	1,456	1,346	1,532	1,443
3. Milk & cream	344	419	97	112	62	118	127	86	80	102
4. Spices	404	363	92	87	73	92	111	80	85	127
5. Edible oil	1,926	2,893	682	576	806	732	779	922	830	549
6. Pulses (all sorts)	681	829	192	182	155	318	174	129	254	309
7. Sugar	800	1,276	226	203	319	489	264	129	284	356
C. Intermediate Goods	38,307	55,192	11,418	11,481	14,003	15,026	14,682	13,207	11,811	9,757
Petroleum goods	8,985	7,993	2,368	1,615	2,114	1,877	2,387	1,701	1,761	1,423
8. Crude petroleum	2,616	936	131	254	237	192	252	230	239	170
9. POL	6,369	7,057	2,237	1,361	1,877	1,685	2,135	1,470	1,522	1,253
RMG related goods	14,069	22,254	4,555	4,839	5,578	6,250	5,587	4,945	4,642	3,810
10. Raw cotton	3,186	4,439	1,045	1,040	988	1,306	1,105	1,353	1,330	756
11. Yarn	2,436	5,245	914	1,254	1,224	1,496	1,271	815	632	662
12. Textile and articles thereof	6,553	9,937	2,051	2,000	2,676	2,727	2,535	2,146	2,079	1,862
13. Staple fibre	1,040	1,569	306	310	421	442	395	387	390	345
14. Dyeing and tanning materials	855	1,065	240	236	269	280	281	244	211	185
Other intermediate goods	15,253	24,945	4,494	5,027	6,311	6,899	6,708	6,561	5,408	4,524
15. Clinker	1,048	1,223	314	242	321	347	313	329	256	341
16. Oil seeds	1,406	1,758	545	293	504	401	559	522	93	270
17. Chemicals	2,974	3,765	829	853	915	1,000	997	956	882	823
18. Pharmaceutical products	363	1,482	106	259	381	397	445	89	74	68
19. Fertilizer	1,360	4,391	276	762	1,263	1,363	1,004	1,717	1,667	997
20. Plastics and rubber articles thereof	3,168	4,316	994	950	1,052	1,142	1,173	988	806	737
21. Iron, steel & other base metals	4,933	8,010	1,431	1,669	1,874	2,250	2,217	1,961	1,629	1,288
D. Capital Goods & Others	13,012	16,434	3,962	3,690	4,517	4,455	3,772	3,594	3,704	3,123
22. Capital machinery	3,825	5,463	1,194	1,167	1,597	1,470	1,230	1,300	1,360	1,075
23. Others Capital goods	9,187	10,971	2,767	2,524	2,920	2,985	2,542	2,294	2,344	2,048
E. Others	7,440	9,195	1,917	1,848	2,421	2,594	2,333	2,354	2,324	2,272
Grand Total c.i.f.(A+B+C+D+E)	65,595	89,162	19,365	18,720	23,402	24,376	22,664	20,905	20,289	17,312
Of which Import by EPZ	3,489	5,130	1,067	1,105	1,312	1,396	1,317	1,126	998	941
Grand Total f.o.b.(adjusted)	60,681	82,495	17,914	17,321	21,650	22,553	20,971	19,348	18,784	15,806

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

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

Items	FY22						FY23			
	Q ₃		Q ₄		Q ₁		Q ₂		Q ₃	
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement
Consumer goods	2,676	2,322	2,130	1,813	2,619	1,995	1,402	2,131	2,128	1,853
Intermediate goods	2,407	1,959	1,481	1,823	1,494	1,560	1,092	1,249	1,535	1,275
Industrial raw materials	8,685	8,628	7,677	7,832	6,594	8,235	5,442	7,041	5,422	5,477
Capital machinery	1,254	1,129	1,131	2,171	625	1,453	649	921	1,033	781
Machinery for misc. industries	1,143	1,086	840	1,218	741	900	509	687	570	563
Petroleum and petroleum products	1,862	1,790	2,242	2,580	2,769	2,971	2,107	2,391	2,167	2,023
Others	5,705	5,244	5,475	5,437	4,156	5,096	3,902	4,744	4,371	4,309
Total	23,731	22,159	20,976	22,874	18,997	22,209	15,104	19,166	17,225	16,282
of which back to back	3,158	3,220	2,318	3,133	2,431	2,914	2,064	2,423	2,172	2,178
	Growth in percent (y-o-y)									
Consumer goods	-2.60	28.45	14.25	-7.96	2.12	-0.23	-38.13	-15.84	-20.49	-20.21
Intermediate goods	32.42	34.76	-19.87	3.71	-15.03	2.79	-49.15	-33.28	-36.22	-34.89
Industrial raw materials	33.75	59.05	2.22	34.32	-10.70	27.22	-38.35	0.31	-37.57	-36.52
Capital machinery	18.64	10.84	-53.00	108.52	-55.23	55.37	-65.58	-47.44	-17.68	-30.78
Machinery for misc. industries	18.00	25.21	-13.90	29.13	-47.61	-3.45	-60.12	-36.90	-50.17	-48.15
Petroleum and petroleum products	48.91	52.62	59.39	88.04	59.46	111.51	18.49	5.62	16.38	12.98
Others	47.56	43.80	32.45	38.74	-0.25	34.51	-28.69	-1.37	-23.38	-17.84
Total	30.39	43.96	4.12	35.88	-6.96	30.26	-36.15	-10.19	-27.42	-26.52
of which back to back	31.58	73.19	-15.03	48.71	-23.27	13.52	-40.12	-14.79	-31.23	-32.37

Source: Foreign Exchange Operation Department, Bangladesh Bank.

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

Countries	FY21		FY22				FY23			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Gulf Region	13,611	11,114	3,341	2,976	2,547	2,583	3,008	2,832	2,409	2,927
Saudi Arabia	5,721	4,542	1,364	1,304	1,131	1,051	1,056	999	910	851
UAE	2,440	2,072	561	446	369	451	805	788	549	867
Qatar	1,450	1,346	434	356	329	329	332	352	347	398
Oman	1,536	897	365	292	189	201	216	170	143	231
Kuwait	1,887	1,690	475	442	398	396	453	403	360	424
Bahrain	578	567	142	136	131	154	146	120	101	156
Euro Region*	1,245	1,578	322	377	366	376	459	501	404	463
Italy	811	1,054	210	258	248	243	305	343	268	283
France	201	256	49	55	57	67	77	76	59	77
Greece	90	96	25	23	23	23	27	31	34	35
Germany	67	84	18	19	17	22	26	24	22	31
Others Euro Region	76	88	21	22	20	21	25	28	22	37
Asia Pacific Region	3,173	1,828	707	495	416	435	483	551	405	514
Malaysia	2,002	1,022	441	291	231	236	265	325	219	288
Singapore	625	385	143	112	89	92	93	90	86	117
South Korea	209	136	39	26	30	36	44	44	33	25
Australia	142	129	37	28	30	34	37	37	27	37
Japan	80	69	18	18	16	17	18	31	23	30
Others Asia Pacific Region	116	88	29	21	19	21	27	23	18	17
Rest of the World	6,748	6,512	1,811	1,561	1,503	1,665	1,783	1,789	1,601	1,633
USA	3,462	3,438	973	858	834	824	923	1,000	967	834
UK	2,024	2,039	508	452	428	573	586	509	403	554
South Africa	420	315	114	77	67	94	77	73	68	56
Canada	134	127	35	28	29	31	39	34	26	35
Mauritius	88	91	22	22	24	24	20	30	21	20
Others Countries	620	502	160	123	120	120	139	144	117	133
Total	24,778	21,032	6,179	5,408	4,831	5,059	5,734	5,673	4,820	5,537

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

Source: Statistics Department, Bangladesh Bank.

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

Period	US Dollar		U.K. Pound Sterling		EURO		Japanese Yen	
	Period	End	Period	End	Period	End	Period	End
	Average	Period	Average	Period	Average	Period	Average	Period
2020 -21								
July	84.81	84.80	107.26	110.21	97.05	100.00	0.79	0.81
August	84.84	84.83	111.29	113.26	100.29	100.98	0.80	0.81
September	84.80	84.84	110.07	109.13	100.01	99.64	0.80	0.80
October	84.80	84.80	110.13	110.09	99.87	99.60	0.81	0.81
November	84.80	84.80	111.89	112.92	100.27	101.45	0.81	0.81
December	84.80	84.80	113.86	115.54	103.09	104.28	0.82	0.82
January	84.80	84.80	115.64	116.21	103.27	102.92	0.82	0.81
February	84.80	84.80	117.48	118.16	102.55	102.41	0.81	0.80
March	84.80	84.80	117.59	116.53	101.08	99.35	0.78	0.77
April	84.80	84.80	117.32	118.16	101.35	102.82	0.78	0.78
May	84.80	84.80	119.28	120.32	102.93	103.38	0.78	0.77
June	84.81	84.81	119.03	117.36	102.27	100.90	0.77	0.77
2021 -22								
July	84.80	84.81	117.20	117.88	100.25	100.44	0.77	0.77
August	84.95	85.20	117.32	117.24	100.03	100.51	0.77	0.78
September	85.26	85.50	117.16	114.80	100.40	99.15	0.77	0.76
October	85.61	85.68	117.06	117.31	99.29	99.07	0.76	0.75
November	85.78	85.80	115.55	114.24	97.94	96.89	0.75	0.76
December	85.80	85.80	114.09	115.73	96.99	97.38	0.75	0.75
January	85.95	86.00	116.57	115.29	97.39	95.85	0.75	0.75
February	86.00	86.00	116.45	115.30	97.57	96.91	0.75	0.74
March	86.06	86.20	113.37	113.20	94.77	96.18	0.73	0.71
April	86.23	86.45	111.80	108.49	93.47	91.27	0.69	0.67
May	87.18	89.00	108.62	112.60	92.25	95.93	0.68	0.70
June	92.03	93.45	113.51	113.33	97.33	97.57	0.69	0.68
2022-23								
July	93.89	94.70	112.60	115.23	95.77	96.78	0.69	0.71
August	94.91	95.00	113.87	110.73	96.10	95.13	0.70	0.68
September	95.62	96.00	108.43	104.54	94.79	93.46	0.67	0.67
October	96.62	97.00	109.09	112.65	95.06	96.66	0.66	0.66
November	97.62	98.00	114.55	117.16	99.53	101.22	0.69	0.71
December	98.85	99.00	120.33	119.34	104.49	105.55	0.73	0.74
January	99.89	100.00	122.17	123.52	107.60	108.46	0.77	0.77
February	100.96	101.00	122.06	121.85	108.17	107.15	0.76	0.74
March	101.96	102.00	123.70	125.59	109.15	110.62	0.76	0.77

Source: Statistics Department, Bangladesh Bank.

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

	FY21		FY22 ^{RP}				FY23 ^P			
	FY21	FY22 ^{RP}	Q ₄	Q ₁	Q ₂	Q ₃ ^{RP}	Q ₄	Q ₁ ^P	Q ₂ ^P	Q ₃ ^P
a. Grants (i+ii)	509	198	361	75	76	30	17	51	158	137
i) Food Aid	17	3	4	2	0	1	0	13	13	13
ii) Project Aid	492	195	358	73	76	29	17	39	145	124
b. Loans (MLT)	7,449	9,811	3,215	1,863	2,162	2,591	3,195	1,298	2,204	1,515
A. Total (a+b)	7,958	10,008	3,577	1,938	2,238	2,621	3,212	1,349	2,362	1,652
B. Amortization (1+2)	1,915	2,118	468	594	446	555	522	526	528	677
1) Principal	1,419	1,606	377	420	361	403	423	389	390	466
2) Interest	496	511	91	174	85	152	100	137	138	211
C. Net Foreign Financing (A-1)	6,539	8,402	3,200	1,518	1,877	2,218	2,789	961	1,972	1,186

Source: ERD; MOF; Statistics Department, Bangladesh Bank
Note: P= Provisional, RP=Revised but still provisional

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

Type of Banks	2020		2021		2022		2023			
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
State Owned Commercial Banks	20.90	20.91	20.62	20.07	19.28	20.01	21.93	23.04	20.28	19.87
Specialized Banks	13.32	13.36	11.44	11.44	12.02	12.01	11.74	11.80	12.8	12.80
Private Commercial Banks	4.66	5.13	5.44	5.47	5.31	5.84	6.01	6.20	5.13	5.96
Foreign Commercial Banks	3.46	4.13	3.91	4.12	4.29	4.53	4.40	4.77	4.91	4.90
All Banks	7.66	8.07	8.18	8.12	7.93	8.53	8.96	9.36	8.16	8.80

Source: Banking Regulation and Policy Department, Bangladesh Bank.

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

Type of Banks	2020		2021		2022		2023			
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
State Owned Commercial Banks	0.00	2.67	2.48	2.45	2.53	3.39	5.98	7.72	5.22	5.24
Specialized Banks	1.32	1.22	-0.61	-0.65	0.40	0.46	-0.14	-0.06	1.41	1.49
Private Commercial Banks	-1.54	-1.29	-1.17	-1.18	-1.07	-0.82	-0.61	-0.47	-1.31	-0.88
Foreign Commercial Banks	-0.56	-0.29	-0.38	-0.38	-0.73	-0.46	-0.49	-0.62	-0.56	-0.50
All Banks	-1.18	-0.48	-0.47	-0.55	-0.43	-0.07	0.49	0.90	-0.08	0.30

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	2020		2021		2022				
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
State Owned Commercial Banks	4.34	6.49	6.82	6.25	3.71	6.76	6.43	6.18	6.26
Specialized banks	-32.92	-31.86	-32.16	-34.31	-33.62	-33.58	-35.77	-37.27	-40.29
Private Commercial Banks	13.96	13.44	13.26	13.09	13.72	13.22	12.97	12.72	13.80
Foreign Commercial Banks	28.24	28.04	28.46	27.10	25.45	26.00	26.44	30.36	31.56
All Banks	11.64	11.67	11.57	11.22	11.08	11.41	11.15	11.01	11.83

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)*			
	2022				2022			
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
State Owned Commercial Banks	0.16	0.21	0.15	0.18	4.00	5.43	3.92	4.55
Specialized Banks	-3.69	-3.31	-2.74	-2.65	-15.99	-13.68	-10.96	-10.45
Private Commercial Banks	0.54	0.59	0.59	0.71	8.23	9.38	9.45	11.04
Foreign Commercial Banks	2.41	2.57	2.68	2.48	15.15	16.03	16.05	14.65
All Banks	0.45	0.52	0.53	0.62	7.89	9.37	9.48	10.67

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

*: All are annualized except the quarter of December.

Table VII.1: Indicators of Capital Market Developments

	FY21		FY22				FY23			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Number of listed securities ¹	388	403	388	390	395	401	403	404	408	409
Issued equity and debt (billion Taka)	848.8	928.0	848.8	862.5	870.1	913.2	928.0	933.9	947.2	951.9
Market capitalization (billion Taka)	4588.4	4565.8	4588.4	5266.8	4832.5	4793.0	4565.8	4601.6	4471.7	4488.3
Turnover (billion Taka)	2547.0	3169.7	889.0	1191.3	814.3	719.0	445.1	732.4	446.5	297.6
DSE broad index	6150.5	6376.9	6150.5	7329.0	6756.7	6757.8	6376.9	6512.9	6206.8	6206.8
DSE -30 index	2208.4	2295.6	2208.4	2710.5	2532.6	2474.0	2295.6	2330.4	2195.3	2209.4
	Growth in percent (y-o-y)									
Number of listed securities	5.43	3.87	5.43	5.12	5.05	4.97	3.87	3.6	3.29	2.00
Issued equity and debt	12.99	9.34	12.99	12.98	5.25	9.23	9.34	8.3	8.86	4.24
Market capitalization	78.10	-0.49	78.10	51.88	22.85	18.90	-0.49	-12.6	-7.47	-6.36
Turnover	226.38	24.45	1,706.8	154.13	45.32	14.34	-49.93	-38.5	-45.17	-58.61
DSE broad index	54.18	3.68	54.18	47.66	25.08	28.03	3.68	-11.1	-8.14	-8.15
DSE -30 index	64.68	3.95	64.68	59.82	28.95	24.05	3.95	-14.0	-13.32	-10.69

Source: Dhaka Stock Exchange.

¹Include debenture but exclude govt. bond.

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

(In billion Taka)

Name of Group	FY21		FY22				FY23			
	FY21	FY22	Q ₄	Q ₁	Q ₂	Q ₃	Q ₄	Q ₁	Q ₂	Q ₃
Banks	679.6	680.0	679.6	725.3	727.0	711.3	680.0	665.5	666.6	673.2
Financial Institutions	212.0	197.3	212.0	285.4	228.4	200.9	197.3	197.2	188.0	186.9
Mutual Funds	46.2	39.1	46.2	45.3	40.5	40.0	39.1	38.6	38.5	37.3
Engineering	603.9	552.6	603.9	642.7	565.5	553.9	552.6	538.0	525.3	525.3
Food & Allied Product	385.7	392.3	385.7	460.9	445.6	419.8	392.3	381.0	378.6	387.6
Fuel and Power	465.9	475.0	465.9	561.0	469.4	482.2	475.0	456.8	446.2	446.7
Jute Industry	2.0	2.0	2.0	2.3	2.1	2.1	2.0	2.6	3.6	3.1
Textile Industry	147.4	173.0	147.4	185.4	165.9	176.0	173.0	176.4	170.7	166.8
Pharmaceuticals and Chemicals	638.3	710.5	638.3	764.4	716.2	730.0	710.5	752.3	728.3	712.4
Paper and Printing	15.1	27.5	15.1	23.4	34.4	36.2	27.5	44.0	40.0	40.1
Services and Real Estate	20.9	26.1	20.9	30.9	25.6	27.9	26.1	33.3	27.1	30.0
Cement Industry	119.4	118.9	119.4	166.8	127.0	131.0	118.9	124.2	111.1	110.9
Insurance	222.7	166.0	222.7	225.4	214.0	194.1	166.0	160.5	162.4	160.6
Telecommunication	730.6	590.9	730.6	765.2	687.8	655.1	590.9	581.4	580.2	580.2
Miscellaneous	298.3	380.1	298.3	380.6	377.1	399.6	380.1	412.0	404.9	392.0
Corporate Bond	4.1	34.4	4.1	4.1	6.2	33.0	34.4	37.1	37.6	35.1
Total Market Capitalization	4,592	4566	4,588	5,269	4,832	4793	4566	4601	4472	4488

Source: Dhaka Stock Exchange.

Annexure

Major Policy Announcements: January – March, 2023

<p>BRPD Circular No.01; January 01, 2023: Establishment of Export Facilitation Pre-finance Fund (EFPF)</p>	<p>Bangladesh Bank (BB) has formed a fund of Tk 10,000 crore from its own source for export-oriented industries to help them with the procurement of raw materials from local and foreign sources. In addition, the fund has been designed to tackle future challenges in external trade stemming from its journey towards becoming a developing nation.</p> <p>This fund can be used by exporters to import raw materials to manufacture products and export them.</p> <p>Borrowers can take loans from Export Facilitation Pre-finance Fund (EFPF), against up to 4 per cent interest for six months. However, loan tenure can be extended for three more months on a case-to-case basis.</p> <p>Banks will avail the fund at an interest rate of 1.5 percent, and the end users will pay 4 per cent to avail the fund from banks.</p> <p>Besides, if an exporter fails to repatriate export income after taking a loan from this fund, then they will not get any new benefits from EFPF.</p>
<p>FEID Circular Letter No. 02; January 08, 2023: Regarding simplification of documentary formalities for opening Non-Resident Investor's Taka Accounts (NITAs)</p>	<p>Commercial banks are using different sets of documents for opening NITAs that may create ambiguity among the applicants. In order to bring uniformity in opening NITAs in the name of NRBs, ADs are advised to obtain the following documents and information from applicants: i) applicant's valid passport copy; ii) applicant's photograph; iii) applicant's proof of address; iv) reliable source of income of the applicant; v) nominee /authorized person's passport or National Identity Card (NID) copy; vi) nominee/authorized person's photograph.</p> <p>For opening NITAs in the name of non-resident foreign nationals or institutions, ADs shall fix and distribute a unified set of documents to their branches at home and abroad complying with the existing rules and regulations.</p>
<p>MPD Circular No. 01; January 15, 2023: Refixation of Repo and Reverse Repo interest rates of Bangladesh Bank</p>	<p>Bangladesh Bank has raised repurchase agreement or repo rate from 5.75 percent to 6 percent and reverse repo rate from 4.00 percent to 4.25 percent.</p>
<p>FEPD Circular Letter No. 01; January 16, 2023: Long Term Financing Facility (LTFF) under the Financial Sector Support Project (FSSP)</p>	<p>It has been decided to revise the interest rate through amendment of the section 9(b) of the LTFF Operations Manual issued by the above stated circular and circular letter which is as follows:</p> <p>An indicative pricing range of 3.00 ~ 4.00 percent would be applicable to the PFIs until further notice according to the following matrix:</p>

	Tenor	Upto 5 years	Upto 7 years	Upto 10 years
	PFI			
	Banks having CAMELS Rating of 1 (One)	3.00%	3.25%	3.50%
	Banks having CAMELS Rating of 2 (Two)	3.25%	3.50%	3.75%
	Banks having CAMELS Rating of 3 (Three)	3.50%	3.75%	4.00%
SMESPD Circular Letter No. 01; January 18, 2023: Regarding disbursement of loan/investment in working capital sector under 25000 crore refinance scheme in CMSME sector	Bangladesh Bank has formed a refinance scheme Tk. 25000 Crore and the tenure of the working capital will be maximum 12 months. However, the loans can be renewed, if necessary, with subject to the approval of Bangladesh Bank. Refinanced amount against working capital will be recovered from concerned banks and FIs with principal and interest together at a single payment by Bangladesh Bank at the end of the tenure.			
PSD Circular No. 01; February 1, 2023: Providing permission for Card-Based transaction through Contactless payment service by using NFC technology.	Considering the current market condition, an increase in overall card transactions and to encourage people to use electronic payment methods by using Near Field Communication (NFC) technology, Bangladesh Bank give the following instruction: <ul style="list-style-type: none"> a) All types of cards (Debit, Credit, and Prepaid) that are EMVCo compliant can use Contactless Payment by using NFC technology. b) Cards transacted through NFC technology, allowing transactions of up to Tk. 5,000 without a Personal Identification Number (PIN) or a Second Factor Authentication (2FA). c) When the amount exceeds Tk.5, 000 will need to provide your card PIN or 2nd Factor Authentication (2FA). d) Banks must provide SMS notifications for all transactions to ensure customer satisfaction. e) Card issuing Banks or Institutions may increase the single Transaction limit or daily limit at their own risk or own discretion. f) The bank cannot activate Contactless Payment without the customer's prior consent. g) To identify Merchant Points, NFC-enabled cards and POS machines must display the "Contactless logo". If any inconvenience arises regarding cards, card-issuing banks or institutions should provide priority service.			
FEPD Circular No. 02; February 1, 2023:	It has been decided that interest rate on EDF loans disbursements to ADs will be charged by Bangladesh Bank at 3.00% pa, while ADs will charge interest to			

Interest rate on borrowing from Export Development Fund (EDF)	manufacturer-exporters at 4.50% pa until further instructions.
BRPD Circular Letter No. 03: February 2, 2023: Loan Classification and Provisioning.	It has been decided that banks will have to maintain a general provision of 1% on unclassified amounts for loans to Brokerage House, Merchant Banks and Stock Dealers.
PSD Circular Letter No. 01; February 8, 2023: Regarding Augmentation of Bangla QR Code Based Payments	Banks/FIs have to replace their own proprietary QR (if any) by "Bangla QR" within 30 June 2023. For static 'Bangla QR' based transactions, the maximum limit of daily transaction Tk. 20000 for single person account has been postponed. However, Banks/FIs may determine single transaction limit, daily transaction limit and transactions number for Static/Dynamic 'Bangla QR' code based transaction considering their own risk regarding merchant payments. Banks/Institutions will take necessary steps for QR based specially suspicious and large amount transactions by proper verification/observation.
SMESPD Circular Letter No. 03; February 16, 2023: Additional Refinance fund for COVID-19 affected Cottage, Micro, Small and Medium Enterprises (CMSME) sector under 'COVID-19 Emergency and Crisis Response Facility Project (CECRFP, L0415-A)' funded by Asian Infrastructure Investment Bank (AIIB)	To make the fund available for renovation and decoration of existing infrastructure and purchase of short to mid-term asset for the CMSEs, it has been decided to extend the refinance facility to the PFIs against term loan/investment up to three years to CMSEs from September 09, 2021. However, the refinanced amount will be realized after 1 (one) year from the date of refinance along with applicable interest/profit/ charges. In this regard, instructions contained in the serial no.2(e), (h) and (k) of SMESPD Circular No. 06/2021 will be replaced/modified by the following: 2. e) Interest/Profit Rate: The interest/profit rate will be 4% (four percent) for refinancing loan/investment, which will be charged at the time of realization of principal amount of refinance. 2. h) PFI Agreement: All eligible banks and financial institutions must sign a participation agreement to avail the refinance facilities under the project except those already signed agreement under SMESPD Circular No. 06/2021. Banks/FIs have to follow the usual prudential rules and regulations and instructions/ guidelines concerning the CMSME stimulus loan and refinance facilities and Operations Manual of the project. 2. k) Recovery of Refinancing Loan (RL): BB will realize the amount refinanced to a PFI along with applicable interest/profit/charges on completion of 1 (one) year from the date of refinance by debiting their current accounts maintained with the Motijheel Office of BB.

<p>FEPD Circular No. 04; March 06, 2023: Realization of export proceeds</p>	<p>It has been decided to initiate appropriate measures in cases where export proceeds are not realized within prescribed period. In cases of delayed realization, ADs shall apply prevailing exchange rate for encashment into Taka but shall make payments to exporters applying the rate on the date at which the export proceeds should have been realized as per above regulatory instructions. Operational procedures in this regard are as follows: (a) The above decision will be applicable in case of adverse exchange rate difference between ‘due date’ and ‘realized date’ during the period. (b) The difference between Taka proceeds of current rate and previous rate needs to be retained in separate subsidiary ledgers of ADs. (c) ADs shall submit monthly reports with regards to the amount retained in subsidiary ledgers as per Annexure-A to Bangladesh Bank within 10 days of the following month.</p>
<p>FEPD Circular No. 05; March 19, 2023: Repayment of loans availed from Export Development Fund (EDF)</p>	<p>It has been decided that penal interest (compensation in case of Shariah based Islamic Banking) will be charged by Bangladesh Bank to ADs at 4.00% pa above the prevailing interest rate on overdue amount of EDF loans for the delayed period. In accordance with the above decision, ADs will submit a debit authority to Bangladesh Bank for realizing the principal and accrued interest, including penal interest/compensation (as the case may be), at the time of application for EDF loan as per revised Form-A.</p>
<p>SFD Circular No. 01; March 23, 2023: Showing the expenditure related to promote use of Bangla-QR as CSR</p>	<p>Bangladesh Bank has allowed banks to show their expenses related to promotion of Bangla QR in the CSR (corporate social responsibility) accounts, aimed at facilitating cashless transactions in the country.</p> <p>The expenses include merchant discount rate (MDR) and interbank reimbursement fee-related charges at a rate fixed by the Bangladesh Bank (BB) for all payments through the QR.</p> <p>Other allowable expenses are publication and promotion of the QR, activities under cashless Bangladesh campaign and overall payments and infrastructure of the digital transactions in the cattle markets during the upcoming Eid-ul-Azha.</p> <p>The expenses like transportation allowances, food and hotel bills of the bank officers under the cashless Bangladesh campaign cannot, however, be posted on the CSR accounts. Only the banks and financial institutions that participated in the cashless Bangladesh campaign will be eligible to get the facility.</p>

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