



# Bangladesh Bank Quarterly

July-September, 2020  
Volume XVIII, No. 1



Bangladesh Bank Quarterly

Editor: Dr. Md. Habibur Rahman  
Executive Director

Co-Editor: Dr. Md. Ezazul Islam  
General Manager  
Chief Economist's Unit

**Team Members**

Dr. Md. Salim Al Mamun  
Deputy General Manager

Md. Habibour Rahman  
Deputy General Manager

Mohammed Mahinur Alam  
Deputy General Manager

Syeda Ishrat Jahan  
Joint Director

Khan Md. Saidjada  
Joint Director

Mohammad Mizanur Rahman  
Joint Director

Md. Rashel Hasan  
Joint Director

Murad Ullah Bhuiyan  
Joint Director

Raju Ahmed  
Deputy Director

Md. Yousuf  
Assistant Director

Nasrin Akther Lubna  
Assistant Director

Abdullah Al Maruf  
Assistant Director

Povon Chandra Sutradar  
Assistant Director

**Desktop publishing, web-hosting and distribution**

Systems Manager, Information Systems Development and Support Department  
General Manager, Department of Communication and Publications

---

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

[ezazul.islam@bb.org.bd](mailto:ezazul.islam@bb.org.bd)

Website: [bb.org.bd](http://bb.org.bd)

## Content

### Economic and Financial Developments

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

### Policy Note PN2002: Covid-19 Crisis and Fiscal Space for Bangladesh Economy: A Comparative Analysis with South Asian Countries

### Charts

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

- VI.5 Excess of SLR as % of TDTL
- VII.1 Trends in DSEX Index and Turnover
- VII.2 Synchronization of DSE with Global Market
- VII.3 Heat Map for Sectoral Price Earnings Ratio of DSE
- VII.4 Index of Major Sectors
- VII.5 Selected Countries: Stock Market Capitalization

## Tables

- I.1 Macroeconomic Framework: Key Economic Indicators
- I.2 Real GDP Growth by Sectors
- I.3 Nominal GDP by Sectors
- I.4 Crop-wise Agricultural Production
- I.5 Quantum Index of Medium and Large- scale Manufacturing Industries, Mining and Electricity
- I.6 Quantum Index of Medium and Large- scale Manufacturing Industries by Major Industries
- I.7 Cargo Handled by Chittagong Port
- I.8 Trends in Private Sector Credit
- I.9 Bank Advances (Private Sector) by Economic Purposes
- I.10 Trends in Agricultural Credit
- I.11 Micro-credit Operations of Grameen Bank and Large NGOs
- I.12 Industrial Term Lending by Banks and NBFIs
- II.1 Trends in Inflation
- II.2 Commodity Prices in the International Market
- II.3 Inflation in South Asia
- III.1 Movements in Reserve Money
- III.2 Movements in Broad Money
- III.3 Interest Rates Developments
- III.4 Outstanding Stocks of Treasury Bills, Bonds and NSD Certificates
- IV.1 Government Fiscal Operations
- V.1 Balance of Payments
- V.2 Trends in the Commodity Composition of Exports
- V.3 Major Destination-wise RMG Related Exports
- V.4 Export Performance for July-September, FY21
- V.5 Trends in the Commodity Composition of Imports
- V.6 Sector-wise Comparative Statement of the Opening and Settlement of Import LCs
- V.7 Country-wise Workers' Remittances
- V.8 Exchange Rate Movements
- V.9 Trends in Foreign Aid
- VI.1 Gross NPL Ratios by Type of Banks
- VI.2 Net NPL Ratios by Type of Banks
- VI.3 Capital to Risk Weighted Asset Ratios by Type of Banks
- VI.4 Profitability Ratios by Type of Banks
- VII.1 Indicators of Capital Market Developments
- VII.2 Group-wise Market Capitalization of Dhaka Stock Exchange

## Annexure

Chronology of Major Policy Announcements: July-September, 2020

# **Economic and Financial Developments**

## Executive Summary

*A broad-based recovery in economic activities started in Q1FY21 which is reflected in key macroeconomic indicators well supported by fiscal and monetary measures in response to COVID-19 pandemic. The recovery was evidenced in resilient agriculture, robust industry and fairly performed service sectors. Exports turned around registering a 2.58 percent growth in Q1FY21, reflecting strengthened external demand. A strong growth in remittance inflows by 48.60 percent helped boost domestic demand, particularly consumption in Q1FY21.*

*Although headline CPI inflation (p-t-p) remained broadly stable, it nudged slightly up in Q1FY21, reaching 5.97 percent in September 2020, driven by food inflation. Food inflation picked up to 6.50 percent in September 2020, triggered mainly by supply disruptions because of floods in the north-western part of the country and rising food prices in the global markets, among other factors. On the other hand, non-food inflation declined to 5.12 percent in September 2020 on account of subdued demand of many non-food items in the face of COVID-19.*

*The current account balance turned into a surplus of USD 3534 million in Q1FY21 led by hefty remittance inflows in tandem with a rebound in export growth. Consequently, the overall balance of payment resulted in a surplus of USD 3098 million in Q1FY21. Despite the large surplus in BOP, nominal exchange rate of BDT against USD remained broadly stable as a consequence of BB's net purchase of USD 2427 million during the quarter under review.*

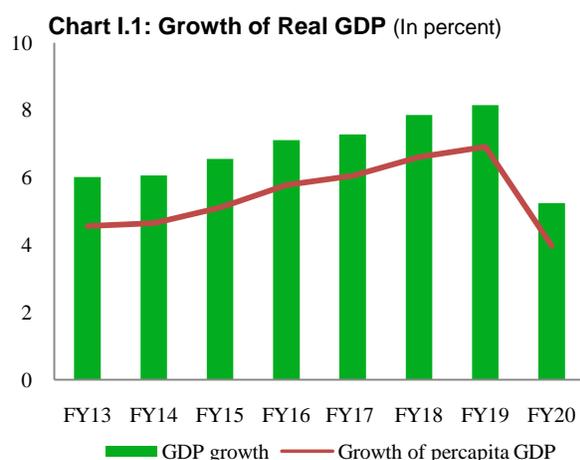
*M2 growth edged up to 13.92 percent (y/y) at the end of Q1FY21, hinging upon a robust NFA growth on the back of inflows of huge remittance and foreign loan. Although the growth of credit to the private sector recovered slightly to 9.48 percent in September 2020 with the favor of easy monetary policy, lower than the target for December 2020. On the other hand, the growth of public sector credit moderated somewhat because of a large inflow of foreign loans, and a rise in the sale of national saving certificates.*

*The downward revision of policy rates pulled interest rates down in the inter-bank money markets and retail markets. The weighted-average interest rate on lending moderated further to 7.79 percent in September 2020, remaining well below the ceiling of 9.0 percent. The overall banking sector performance improved in Q1FY21, reflected in a decline in ratio of non-performing loan aided by the loan moratorium facility, a rise in capital adequacy, and an enhancement of provision to be maintained against classified loans. Favored by the expansionary monetary policy and appropriate capital market policy supports, the capital market bounced back during the period under review, which is visible in rising share prices, turnover, and market capitalization.*

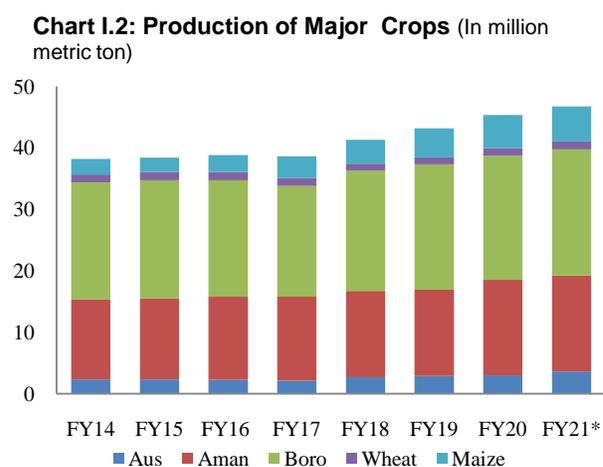
*Looking forward, the pace of recovery in economic activities during the quarter may continue in the coming quarters, aided by appropriate policy support. However, the severity of COVID-19's second wave, uncertainties regarding the quick availability of vaccine and its effectiveness and slower global economic recovery are the concern for growth outlook in the near and medium term. Enhancing the implementation of stimulus packages in a proper way and keeping effective vigilance are required for maintaining growth momentum and macroeconomic stability.*

## I. Real Economy

1.1 During Q1FY21, economic activities gained momentum after COVID-19 pandemic-driven slowdown supported by an upsurge in the industry sector, fairly performed service sector and resilient agriculture sector. Although Gross Domestic Product (GDP) fell to 5.24 percent in FY20 from a record high of 8.2 percent achieved in FY19 as shown in Chart I.1, available indicators until September 2020 suggest that the economy is likely to recover in FY21, supported by expansionary monetary and fiscal policies. Large and medium scale manufacturing output experienced an upsurge, reflecting strengthened export demand. The service sector achieved robust and fair performance supported by considerable growth in bank credit to trade and commerce and consumer finance along with increased volume of cargo handled through ports. The agriculture sector was resilient despite flooding along major river systems of the country and impaired supply chain amid COVID-19 situation. On the other hand, strong growth in remittance inflows, rise in imports, recovery in private sector credit growth, and high government spending for implementing the stimulus packages supported domestic demand.



Source: Bangladesh Bureau of Statistics (BBS).



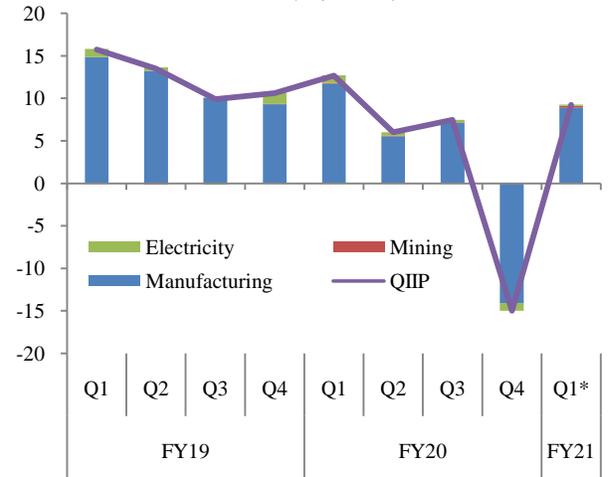
\*As target set by DAE, Aus indicates actual production for FY21. Source: Department of Agriculture Extension.

1.2 The agriculture sector maintained robust activities during Q1FY21 as the sector was less affected by the COVID-19 with fewer cases of infections in rural areas. Production of harvested Aus rice, the first crop of the fiscal year, witnessed a sizable growth of 23.5 percent in FY21, aided by favorable weather conditions and timely availability of finance and inputs (Chart I.2). The actual growth is higher than the target as reported by the Department of Agricultural Extension (DAE). Although the data of Aman rice production has not yet been finalized by DAE, it achieved higher than the targeted acreage (Table I.4).

However, the target of Aman rice production (15.6 million metric tons in FY21) might be affected, as some part of the Aman crop in the south-western and northern part of the country was damaged by the recent floods. Government took prompt actions for distribution of Aman seedlings to avoid the flood damages. Besides, 20.5 million metric ton of Boro rice was targeted to produce in this fiscal year. Among other major crops, production targets of wheat and maize were set at 1.3 and 5.7 million metric tons (mmt) in FY21, indicating a 4.3 percent and a 5.4 percent higher than the actual production of FY20, respectively (Chart I.2). It is expected that the agriculture sector would maintain its robust growth rate in FY21 aided by government’s prompt actions addressing any natural disasters.

1.3 Industry sector turned around from the pandemic deadlock suggested by the faster-than-expected growth in the Quantum Index of Industrial production (QIIP). In Q1FY21, QIIP grew by 9.24 percent after a negative growth (-15.55 percent) in Q4FY20 caused by the pandemic driven disturbances, and reached the levels to the earlier quarters before FY20 (Table I.5). This sharp growth in QIIP was mainly led by the manufacturing sector (Chart I.3). Available data on July FY21 shows that large and medium scale manufacturing output growth accelerated to 9.80 percent in Q1FY21 from -15.55 percent in

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



\*Based on July 2020

Source: BB Staff’s calculation based on BBS data

Q4FY20 driven by the double-digit growth of textile (15.88 percent), pharmaceuticals (24.76 percent), non-metallic mineral products (10.55 percent), leather production (69.49 percent), and chemical and chemical product (55.62 percent) (Chart I.4). However, bank credit to industry sector (9.3 percent) remained subdued in the quarter under review, reflecting lower demand mainly because of loan moratorium facilities.

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

	Weight	FY19				FY20				FY21
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1*
General Index of Manufacturing	100	16.5	13.4	11.0	10.2	6.0	6.9	7.7	-15.5	9.8
Food products	10.8	4	7	8	10	17	11	17	5	5
Beverage	0.3	4	-16	3	34	6	45	18	-50	-7
Tobacco product	2.9	0	-28	-26	0	5	2	1	10	-7
Textile	14.1	2	-2	2	7	16	22	17	2	16
Wearing apparel	34.8	19	20	12	7	-1	-9	-8	-50	0
Leather and related product	4.4	19	40	14	6	2	-5	2	-1	69
Wood and product of wood and cork	0.3	4	5	5	6	7	8	5	5	1
Paper and paper products	0.3	1	1	1	1	1	8	5	10	19
Printing and recorded media	1.8	9	9	12	11	11	15	14	14	1
Coke and refined petroleum product	1.3	0	-2	-1	-1	6	-41	-51	-60	-29
Chemical and chemical product	3.7	41	27	34	29	-27	-4	-4	-3	56
Pharmaceuticals products	8.2	38	17	27	26	12	52	36	32	25
Rubber and plastic products	1.6	12	6	6	6	6	6	2	-14	-7
Non-metallic mineral product	7.1	21	10	10	12	11	19	27	-6	11
Basic metal	3.2	4	1	-1	-1	1	4	4	-38	-17
Fabricated metal product	2.3	10	7	8	9	2	6	6	-13	50
Computer and electronic products	0.2	3	36	72	44	93	70	10	-65	-5
Electrical equipments	0.7	-37	20	-11	34	-1	-26	-8	-21	119
Machinery and equipments	0.2	19	18	11	19	25	20	24	7	1
Motor vehicles and trailers	0.1	237	215	119	-38	-36	-67	-51	-57	-68
Transport equipment	0.7	-1	-5	-2	1	11	22	4	-15	2
Furniture	0.9	15	0	5	0	1	-3	-1	-16	-9

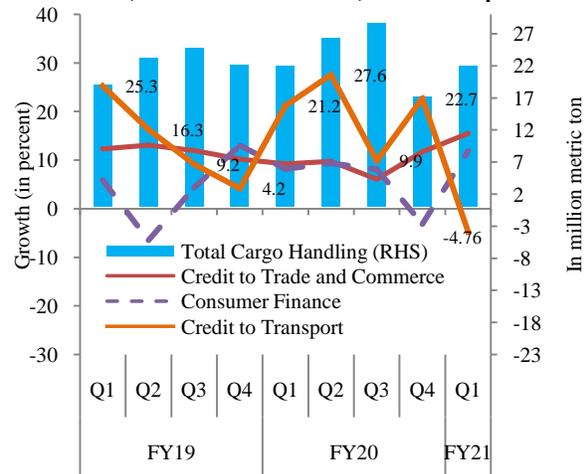
Source: BB staff's calculation based on BBS data.

\*Based on July 2020.



1.4 Service sector-related activities started climbing out from their pandemic depths as reflected in the significant increase in the growth of bank credit to trade and commerce (15.5 percent) and consumer finance (11.9 percent) in Q1FY21. However, growth of credit to transport declined to -4.76 percent during July-September 2020, reflecting lower demand after a high growth of 22.7 percent during April – June 2020. Total cargo handled through the port increased in this quarter and reached the level of the same quarter of the previous year (Chart I.5).

**Chart I.5: Total Cargo Handled, Credit to Trade and Commerce, Consumer Finance, and Transport**



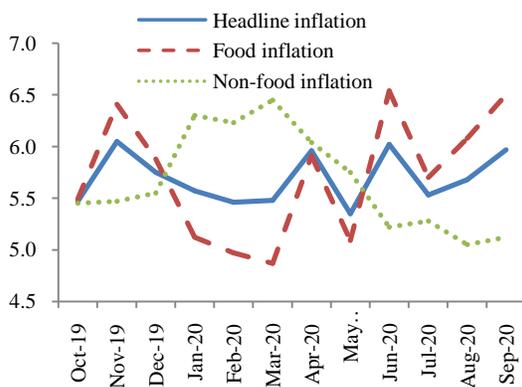
Source: Chattogram Port Authority and Statistics Department, Bangladesh Bank

I.5 Looking ahead, faster recovery of Bangladesh economy as reflected in sector-wise performance for the first quarter of FY21 suggests that the economy will grow at or close to pre pandemic levels for FY21. However, COVID-19 pandemic is still a concern which may disrupt the normal business activities and hamper the growth targets if the adversities of second wave of the pandemic are severe on domestic economy.

## II. Price

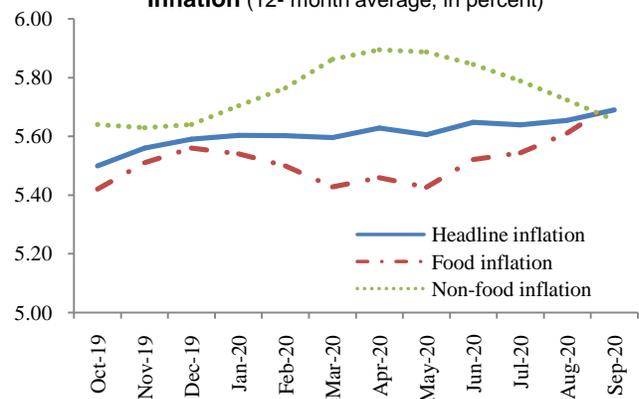
2.1 Headline inflation, as measured by annual percentage change in the Consumer Price Index (CPI, base: FY06=100), remained broadly stable over the year until September 2020, kept within reasonable bounds at close to 6 percent or below, though exhibiting a slightly upward trend in between the months of Q1FY21. Headline CPI inflation (point to point) had declined to 5.53 percent in July 2020 from an uptick of 6.02 percent in June 2020, but, thereafter, increased gradually to 5.97 percent in September 2020. This recent trend mainly reflected supply side disruptions stemmed from flood in food production area in the county, contributing to constant rise in food inflation since July 2020, while non-food inflation continued moderating (Chart II.1). Similarly, on the 12-month average method, headline inflation crept up gradually to 5.69 percent in September 2020 (Chart II.2).

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



Source: Bangladesh Bureau of statistics

**Chart II.2 12-Month Average Headline CPI Inflation (12- month average, in percent)**



Source: Bangladesh Bureau of statistics

2.2 Point-to-point food inflation, dominating headline inflation in Bangladesh with food items' larger weight in the CPI basket, increased continuously to 6.50 percent in September 2020 from 5.70 percent in July 2020, while witnessed a one-off rise to 6.54 percent in June 2020 after 5.09 percent in May 2020. The recent rise in food inflation can be attributed in line with the crop loss by the floods in the north-western part of the country and the recovery of food prices in the global market, among others. The impulse to food inflation was concentrated mostly in rice, vegetables, and pulses as prices of these items

increased more than 11.0 percent, at least, in August and September 2020 (Table II.1). Despite having a sufficient buffer stock because of good harvesting, and a moderation of rice price in the global market, rice price in the domestic market increased by 14.30 percent (y/y), on average, in Q1FY21, indicating the need for strict market monitoring so that non-economic factors, if any, such as collusive behaviour of rice millers and merchants can be removed. During this period, the index of vegetable prices rose by 12.13 percent (y/y), on average, driven by 70 percent hike of potato price in addition to the impaired vegetable production by the floods.

**Table II.3: Point-to-point Inflation Heat Map** (In percent)

Headline	Weights	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
<b>Food, beverage and tobacco</b>	<b>56.18</b>	5.31	5.49	6.41	5.76	5.12	4.97	4.87	5.91	5.09	6.54	5.70	6.08	6.50
<b>1. Food</b>	<b>52.17</b>	4.88	5.09	6.83	6.13	5.39	5.15	4.70	5.70	4.85	6.59	5.82	6.42	7.15
(a) Cereals	21.62	-4.33	-4.95	-0.57	3.07	-2.75	-1.45	3.52	12.13	10.46	12.10	12.20	11.98	16.19
(i) Rice	20.31	-4.83	-5.52	-0.85	2.82	2.61	-1.65	3.36	12.48	10.78	12.87	12.97	12.70	17.18
(ii) Other cereals	1.30	4.24	4.72	3.95	5.53	6.15	0.51	6.28	6.31	5.53	0.37	0.72	0.70	0.74
(b) Pulses	1.51	-11.3	-0.8	5.4	16.3	13.7	14.5	22.7	43.5	39.1	28.5	29.7	24.9	22.1
(c) Fish (fresh) & dry fish	6.98	12.6	11.5	-8.9	-8.6	-7.4	-5.9	-5.8	-7.1	-6.6	-8.9	-9.8	-10.3	-10.6
(d) Eggs and meat	4.94	5.8	6.0	3.8	4.2	4.9	5.0	5.0	4.1	5.1	4.6	6.1	5.4	4.2
(e) Vegetable	4.78	10.4	6.4	9.8	12.2	21.2	11.9	-4.9	-19.6	-16.2	4.7	1.4	15.4	18.8
(f) Fruits	1.85	15.7	14.6	10.9	9.9	12.1	12.9	10.9	7.0	-0.8	5.7	9.5	-3.5	-4.9
(g) Spices	4.29	16.0	25.7	63.6	38.1	42.2	41.2	32.8	29.5	26.7	17.8	11.7	12.4	4.7
(h) Edible oils & fats	1.93	4.1	3.9	3.2	3.0	1.6	1.6	2.0	6.9	6.9	5.3	4.4	4.1	3.9
(i) Milk and milk products	2.05	7.2	7.0	7.2	6.3	8.0	8.1	8.1	2.9	1.4	2.3	-0.7	-1.7	-1.8
(j) Miscellaneous food items	2.24	12.4	11.7	10.2	7.2	9.3	9.1	10.3	12.0	10.3	9.8	9.2	7.7	6.5
<b>2. Beverage</b>	1.34	2.6	2.6	2.3	2.2	2.1	2.1	2.1	2.0	2.0	2.0	-0.1	-0.2	-0.2
<b>3. Tobacco and products</b>	2.67	10.1	10.0	2.9	2.8	2.9	3.7	7.1	8.8	8.0	6.9	5.6	3.9	1.4
<b>Non-food</b>	<b>43.82</b>	5.9	5.4	5.5	5.7	6.3	6.2	6.4	6.0	5.8	5.2	5.3	5.1	5.1
I. Clothing and footwear	6.84	5.6	5.0	4.9	5.5	4.8	4.8	4.9	3.6	1.6	1.7	1.7	1.5	1.3
II. Rent, fuel & lighting	14.88	5.7	5.6	5.6	5.6	7.3	7.3	7.7	7.7	7.7	7.2	6.1	5.9	6.0
III. Household furniture, operations and repairing	4.73	6.9	5.7	5.9	6.7	7.2	6.9	7.1	6.8	6.7	4.2	4.8	5.5	4.5
IV. Medical care & health expenses	3.47	5.8	5.7	5.7	5.8	7.8	7.8	7.9	8.0	10.6	10.2	10.3	8.4	8.7
V. Transport and communication	5.80	6.5	5.7	5.7	5.7	5.5	5.4	5.4	5.0	4.5	4.2	5.6	5.3	6.2
VI. Recreation and educational expenses	4.28	2.3	2.4	2.4	2.4	1.4	1.4	1.5	1.3	1.3	1.2	1.2	1.1	1.3
VII. Miscellaneous goods and services	3.82	8.6	7.5	7.8	8.0	8.9	8.6	9.0	8.4	8.4	7.9	9.5	8.8	9.3

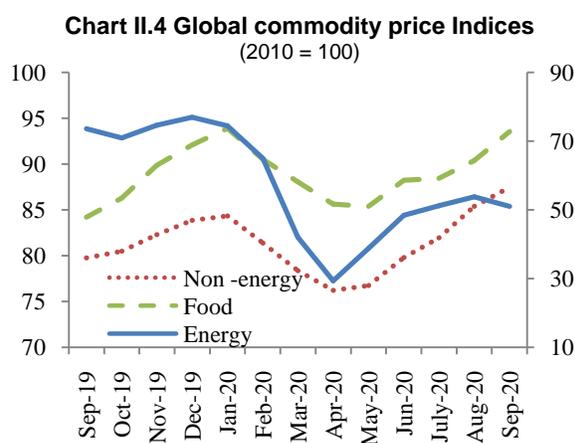


Source: BB staff's calculation based on BBS data

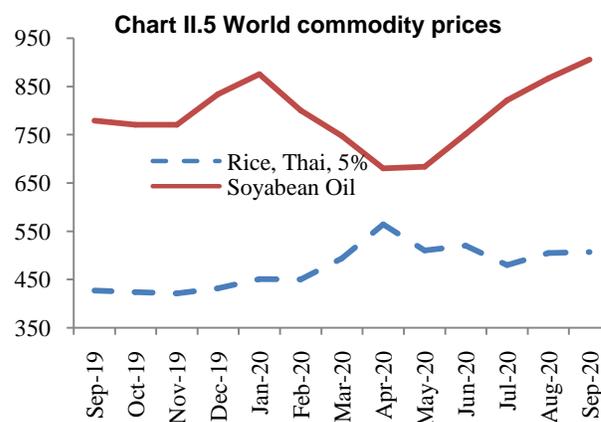
2.3 On the other hand, point-to-point non-food inflation, which had been contributing progressively to headline inflation, and came down to 5.12 percent in September 2020 from 6.45 percent in March 2020, reflecting weakened demand for the non-food items in the wake of COVID-19 pandemic. Among non-food items, clothing and footwear, and recreation and educational expenses witnessed least inflation which was not only on account of subdued demand originated from lower purchasing power but also due to being considered as less essential during the pandemic period. However, the price of medical care and

health services increased by 9.14 percent on average during the period under review, reflecting a higher demand in the wake of the pandemic (Table-1).

2.4 World commodity prices witnessed a moderate recovery during July – September 2020 (Chart II.4). Energy prices rebounded from its historic low in April 2020, backed by rise in crude oil price as a repercussion of sharp supply cut by OPEC+ and a modest rise in oil consumption, while economic activities recovering slowly. On the other hand, non-energy as well as food prices have shown lesser volatility than energy prices during the pandemic period. Food prices just came back to the pre-pandemic level in September 2020, while non-energy prices rose beyond that level. Among food commodities, soybean oil price exhibited a fresh surge, as the inventory of palm oil came down.



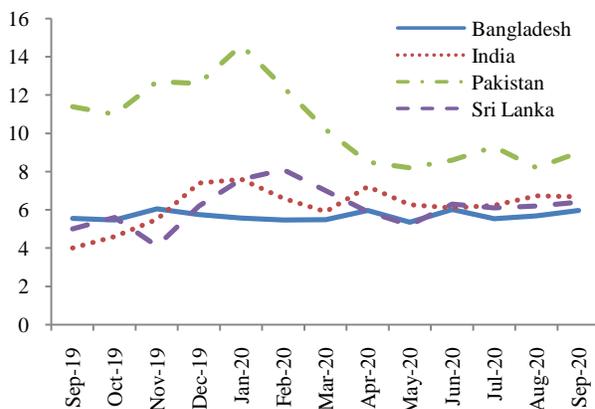
Source: World Bank



Source: World Bank

2.4 Point-to-point headline inflation in selected South Asian Countries followed an upward trend in the first quarter of FY21. Inflation in India and Pakistan increased moderately to 6.7 and 9.0 percent in Q1FY21 from 6.1 and 8.6 percent, respectively in the last quarter of FY20. Meanwhile, point-to-point inflation in Sri Lanka marginally increased to 6.4 percent in Q1FY21 as compared to 6.3 percent in Q4FY20 (Chart II.5).

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

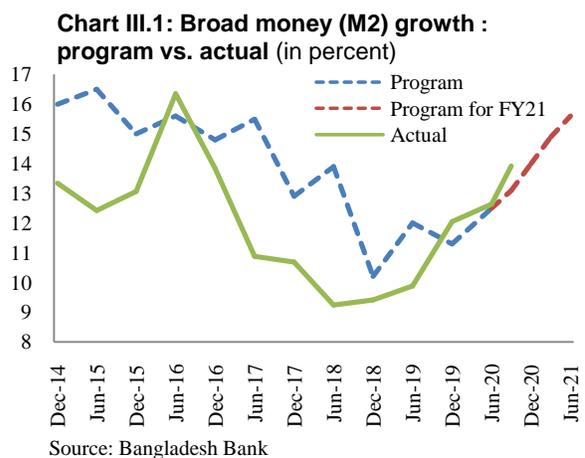


Sources: Central Banks and Statistics Department of respective countries

2.5 Looking ahead, the current subdued economic situation may not entail significant upside pressure from the demand side. Nonetheless, the recent upward trend of global food prices in the face of crop losses in many African countries which relating to floods and the instability of edible oil prices might be a potential source of food inflation in Bangladesh. In addition, BB’s policy relaxations and low cost refinancing lines of credit along with government’s stimulus packages injected huge liquidity in the economy causes some upside risks to headline inflation in the medium term, reinforcing the need for the implementation of the packages in the priority and productive sectors.

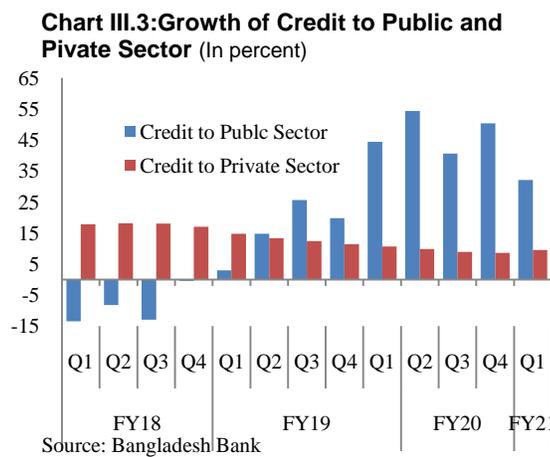
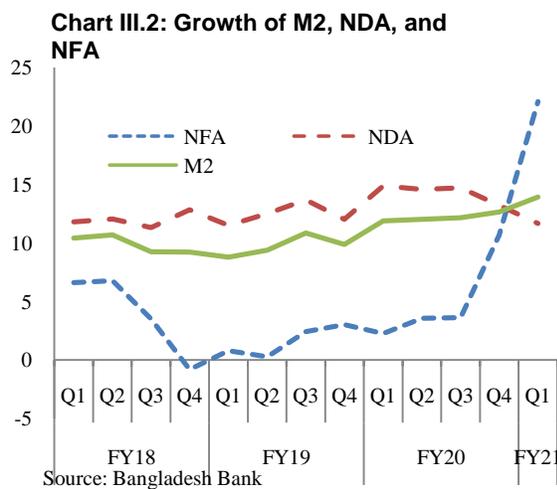
### III. Money and Credit Market

3.1 To accommodate the government's supportive policies and implement stimulus packages in view of cushioning the economy against the adversities of COVID-19 pandemic, Bangladesh Bank (BB) set an expansionary monetary policy for FY21. BB made the policy relaxations through slashing the policy rates including repo rate, reverse repo rate, cash reserve ratio (CRR), and bank rate to ensure adequate finance at a lower cost to the priority and productive sectors, particularly in agriculture; cottage, micro, small and medium enterprises (CMSMEs), and manufacturing industries, among others, without impairing price stability. The expansionary policy stance set broad money (M2) growth target at 14.00 and 15.60 percent for December 2020 and June 2021, respectively (Chart III.1).

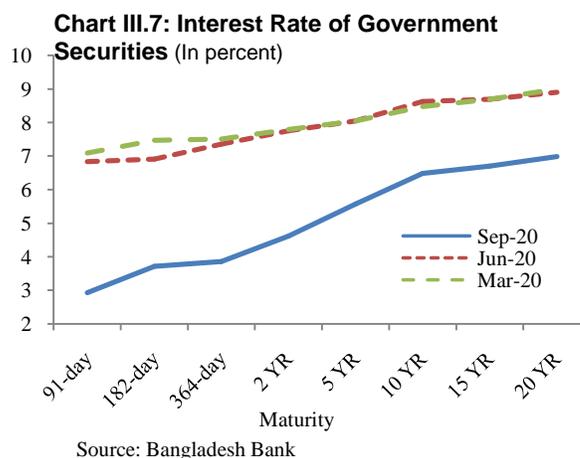
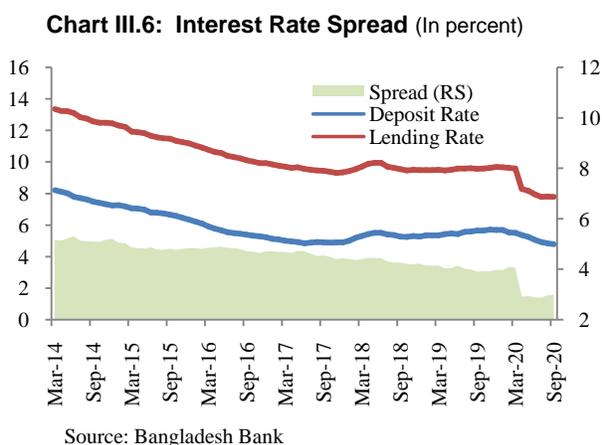
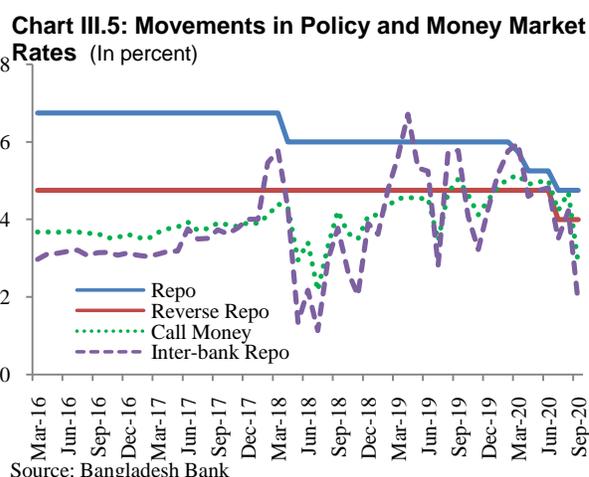
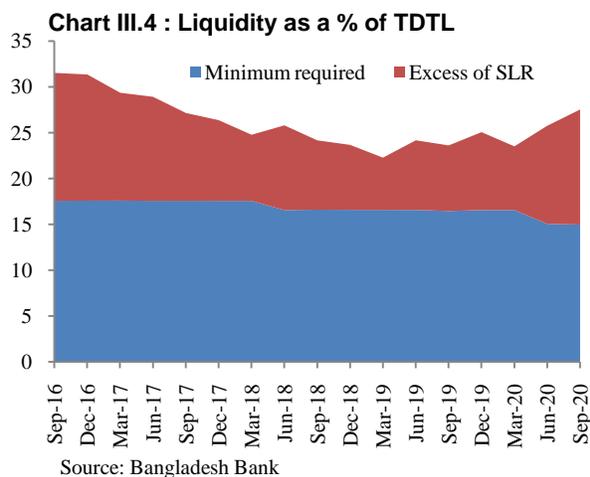


3.2 Broad money (M2) growth was closely in line with the program path at the end of Q1 FY21, supported by a strong pickup in the net foreign asset (NFA). M2 grew by 13.92 percent (y/y) at the end of September 2020, which is considerably higher than 11.89 percent growth at the end of September 2019 and 12.64 percent at the end of June 2020 (Chart III.1). Amid the COVID-19 pandemic induced global economic slowdown, net foreign asset (NFA) registered 22.07 percent growth (y/y) in Q1FY21 (Chart III.2), aided mostly by a strong surge of inflows of remittance by 48.54 percent and foreign loans by 53.72. Despite a high growth of credit to the public sector, the slower growth of credit to the private credit pulled down the growth of net domestic asset (NDA) to 11.67 percent at the end of September 2020 from 14.87 percent at the end of September 2019 and 13.20 percent at the end of June 2020 (Chart III.2). On

the back of a large inflow of foreign loans and a rise in the borrowing through selling of national saving certificates, the growth of credit to the public sector moderated somewhat; nonetheless it remained as high as 32.02 percent at the end of Q1FY21 (Chart III.3), reflecting government's lower than expected revenue collection in the pandemic period. Although the growth of credit to the private sector started picking up with BB's policy supports and implementing government's stimulus package aimed at faster growth recovery of the economy, it still remained as low as 9.48 percent at the end of September 2020 against the target of 11.50 percent and 14.80 percent for December 2020 and June 2021, respectively (Chart III.3). In the period ahead, the growth path of credit to the private sector will recover with an expectation that intensity of the effects COVID-19 would be lesser in the second wave and the vaccine would be available soon.



3.3 To make the banking system's liquid consistent with money and credit growth targets, the BB cut its cash reserve ratio (CRR) by 150 basis points (from 5.50 percent to 4.00 percent) in two steps during March-April 2020. In addition, to reduce the cost of borrowings, the BB also slashed its repo rate and bank rate by 125 basis points (from 6.00 percent to 4.75 percent) in three steps during March- July 2020 and 100 (5.00 percent to 4.00 percent) basis points in July 2020, respectively (Chart III.5). Reverse repo rate was decreased to 4.00 percent in July 2020 after remaining unchanged at 4.75 percent since January 2016. To rationalize the interest rates of refinance schemes, the BB also reduced the bank rate from 5.00 to 4.00 percent in July 2020, which had been stayed unchanged at 5.00 percent since 2003.



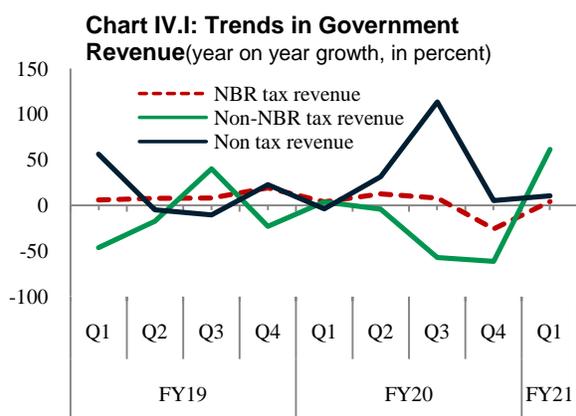
3.4 These policy relaxations had a significant impact on liquidity in the banking system. The ratio of total liquid asset to total demand and time liabilities (TDTL) increased to 27.52 percent in Q1FY21 as compared to 23.5 percent Q3FY20 (Chart III.4). Similarly, liquid asset excess of SLR to TDTL rose to 12.55 percent from 6.9 percent at the same period. Consequently, interest rate in the call money market and interbank repo rate dropped to 2.87 and 1.84 percent in September 2020 from 5.14 and 5.96 percent in March 2020 as well as from 5.01 and 4.82 percent in June 2020, respectively (Chart III.5). Likewise, interest rates in the retail market also witnessed significant decline, but at a varying speed. The weighted-average interest rate on lending declined to 7.79 percent in September 2020—significantly lower than the 9.0 percent cap set by the government effective on 1 April 2020 – from 9.58 percent in March 2020 and 7.95 percent in June 2020 (Chart III.6). Similarly, the weighted-average interest rate on deposit declined to 4.79 percent in September 2020 from 5.51 percent in March 2020 and 5.06 percent in June 2020. As current interest rate on deposit is lower than inflation, the deposit rates seem to be negative in real term. Given the prevailing higher interest rates on national saving certificates—an alternative instrument for savings—the current level of interest rates on deposits might be difficult to sustain..

3.5 The moderation in the government borrowings from banks on the back of large inflows of remittance and foreign against the rise of liquidity in the banking system led to a precipitous fall of yields on all type of government securities (Chart III.7). However, the fall was more pronounced in case of shorter term securities as shown in the less flattened line for September 2020.

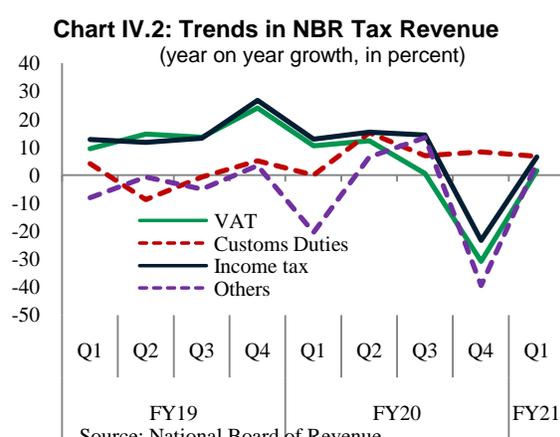
#### IV. Fiscal Sector

4.1 The fiscal deficit narrowed in Q1FY21 as the overall revenue collection increased and government spending declined, although government pledged to ramp up spending to stimulate the economy. The revenue collection edged up supported by the moderate growth in customs duties and income tax as the economy gradually resumed normal operation after economic slowdown caused by the lockdown to prevent the spread of COVID-19 pandemic. The slower expenditure was mainly due to lower current and annual development expenditure during this quarter under review compared with the same quarter of the previous fiscal year. In financing the budget deficit, government mostly relied on domestic sources, which constituted about 89 percent of overall deficit financing needs with foreign sources contributing the rest.

4.2 Growth in revenue collection grew by 6.3 percent in Q1FY21 compared with 2.5 percent in Q1FY20. In Q1FY21, NBR tax collection, which is about 80 percent of total revenues, rose by 4.1 percent to BDT 499.9 billion from BDT 480.2 billion in Q1FY20 (Chart IV.I). The customs duties (6.7 percent) and income tax (6.5 percent) were the main drivers of NBR revenue collection (Chart IV.2). Total revenue collection stood at BDT 632.4 billion (2.0 percent of GDP) during the quarter met about 16.7 percent of the annual budget target BDT 3780.0 billion for FY21.

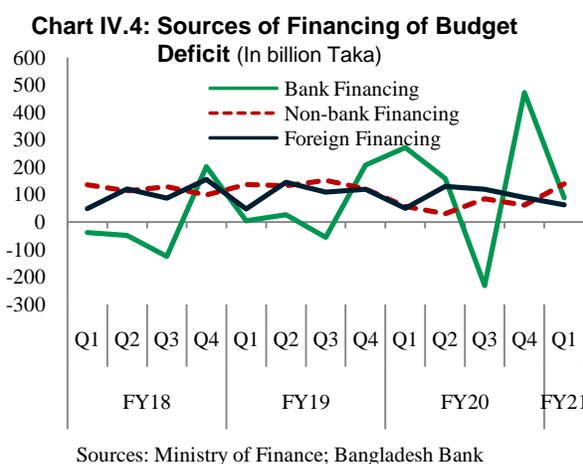
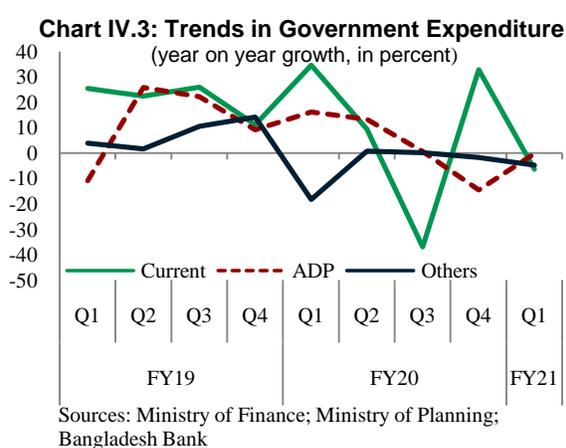


Sources: National Board of Revenue; Ministry of Finance



Source: National Board of Revenue

4.3 The consolidated fiscal spending slightly went down with a slower growth in current and annual development expenditure in Q1FY21 (Chart IV.3). As a share of total expenditure, current expenditure decreased by 6.3 percent to BDT 696.8 billion and annual development program (ADP) expenditure slightly decreased by 0.2 percent to BDT 173.0 billion. Total expenditure amounted to BDT 922.5 billion (2.9 percent of GDP) in Q1FY21, which was about 16.2 percent of the annual budget target of BDT 5680.0 billion for FY21.



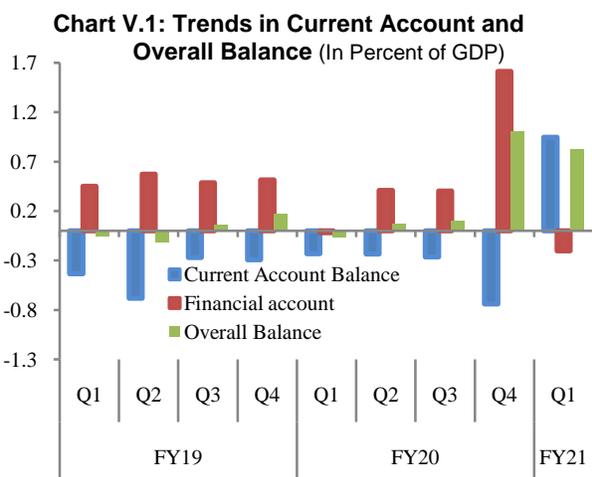
4.4 Increasing growth in revenue collection and declining growth in expenditure led to a narrowed total fiscal deficit in Q1FY21 compared with that of the same period of FY20. The deficit reached BDT 290.1 billion during Q1FY21, which was about 23.1 percent lower compared with that in Q1FY20. In the first quarter of FY21, budget deficit stood at 0.9 percent of GDP and 15.3 percent of yearly budget targets.

4.5 The total domestic financing amounted to BDT 227.8 billion (0.7 percent of GDP) in Q1FY21 compared with BDT 327.5 billion (1.2 percent of GDP) in Q1FY20. Of the domestic sources, BDT 88.50 billion was met from the banking system and BDT 139.29 billion from non-bank sources in Q1FY21. The foreign financing amounted to BDT 62.34 billion (0.2 percent of GDP) in Q1FY21 which was 24.6 percent higher than Q1FY20.

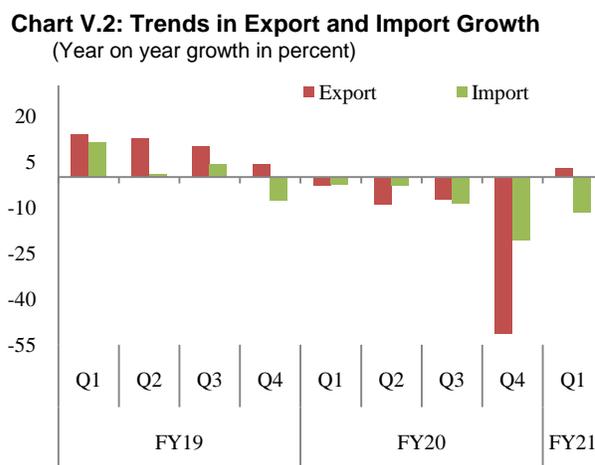
## V. External Sector

5.1 Bangladesh's external sector bounced back from the pandemic induced supply disruptions in the first quarter of FY21 in tandem with recovery of global trade. On year-on-year (y/y) basis, a strong growth in remittance inflows (48.6%), a rebound in export growth (3%) from a negative growth in the previous quarter and a negative import growth (-11%) resulted in a current account surplus of USD 3534

million in Q1FY21, compared with a current account deficit of USD 2439 million in Q4FY20. Conversely, with negative growth in FDI inflows (-24%) and other investment (-198%), the financial account (FA) turned into a significant deficit of USD 799 million, after posting four years of surplus, though medium and long-term (MLT) loans rose by 54 percent during the period under review. However, the strong surplus in CAB was sufficiently outweighing the deficit in FA during Q1FY21, resulting in an overall BOP surplus of USD 3098 million compared with an overall deficit of USD 204 million in Q1FY20.



Source: Bangladesh bank



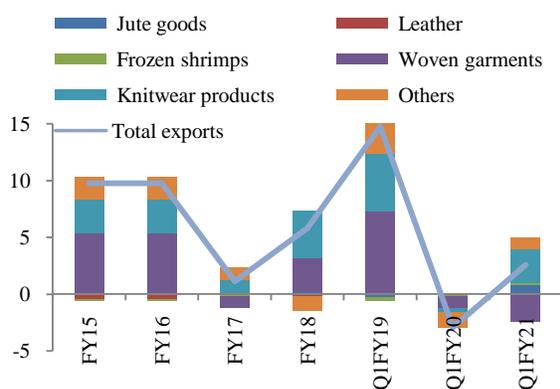
Source: Bangladesh bank

5.2 After a notable fall in the last quarter of FY20, total export earnings (USD 9,697 million) posted a 2.97 percent growth (y/y) in Q1FY21, mainly backed by a rebound in readymade garments export growth with strong growth in raw jute (23.76%) and jute goods (42.03%). Bangladesh's leading export item, readymade garments, registered a 0.86 percent growth on account of an increase in export demand in Europe (2.39%) and USA (5.98%), underpinned by the resumption of economic activities in these economies. The decomposition of exports by categories displayed that the export of primary and manufacturing grew at a rate of 4.0 percent and 2.5 percent respectively during Q1FY21

5.3 Imports growth continued its negative trend in Q1FY21 but at a moderate pace. Imports fell by 11.47 percent in Q1FY21 compared with a fall of 20.7 percent in Q1FY20. The decrease in import payments is attributable to a substantial decline (-10.56%) in consumer and intermediate goods (58.5% of total imports) along with drastic fall (-23.23%) in capital goods and others of total imports (20.75% of total imports). The decline was partially offset by a strong growth in wheat (57.8%) imports during the quarter under review. Rice imports were of insignificant amount due to favorable domestic production.

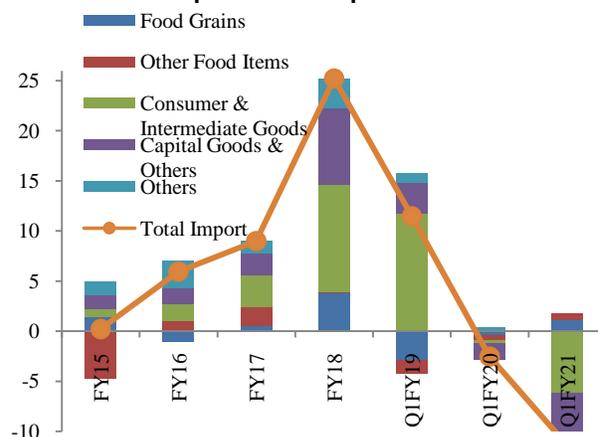
However, imports started bouncing back to its pre-pandemic trend as economic activities, including mega projects of the government, began to resume.

**Chart V: Decomposition of Export Growth**



Source: BB staff's calculation based on EPB data

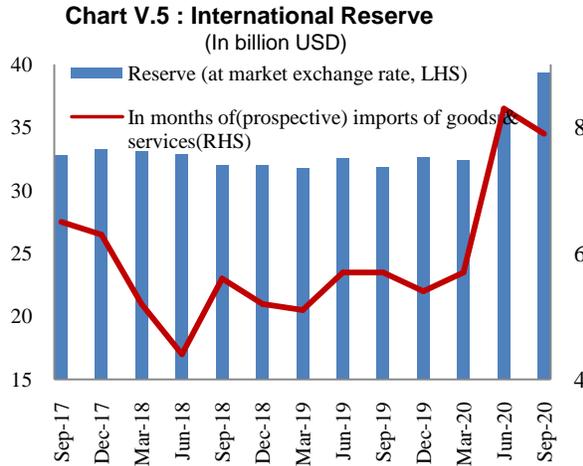
**Chart V: Decomposition of Import Growth**



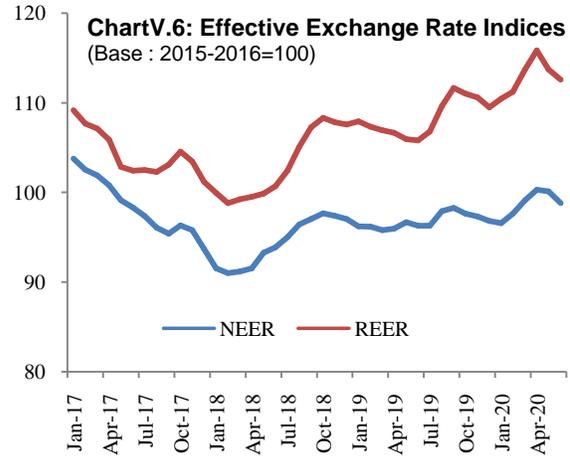
Source: BB staff's calculation based on EPB data

5.4 Remittance inflows grew at the rate of 48.6 percent, in Q1FY21, which is the highest ever in Bangladesh's history. The remarkable growth in remittance inflows mostly came from the Gulf region (43.23%) which accounted for 57 percent share of total inflows. In particular, the remittance inflows from Saudi Arabia (about 24% of total remittances) shot up from 31.62 percent in Q4FY20 to a whopping 70.4 percent of total remittance inflows in Q1FY21. Remittances from Europe and Asia Pacific region also increased significantly. Various government policy measures such as relaxation of conditions for incentives including an extension of document submission time from 15 days to 2 months and a pandemic-induced slump in transactions through informal channels supported to strong remittance growth.

5.5 The financial account recorded a deficit in Q1FY21 after four years of surplus mainly because of a decline in FDI and a large (USD 1120 million) payment of deposit money banks (DMBs) and non-bank depository corporations (NBDCs) external liabilities. Although inflows of medium and long term (MLT) loans grew more than 50 percent, inflows of DMBs & NBDCs (net) fell which resulted in a financial account deficit. Total foreign loans and aids grew by 54.4 percent to USD 1437 million in Q1FY21 resulting from 70.1 percent growth in grants and 53.9 percent growth in loans.



Source: Bangladesh bank

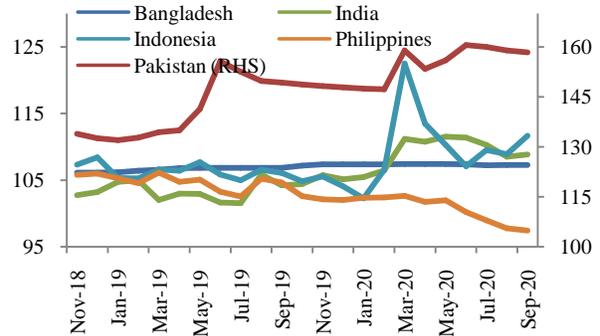


Source: Bangladesh bank

5.6 Recent surge in remittance inflows together with low import payments exerted an appreciation pressures on Bangladesh Taka (BDT) against US Dollar (USD). To stabilize the exchange rate, Bangladesh Bank intervened in the foreign exchange market with a net purchase of USD 2,427 million during Q1FY21 and consequently nominal exchange rate of BDT/USD depreciated slightly. Besides, led by USD depreciation against major currencies, the nominal effective exchange rate (NEER) index depreciated by 2.04 percent at the end of Q1FY21. However, the real effective exchange rate (REER) index appreciated by 2.19 percent because of increasing price differential due to falling trend in the price level of the major trading partner countries of the foreign currencies' basket. Compared with those in peer countries, the nominal exchange rate of BDT/USD remained broadly stable. Strong growth in remittance inflows and positive export growth together with large financial assistance from international institutions and development partners helped to reach at a record foreign reserve of USD 39 billion at the end of Q1FY21 which could approximately meet the 7.9 months of country's import payments.

5.7 As global economies are opening up after the severe attack of COVID-19 pandemic, exports of the ready-made garments and remittance inflows are likely to bounce back in the near term. Earnings may rise further in near future as an effective vaccine to prevent COVID-19 is likely to be available soon. Moreover, the resumption of different development projects and overall economic activities might be conducive to the FDI inflows. Following the resilience of export sector and robust growth in remittance inflows, FX reserves are expected to continue its uptrend. However, downside risks may arise from a job cut of migrant Bangladeshi workers in the Middle East countries owing to slump in their economic activities, in addition to the looming second wave of the pandemic in the major destinations of Bangladesh’s exports.

**Chart V.7: Cross-Country Nominal Exchange Rate Indices (Base: Jan 2017=100)**

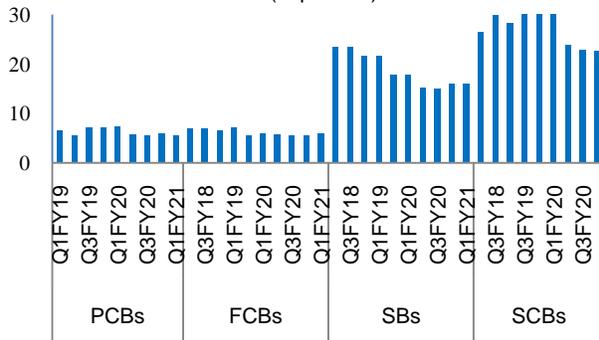


Source: International Financial Statistics, IMF

## VI. Banking Sector

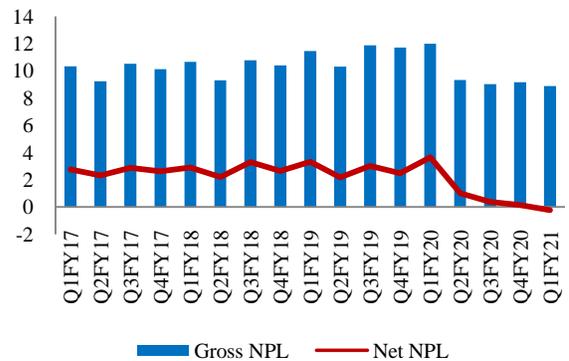
6.1 The indicators of the banking sector showed some improvements at the end of Q1FY21 amid the COVID-19 pandemic, as reflected by a fall in non-performing loans (NPLs), a rise in capital adequacy, an improvement in liquidity condition, and betterment of provision maintaining. During Q1FY21, overall NPL edged down facilitated by both state-owned commercial banks (SCBS) and divate commercial banks (PCBs).

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



Source: Bangladesh Bank

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



Source: Bangladesh Bank

6.2 The overall NPL ratio of the banking industry reduced to 8.88 percent in Q1FY21 from 9.16 percent in Q4FY20, partly attributed to the loan moratorium facility continued by the Bangladesh Bank. The gross NPL ratio for SCBs dropped to 22.46 percent in Q1FY21 from 22.73 percent in Q4 FY20. Similarly, the gross NPL ratio for PCBs stood at 5.56 percent in Q1FY21, declined by 0.30 percentage points from the preceding quarter (Chart VI.1). Moreover, the system-wide net NPL ratio of the banking industry posted negative growth, the first-ever in the running decade, to -0.22 percent in Q1FY21 in contrast to 0.39 percent in Q4FY20 (Table VI.2 and Chart VI.2). This decline is facilitated by PCBs reflecting higher interest suspense account balance and actual provision. Moreover, provisioning maintained against classified loans improved at the end of Q1FY21 (Table VI.1, and Chart VI.1).

6.3 The overall capitalization in the banking sector edged up and remained stable at the end of Q1FY21 owing to the improvement in NPLs and provisioning maintained. The capital to risk-weighted asset ratio (CRAR) grew to 11.94 percent in Q1FY21 from that of 11.63 percent in Q4FY20, attributing mainly from SCBs and FCBs. The CRAR of SCBs went up to 8.25 percent in Q1FY21, from 6.93 percent in Q4FY20. Moreover, the CRAR of FCBs also registered increased growth, rising to 25.59 percent from 24.35 percent in Q4FY20. However, the CRAR of PCBs remained almost unchanged at 13.3 percent in Q1FY21 (Chart VI.3).

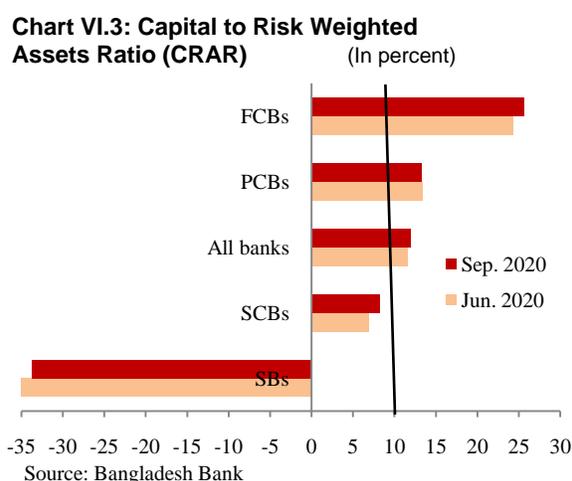
**Table 6.1: Comparative Position of Classified Loan and Provision Maintained**

(In billion BDT)

Quarter	Items	SCBs	SBs	PCBs	FCBs	All Banks
Q1 FY20	Total classified loan	549.2	47	545.7	20.9	1162.9
	Required provision	255.8	22.4	330.8	15.7	624.6
	Provision maintained	191.4	25.4	309.3	17.3	543.3
	Excess(+)/shortfall(-)	-64.4	3	-21.5	1.6	-81.3
Q2 FY20	Total classified loan	439.9	40.6	441.7	21.0	943.3
	Required provision	275.5	21.1	300.6	16.0	613.2
	Provision maintained	197.4	22.5	309.3	17.5	546.6
	Excess(+)/shortfall(-)	-78.1	1.4	8.7	1.5	-66.6
Q3FY20	Total classified loan	428.7	40.5	435.1	20.8	925.1
	Required provision	262.7	21.1	305.2	16.0	604.9
	Provision maintained	202.1	22.5	326.3	17.9	568.8
	Excess(+)/shortfall(-)	-60.6	1.4	21.1	1.9	-36.2
Q4FY20	Total classified loan	429.4	45.2	465.9	20.6	961.2
	Required provision	276.9	23.9	337.5	15.7	654.0
	Provision maintained	216.9	25.3	347.8	19.0	609.0
	Excess(+)/shortfall(-)	-59.9	1.4	10.2	3.3	-45.0
Q1FY21	Total classified loan	428.3	45.2	450.4	20.5	944.4
	Required provision	265.2	23.9	332.4	14.9	636.4
	Provision maintained	210.0	25.3	356.1	18.6	610.0
	Excess(+)/shortfall(-)	-55.2	1.4	23.7	3.7	-26.4

Source: Bangladesh Bank

6.4 The growth of bank deposits rose from 10.5 percent at the end of Q4FY20 to 12.4 percent (from BDT 13,054.73 billion to BDT 13,454.36 billion) at the end of Q1FY21 amid COVID-19 pandemic, reflecting mainly higher remittance inflows (49.05 percent y-o-y). Moreover, the growth of advances also witnessed an increase from 9.0 percent at the end of Q4FY20 to 9.6 percent (from BDT 10,647.13 billion to BDT 10,655.7 billion) at the end of Q1FY21; loan disbursement from the stimuli packages might help such acceleration. As the bank deposits grew faster than bank advances, the overall advance deposit ratio fell from 76.2 percent at the end of Q4FY20 to 74.0 percent at the end of Q1FY21 (Table 6.2, Chart VI.5).



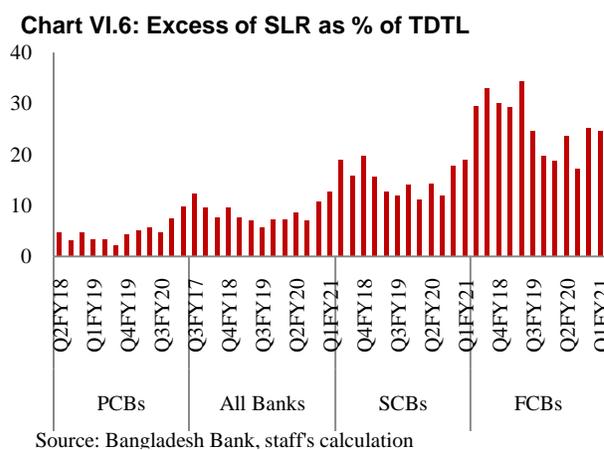
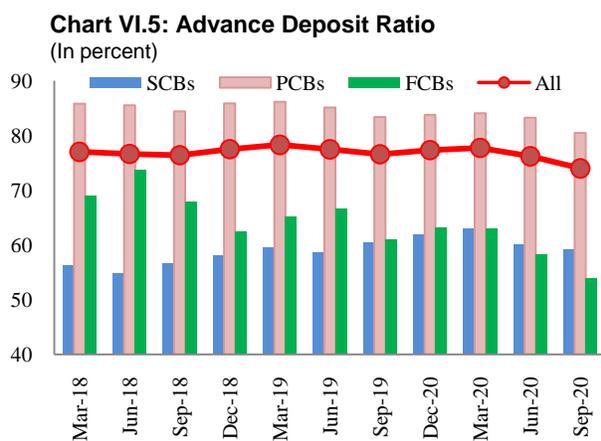
6.5 The liquidity conditions in the banking sector remained adequate and improved further at the end of Q1FY21, partly due to easing CRR policy, higher remittance inflows, and intervention in the foreign exchange market. Likewise, excess liquidity, the excess of CRR and SLR as a percent of total demand and time liabilities (TDTL), increased to 12.6 percent in Q1FY21 compared to that of 10.7 percent in Q4FY20 (Table 6.3).

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

Bank groups	Year-on- year growth of deposit, % (excluding interbank)*		Year-on- year growth of advances, % (excluding interbank)		Advance Deposit Ratio (ADR)	
	Sep. 20	Jun. 20	Sep. 20	Jun. 20	Sep. 20	Jun. 20
SCBs	10.9	8.2	8.4	10.6	59.1	60.1
PCBs	13.2	11.2	10.3	9.0	80.5	83.3
FCBs	11.0	13.5	-0.2	0.3	53.9	58.2
SBs	8.3	7.5	11.1	7.8	77.0	77.4
All	12.4	10.5	9.6	9.0	74.0	76.2

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

6.6 Although overall NPLs have declined, the bad loans are expected to show a rise when the moratorium facility will be lifted. Managing stressed assets and expediting the recovery process would remain a high priority for the banking sector in the post-moratorium era. Moreover, constant supervision and vigilance are required for channeling funds of the stimulus package to the affected large industries, CMSME, and the agriculture sector.



**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- September, 2020						
SCBs	129.5	179.3	50.7	417.0	1028.4	611.4
SBs*	12.8	12.5	0.1	0.0	0.0	0.0
PCBs (other than Islamic)	248.1	254.7	8.9	811.8	1520.5	708.7
Private Banks (Islamic)	113.5	249.1	135.6	156.8	332.2	175.4
FCBs	28.8	50.6	23.0	105.0	306.1	201.1
All	532.7	746.2	218.2	1490.7	3187.2	1696.6
As of end- June, 2020						
SCBs	123.8	213.4	89.6	398.2	944.9	546.7
SBs*	12.7	13.4	0.8	0.0	0.0	0.0
PCBs (other than Islamic)	242.7	279.5	38.7	788.9	1343.9	555.0
Private Banks (Islamic)	110.8	178.8	68.1	152.3	247.7	95.4
FCBs	31.5	71.0	40.1	101.5	300.2	198.7
All	521.5	756.2	237.2	1440.9	2836.6	1395.8

Source: Bangladesh Bank

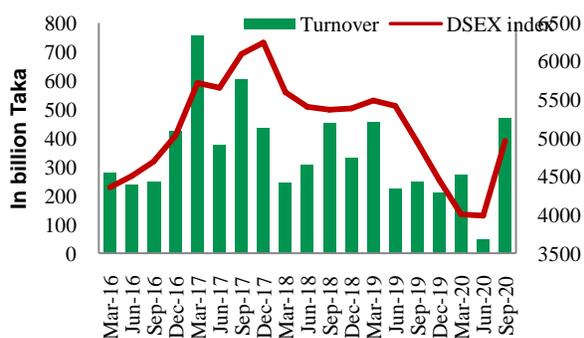
\* SLR does not apply to specialized banks as exempted by the Government.

\*\*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)

## VII. Capital Market

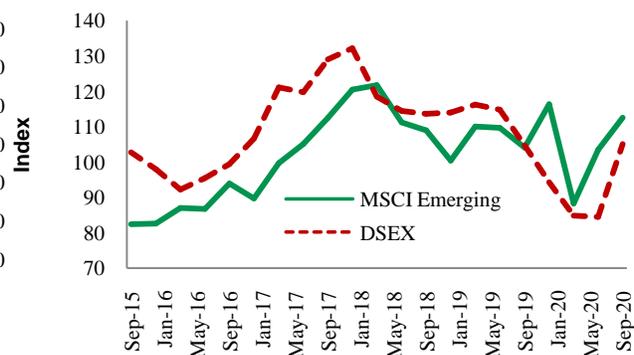
7.1 The major indicators in the capital market rallied in Q1FY21, after the poor performances in the last quarter of FY20 due to the adverse effects of the COVID-19 pandemic. With favorable policy supports of the Bangladesh Securities Exchange Commission (BSEC), Bangladesh Bank and other related regulatory bodies, restored investor's confidence in the capital market as evidenced by a double-digit growth in price indices, uptrend in turnover and market capitalization in Q1FY21 from Q4FY20. The price indices in global capital markets amplified in Q1FY21 because of unprecedented easy monetary and prudential financial policies adopted by the major central banks in response to the COVID-19 pandemic outbreak. So the synchronized movements between the global equity market and DSE were observed in Q1FY21 (Chart VII.2). Market capitalization climbed 34.6 percent to BDT 3467.7 billion (as percent of GDP is 12.67) at the end of Q1FY21 from that of Q4FY20 (Table VII.1). This growth attributed partly because of newly listed Walton Hi-Tec Industries Ltd with DSE.

**Chart VII.1: Trends in DSEX Index and Turnover**



Source: DSE Monthly Review, Various Issues

**Chart VII.2: Synchronization of DSE with Global Market ( Base: jan 2015=100)**



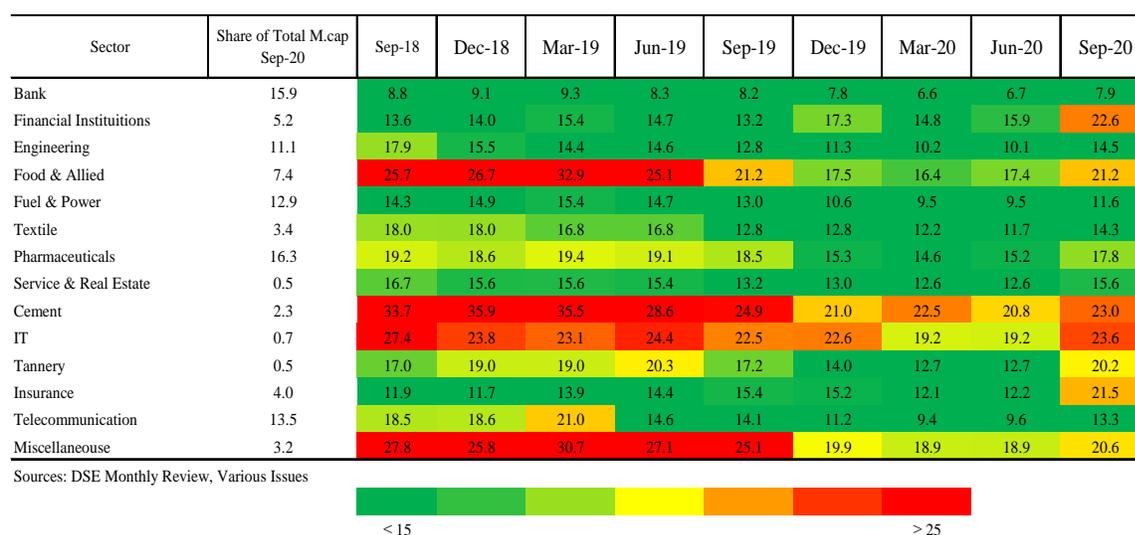
Sources: Dhaka Stock Exchange and www.msci.com

7.2 The key indicators of the capital market, DSE broad index (DSEX) and DSE-30 index showed upward trend in Q1FY21 compared to Q4FY20. The DSEX index jumped by 24.4 percent in Q1FY21 from Q4FY20 and 0.3 percent from Q1FY20. The DSE-30 index grew by 26.5 percent from Q4FY20 and dropped by 3.6 percent from Q1FY20 (Chart VII.1 and Table VII.1). Sector-wise indices<sup>1</sup> show that Telecommunication sector index reached the highest (3082.6) while Textile sector's index remained at the lowest level (163.6) in Q1FY21 (Chart-VII.4).

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

7.3 The overall price-earnings (PE) ratio of the DSE edged up in Q1FY21 from the level of Q4FY21. The average price earnings ratios rose to 13.51 in Q1FY21 from 10.78 in Q4FY20. Sector-wise PE data show that banking sector's PE score occupied the lowest position while that of the IT sector the highest position in Q1FY21 (Chart VII.3).

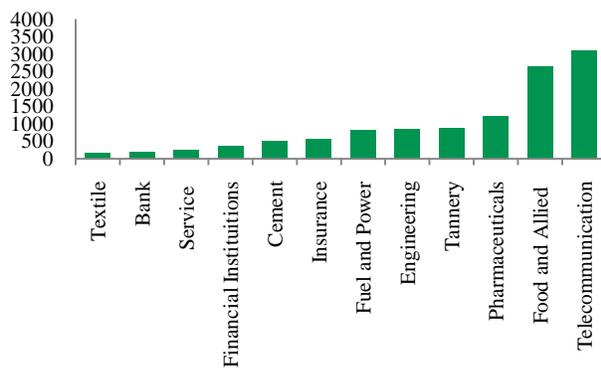
**Chart VII.3: Heat Map for Sectoral Price Earnings Ratio of DSE**



7.4 The liquidity condition and issued capital were improved in Q1FY21. The value of issued equity and debt increased by 4.5 percent (y/y) in Q1FY21 and three new companies were listed in the capital market during the quarters under review. Thus, the number of listed securities rose to 371 at the end of Q1FY21. The daily average turnover significantly enhanced to BDT 7.56 billion in Q1FY21 from BDT 4.21 billion in Q1FY20 (Chart VII.1). Market liquidity as measured by the Turnover Velocity Ratio (TVR)<sup>2</sup> surged to 54.1 percent in Q1FY21 from 22.9 percent in Q4FY20.

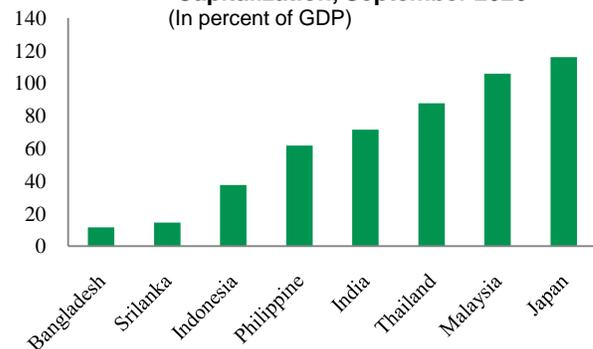
<sup>2</sup> TVR= (Turnover during the Quarter/Quarter-end Market capitalization) X 4.

**Chart VII.4: Index of Major Sector, September 2020**



Source: DSE Monthly Review, September 2020

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



Source : DSE Monthly Review, September 2020

**Table 7.1: Selected Countries: Price Earnings Ratio, Dividend Yield and Market Capitalization to GDP ratio of September 2020**

Country	Price Earnings Ratio	Dividend Yield	M. Cap to GDP
Bangladesh	14.03	3.58	12.67
India	23.57	1.11	71.50
Sri Lanka	9.89	2.99	14.39
Thailand	21.22	4.08	87.63
Hong Kong	15.05	-	1472
China	17.40	-	44.75

Source: DSE monthly Review, September 2020

7.5 Cross-country data on price earnings (PE) ratios as of September 2020 shows that Bangladesh has moderate PE ratio among the South and East Asian countries while dividend yield of Bangladesh is the second highest among these countries (Table 7.1). Market capitalization, as percent of GDP, in Bangladesh increased to 12.67 percent in Q1FY21 from 9.21 in Q4FY20.

7.6 The new BSEC commission took several initiatives, e.g. faster approval process of IPO to enhance the market capitalization and listing of more securities in the stock exchanges, to bring transparency and trust in the trading system and starting implementation holding of two percent of total capital for individual director and 30 percent of total capital for all sponsors director of the company which restored the investors' confidence in the capital market. In addition, Bangladesh Bank undertook several policy measures under the stimulus packages of the government to boost liquidity in the market which are likely to maintain the uptrend of the performances of the market in the near future.

## **Policy Note**

**Policy Note: PN2002**  
**COVID-19 Crisis and Fiscal Space for Bangladesh Economy: A Comparative Analysis with South Asian Countries<sup>3</sup>**

COVID-19 pandemic continued to spread and impacted Bangladesh economy since March 2020, reflecting in a sharp decline in growth rate of real gross domestic product (GDP) to 5.24 percent in FY20 as compared to a record high of 8.15 percent growth in FY19<sup>4</sup>. Likewise, other South Asian countries are not exception as being affected by COVID-19, slowing down their economic growth as well. In response to combat against the possible economic disruptions because of the pandemic, South Asian countries including Bangladesh have been taking extensive fiscal measures depending on their own capacities. This note attempts to assess the fiscal space of Bangladesh economy, comparing with that of peer countries from South Asian context and tries to understand whether Bangladesh economy has enough fiscal space to sustain in an adverse situation if uncertain future, like COVID-19, prolongs.

**I. Growth outlook of South Asian countries**

Despite economic slowdown, growth rate of Bangladesh in 2020 was projected to be the highest among all South Asian countries as estimated by the International Monetary Fund (IMF), World Bank (WB) and Asian Development Bank (ADB) (Table 1). Table 1 shows that only Bangladesh, Bhutan and Nepal will manage positive growth rates in 2020, where Bangladesh's performance would be much better than others. Growth rates of other South Asian countries including Afghanistan, India, Pakistan, Maldives and Sri Lanka were projected to decline in 2020. However, the economies of Bangladesh, India, and Maldives, would rebound in 2021 as forecasted by the IMF, WB and ADB (Table 1). Similar to other parts of the world, South Asian countries have announced comprehensive stimulus packages to be implemented by unconventional monetary and expansionary fiscal measures in order to protect or minimize the impact of the pandemic in their economies. Discussion of this note is limited to understand the absorbability of this unusual fiscal burden needed for Bangladesh's economic recovery from the effects of COVID-19 pandemic, while comparing with some peer countries of South Asian countries, as they have commonality in strategies for rapid growth and poverty reduction.

**Table 1: Growth outlook for South Asian countries**

	IMF			World Bank			ADB		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Afghanistan	3.9	-5.0	4.0	3.9	-5.5	2.5	3.0	-5.0	1.5
Bangladesh	8.2	3.8	4.4	8.1	2.0	1.6	8.2	5.2	6.8
Bhutan	3.8	0.6	-0.5	3.8	1.5	1.8	4.4	2.4	1.7
India	4.2	-10.3	8.8	4.2	-9.6	5.4	4.2	-9.0	8.0
Maldives	5.7	-18.6	12.7	5.9	-19.5	9.5	5.9	-20.5	10.5
Nepal	7.1	0.0	2.5	7.0	0.2	0.6	7.0	2.3	1.5
Pakistan	1.9	-0.4	1.0	1.9	-1.5	0.5	1.9	-0.4	2.0
Sri Lanka	2.3	-4.6	5.3	2.3	-6.7	3.3	2.3	-5.5	4.1

Sources: World Economic Outlook, October 2020; World Bank, October 2020; Asian Development Bank Outlook, September 2020.

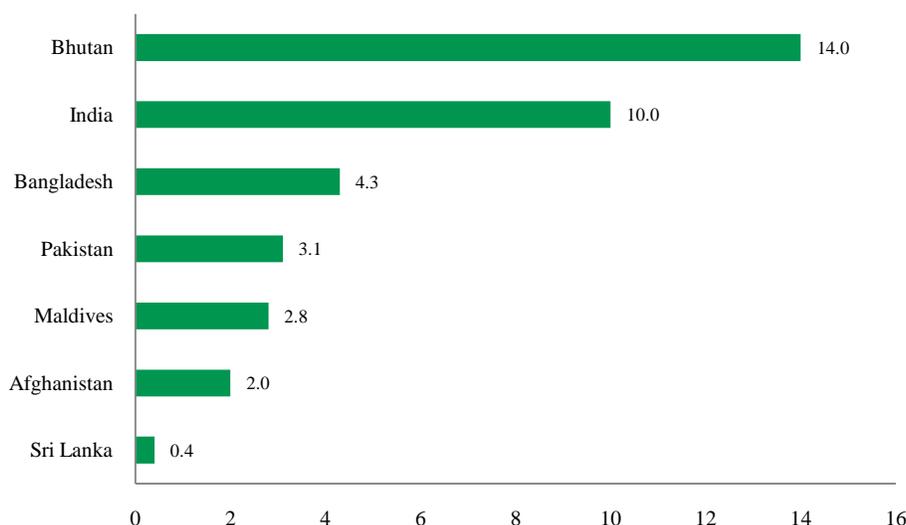
<sup>3</sup> The note is prepared by a team of Chief Economist's Unit comprising of Raju Ahmed, Deputy Director, Dr. Md. Salim Al Mamun, Deputy General Manager, and Dr. Md. Ezazul Islam, General Manager. The views expressed in the note are the authors' own and do not reflect that those of Bangladesh Bank.

<sup>4</sup> Bangladesh Bureau of Statistics (2019-20), Gross domestic Product of Bangladesh, Dhaka: BBS, p.4.

## II. Stimulus packages announced by South Asian countries

To recover the economy from the disruptions caused by the coronavirus, most of the South Asian countries' governments and central banks have provided emergency lifeline through monetary and fiscal intervention. Though the interventions varied from country to country, the emergency supports were given to household and firms through cash transfer, wage support, food voucher, credit guarantee scheme, interest payment subsidy, different tax concession etc., among others. Government of Bangladesh announced a comprehensive stimulus package of Tk. 1.20 trillion (roughly 4.30 percent of GDP covering both fiscal and monetary measures) to help different segments of people including formal and informal sector workers, migrant and vulnerable workers, small vendors and farmers.<sup>5</sup> Government increased credit flow in priority sectors including small and medium enterprises (SME) and micro, small and medium enterprises (MSME). It is evident from Chart 1 that India and Bhutan provided largest amount of stimulus packages (roughly 14.0 and 10.0 percent of GDP) while Sri Lanka had minor share in terms of GDP. The concern is that most of the countries may need to scale up their stimulus packages in coming periods, if the effects of COVID-19 worsen further.

**Chart 1: Comparison of stimulus package size across South Asian countries (in percent of GDP)**



Source: COVID-19 response tracker from various sources of IMF, World Bank, and ADB.

## III. Available fiscal space for implementing stimulus packages

The most widely used definition provided by Heller (2005) describes “the fiscal space is the room in a government’s budget that allows it to provide resources for a desired purpose without jeopardizing the stability of the economy”. Therefore, fiscal position in an economy would be sustainable if raising government’s spending or experiencing lower tax collection would not create any disturbance on debt sustainability. If a country has enough fiscal space to be used for any adverse situation which will, in turn, help to recover the economic activities in future and, subsequently, increase government revenue collections through taxes. The fiscal space of Bangladesh is more spacious than other South Asian countries except Afghanistan and Nepal according to the public debt to GDP ratio as shown in Chart 5 in

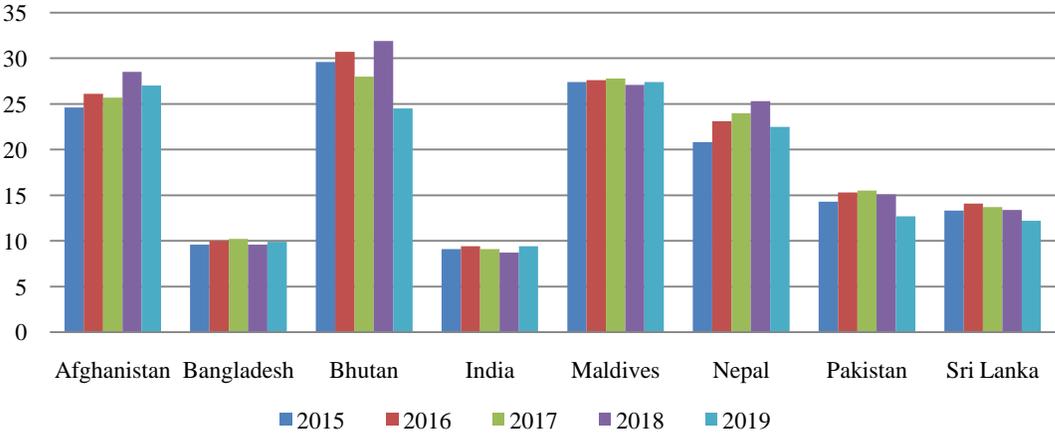
<sup>5</sup> Ministry of Finance, Bangladesh (2020). Bangladesh Economic Review. Dhaka. MOF, p.59

Section VII. Chart 5 also shows that Pakistan, Sri Lanka, India, Bhutan, and Maldives have high levels of public debt to GDP ratios, margining their room for fiscal maneuver as well as limiting the space to recover from any crisis, like COVID-19 (Chart 5). This report, therefore, discusses five considerations to examine the fiscal space of South Asian countries in the wake of COVID-19 pandemic; they are: (i) central government revenue (ii) central government expenditure (iii) central government fiscal balance (iv) public debt situation and (v) public debt sustainability.

**IV. Government revenue**

The revenue to GDP ratio is one of the prominent measures to explain country’s fiscal capacity or space to combat against economic crisis. Enhancing the mobilization of tax revenue would increase country’s fiscal space. IMF mentions that the average tax to GDP ratio is lower in low- income developing countries than that of emerging and middle income countries<sup>6</sup>. In case of South Asian countries, the revenue to GDP ratio remained stable at around 20 percent over 2015-2019 (Chart 2). During that period, revenue-GDP ratio of Bangladesh is lower as compared with other south Asian countries, maintaining at around 10 percent. On the other hand, Afghanistan, Bhutan, Maldives and Nepal maintained more than 20 percent level of tax to GDP ratio. India experienced low level, similar trend of Bangladesh, while Pakistan and Sri Lanka maintained the ratio between 10 and 15 percent (Chart 2). The COVID-19 pandemic is likely to squeeze government revenues due mainly to a contraction in economic activity and depressed business sentiments in 2020 and beyond. Most South Asian countries provided tax rebates on emergency medicine, medical equipments to combating against COVID-19 in addition to relaxing the tax structure, which will affect revenue-GDP ratio in the respective countries. This lower revenue to GDP ratio, thus, creates a burden to execute country’s recovery and development plan. However, in crisis time, the quick implementation of stimulus packages is critical in order to revive of the economic activities.

**Chart 2: Central government revenue in percent of GDP**



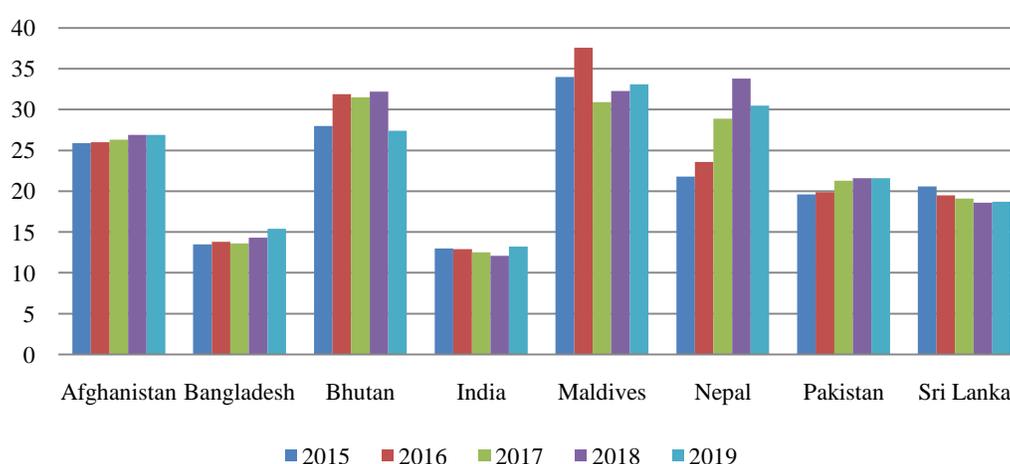
Source: Asian Development Bank data library, June 2020.

<sup>6</sup> International Monetary Fund (April, 2020). Fiscal Monitor, IMF.P.21.

## V. Government expenditure

Comparative study on government expenditure depicts that Bangladesh and India were the lowest spending countries over 2015-2019 compared with other south Asian countries (Chart 3). Similarly, the ratios of spending of Afghanistan, Bhutan, Maldives and Nepal were quite high, reaching more than 25 percent of GDP in 2019, while the ratios were at around 20 percent of GDP for Pakistan and Sri Lanka during the same period (Chart 3). The ADB estimated that the fiscal expenditure of Bangladesh will slightly increase from 15.4 percent of GDP in 2019 to 15.5 percent in 2020 due to the expenditure related to COVID-19 Pandemic<sup>7</sup>. Similarly, most of the South Asian countries have raised their expenditure in 2020 support their economy, fighting against the pandemic.

**Chart 3: Central government expenditure in percent of GDP**



Source: Asian Development Bank data library, June 2020.

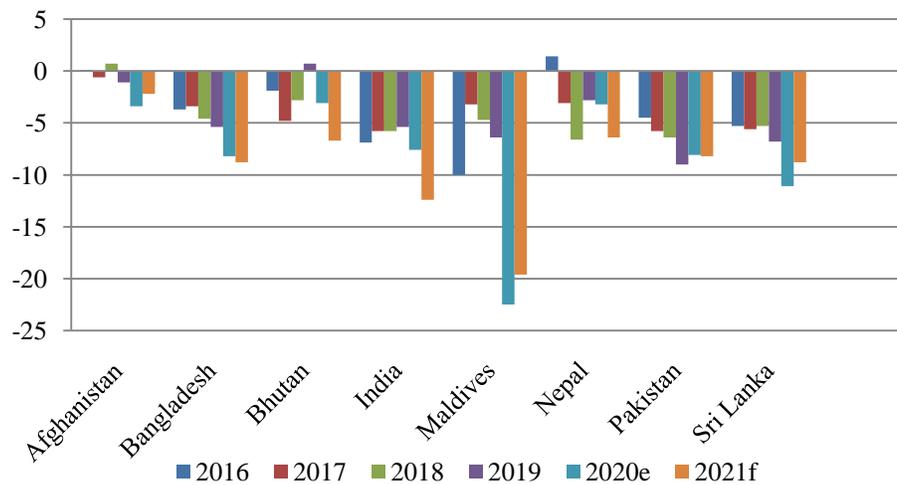
## VI. Government fiscal balance

The higher fiscal deficit creates debt burden and constrains country's fiscal space to combat against pandemic situation. The fiscal deficit of all South Asian countries except for Bhutan increased in 2019 (Chart 4). The data also show that the Maldives and Sri Lanka have high fiscal deficit, while fiscal deficits of India, Bangladesh, and Pakistan have increased gradually in recent years. In 2020, the pandemic and the associated great lockdown led to increase in deficit in most of the South Asian countries (Chart 4). World Bank estimated that the fiscal deficits for Bangladesh, India and Pakistan are 8.2, 7.6 and 8.1 percent in 2020 in terms of GDP. Meanwhile, the average overall fiscal deficit for South Asian countries is projected to soar to 9.13 percent of GDP in 2020-2021 fiscal years (World Bank, 2020)<sup>8</sup>. Bangladesh and other South Asian countries have been trying to meet up their fiscal deficits through different modes of borrowing from domestic and international sources, which will, in turn, make pressure on public debt to GDP ratio in the respective countries.

<sup>7</sup> Asian Development Bank (September 2020). Asian Development Outlook. Manila. ADB. p.171

<sup>8</sup> World Bank (2020), Beaten or Broken? Informality and COVID 19. South Asia Country briefs. Washington D.C. WB.

**Chart 4: Central government fiscal balance**



Source: South Asia Country Briefs, World Bank, 2020.

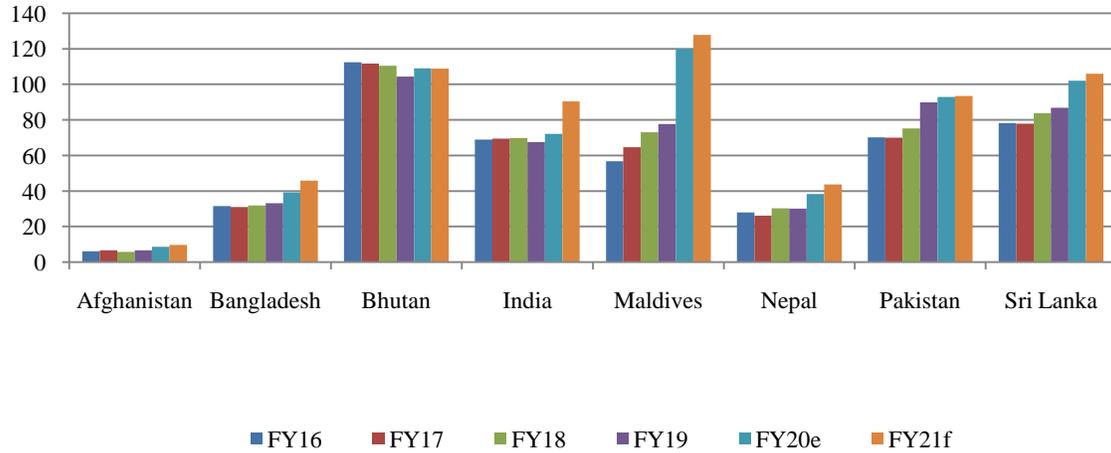
## VII. Public debt situation

The public debt to GDP ratio indicates a country's ability to borrow from the market and capacity to act countercyclically in a crisis period. Any country with high debt to GDP ratio can take less countercyclical fiscal measures in prior to crisis or during crisis time.<sup>9</sup> The data of public debt to GDP ratio during pre COVID-19 indicate that Bangladesh has managed conservatively the public finance to address the economic fallout of the COVID-19 crisis. Bangladesh has experienced low debt-GDP ratio of around 34 percent of GDP since last few years, on an average, as compared with other South Asian countries except Afghanistan and Nepal, reflecting Bangladesh's managing capacity of public finance in addressing the economic fallout from the COVID-19 (Chart 5). According to the analysis conducted by the International Monetary Fund (IMF), Bangladesh was classified as 'strong' in terms of debt carrying capacity.<sup>10</sup> Other some South Asian country has experiences much more Public debt even some countries have close to full of their GDP equivalent to public debt (Chart 5). Countries like India, Pakistan, Sri Lanka, Bhutan and Maldives have high debt to GDP ratios which are close to or higher than their GDP.

<sup>9</sup> See Jorda, Schularick, and Taylor (2016) and Romer and Romer (2018).

<sup>10</sup> IMF Country Report No. 19/199, September 2019.

**Chart 5: Public debt to GDP ratio**



Source: South Asia Country Briefs 2020, World Bank.

### **VIII. Public debt sustainability**

The public debt sustainability is another important factor of fiscal space for a country. As part of policy response to counter COVID-19 crisis, a number of South Asian countries implemented significant fiscal stimulus in the early stage of the crisis. But such efforts may soon confront public debt sustainability problem where public debt was already high and run up with the global financial crisis. Some of the South Asian countries entered into this COVID-19 pandemic with high public debt levels and high risk of debt distress (Table 2). These high public debt and debt distress may limit the room for further fiscal support for economic recovery. Among South Asian countries, Bangladesh and Nepal is at low risk in terms of vulnerable debt sustainability. The joint World Bank-IMF Debt Sustainability Framework confirmed that Bangladesh can afford significant amount of borrowing from internal and external sources. The data on debt sustainability depict that Afghanistan and Maldives are at high risk of debt distress among South Asian countries (Table 2).

**Table 2: Indicators of public debt sustainability in South Asian Countries**

Country	Public debt as % of GDP(2019)	External debt as % of GDP (2018)	Short term external debt in % of GDP (2018)	Risk of debt distress	Debt sustainability analysis year
Bangladesh	34.6	18.1	17.3	low	2019
India	69.0	19.2	20.0	-	2019
Pakistan	76.7	28.9	9.1	-	2020
Sri Lanka	83.0	59.5	15.5	-	2020
Nepal	32.6	18.9	4.6	low	2020
Maldives	70.1	43.8	11.3	High	2020
Bhutan	108.6	101.4	0.2	Moderate	2018
Afghanistan	7.6	13.1	14.0	High	2020

Note: '-' indicates not available.

Source: The United Nations Economic and Social Commission for Asia and Pacific (UNESCAP) report titled "COVID-19 and South Asia: National strategies and subregional cooperation for accelerating inclusive, sustainable and resilient recovery". The UNSCAP report used the data based on various debt sustainability analysis reports, IMF Fiscal Monitor (April 2020), World Development Indicators and Fiscal Space Dataset (April 2020).

## IX. Conclusion

This report discusses the structure of fiscal policy, providing information for fiscal spaces for the South Asian countries. Bangladesh maintained at around 10 percent of tax to GDP ratio which is lower than all other south Asian countries, except India. This report also finds that Bangladesh was the lowest spending country among South Asian countries. The fiscal deficit as percent of GDP for Bangladesh is below 5 percent in the last decade. Bangladesh managed public debt to GDP ratio in a conservative way so that the country now can afford more borrowing to address the economic fallout from COVID-19 pandemic. Bangladesh has experienced low debt to GDP ratio of around 34 percent of GDP since last few years. Debt statistics report also shows that Bangladesh is at low risk in terms of vulnerable debt sustainability. Therefore, Bangladesh can increase their expenditure, if needed, at significant level through domestic borrowing and foreign loans to support affected sectors of the economy. The report also recommends that the government may improve tax compliance with proper implementation of tax reform policies for improving tax-GDP ratio in the near and medium term.

## **Tables**

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

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

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

**Table I.2: Real GDP Growth by Sectors**

(In percent)

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

Source: Bangladesh Bureau of Statistics

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

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

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

Source: Bangladesh Bureau of Statistics

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

Crops	Actual for FY 20		Actual / Target for FY 21	
	Area	Production	Area	Production
	(Lac Hectare)	(Lac M. Ton)	(Lac Hectare)	(Lac M. Ton)
Aus	11.3	30.1	13.1*	37.2*
Aman	58.8	155.0	59.0*	155.9
Boro	47.5	201.8	47.8	205.3
<b>Total Rice</b>	<b>117.7</b>	<b>387.0</b>	<b>120.1</b>	<b>395.7</b>
Wheat	3.4	12.5	3.6	13.0
Maize	5.5	54.0	5.8	56.9
<b>Total Cereal</b>	<b>126.7</b>	<b>453.4</b>	<b>129.4</b>	<b>465.7</b>
Jute	6.7	68.2	7.3	82.8
Potato	4.6	109.2	4.7	113.7
Vegetables	9.0	184.9	9.2	197.1
Moong	2.6	3.4	2.8	3.5
Mosur	1.9	2.6	1.9	2.7
Gram	0.6	0.7	0.6	0.7
Mustard	5.7	7.5	5.9	8.0
Onion	2.4	25.6	2.5	29.6

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

\* = Actual

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

	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q* <sub>1</sub>
Manufacturing	386.5	370.9	392.2	391.6	391.4	393.8	402.4	420.7	421.7	330.51	470.58
Mining	182.6	183.5	175.5	181.3	190.0	186.5	189.0	183.1	186.9	187.13	211.53
Electricity	289.8	298.4	261.3	254.2	345.0	305.9	370.3	281.1	269.1	303.12	380.12
Growth in Percent											
Manufacturing	12.1	13.8	13.4	11.0	10.2	1.9	8.5	7.3	7.7	-15.5	9.8
Mining	-1.9	-2.1	-5.8	-1.6	2.0	2.2	3.0	4.4	3.1	-1.5	9.8
Electricity	7.0	2.3	7.2	-2.0	19.4	5.6	24.1	7.5	5.9	-12.1	2.0

Source : Bangladesh Bureau of Statistics,  
\*=July 2020

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

	Weight	FY19				FY20				FY21
		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q* <sub>1</sub>
General Index	100.0	379.6	392.2	391.6	391.2	402.4	420.7	421.7	330.5	470.6
Food products	10.8	498.8	562.3	529.3	553.8	581.2	625.1	617.0	581.8	602.4
Beverages	0.3	315.4	158.3	214.6	402.7	335.3	228.8	254.1	203.0	400.1
Tobacco products	2.9	134.2	139.0	140.3	140.9	141.1	142.0	141.7	154.4	130.9
Textile	14.1	183.1	201.4	201.3	212.8	212.4	245.5	235.4	217.4	240.9
Wearing apparel	34.8	424.9	461.1	459.0	427.2	420.3	417.7	422.2	214.6	512.9
Leather and related products	4.4	326.7	401.0	340.4	326.2	334.4	382.7	346.3	323.2	557.0
Wood and products of wood and cork	0.3	349.4	353.3	358.5	364.6	373.7	380.8	375.2	382.3	376.2
Paper and paper products	0.3	186.9	187.3	187.8	188.4	189.1	201.7	197.7	207.0	225.4
Printing and reproduction of recorded media	1.8	172.4	175.7	181.4	186.0	190.7	201.9	206.6	211.9	190.2
Coke and refined petroleum products	1.3	109.2	109.8	109.9	110.0	115.6	65.2	53.8	43.8	80.1
Chemicals and chemical products	3.7	153.4	135.5	130.4	115.7	111.8	130.6	124.7	111.8	157.9
Pharmaceuticals and medicinal chemical	8.2	749.8	580.1	650.8	701.0	839.0	879.7	884.6	928.8	956.9
Rubber and plastic products	1.6	434.3	438.1	445.4	450.7	462.5	465.1	455.5	385.5	433.5
Other non-metallic mineral products	7.1	413.5	421.0	435.7	457.6	457.1	501.2	551.9	428.8	524.9
Basic metal	3.2	187.5	187.2	186.8	186.7	188.8	194.7	194.8	116.3	156.2
Fabricated metal products	2.3	292.0	296.3	298.8	302.7	299.3	312.8	317.2	263.9	451.6
Computer, electronic and optical product	0.2	195.6	191.8	268.1	328.8	377.2	325.2	293.7	114.3	397.3
Electrical equipment	0.7	245.8	382.0	289.1	423.3	242.6	282.8	265.4	336.4	579.3
Machinery and equipment	0.2	599.2	624.4	641.3	699.0	747.9	752.0	794.9	746.1	748.1
Motor vehicles and trailers	0.1	682.2	886.6	556.7	330.9	438.9	290.0	270.6	142.6	99.3
Other transport equipment	0.7	559.4	584.4	612.3	618.7	620.5	714.0	637.8	527.9	633.1
Furniture	0.9	193.0	199.1	191.1	192.2	194.4	193.2	189.0	160.7	176.4

Source : Bangladesh Bureau of Statistics, \*= July 2020

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

	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>Quantity</b>											
Export	6,849	1,748	1,771	1,751	1,580	6,645	1,820	1,803	1,826	1,197	1,719
Import	83,021	18,154	21,442	22,984	20,440	87,275	20,052	24,479	26,781	15,963	20,160
<b>Total</b>	<b>88,969</b>	<b>19,002</b>	<b>23,213</b>	<b>24,735</b>	<b>22,020</b>	<b>93,921</b>	<b>21,872</b>	<b>26,283</b>	<b>28,607</b>	<b>17,160</b>	<b>21,879</b>
<b>Growth in percent<sup>1</sup></b>											
Export	-2.1	2.0	-3.1	-0.9	-6.6	-3.0	4.1	1.8	4.3	-24.3	-5.5
Import	6.4	8.7	5.5	12.5	-0.8	5.1	10.5	14.2	16.5	-21.9	0.5
<b>Total</b>	<b>4.6</b>	<b>3.2</b>	<b>4.8</b>	<b>11.5</b>	<b>-1.2</b>	<b>5.6</b>	<b>15.1</b>	<b>13.2</b>	<b>15.7</b>	<b>-22.1</b>	<b>0.0</b>

Source: Chattogram Port Authority.

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

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

Institutions	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>Outstanding</b>											
Banks	10,100	9,188	9,588	9,797	10,100	10,973	10,167	10,532	10,666	10,973	1,1131
Non-banks	670	650	668	681	670	673	668	677	676	673	667
Microfinance institutions	636	573	603	624	636	614	640	679	419	614	
<b>Total</b>	<b>11,406</b>	<b>10,410</b>	<b>10,859</b>	<b>11,102</b>	<b>11,406</b>	<b>12,260</b>	<b>11,474</b>	<b>11,889</b>	<b>11,761</b>	<b>12,260</b>	
<b>Growth in percent<sup>1</sup></b>											
Banks	11.3	14.7	13.2	12.4	11.3	8.6	10.7	9.8	8.9	8.6	9.5
Non-banks	4.1	9.0	11.0	8.0	4.1	0.4	2.8	1.4	-0.7	0.4	-0.1
Microfinance institutions	11.4	23.0	8.5	9.8	11.4	-3.5	11.7	12.7	-32.8	-3.5	
<b>Total</b>	<b>10.8</b>	<b>14.7</b>	<b>12.8</b>	<b>12.0</b>	<b>10.8</b>	<b>7.5</b>	<b>10.2</b>	<b>9.5</b>	<b>5.9</b>	<b>7.5</b>	

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

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

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

Sectors	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>Outstanding</b>											
a. Agriculture	429	387	392	410	429	460	415	422	431	460	460
<i>Crops</i>	393	354	357	376	393	423	380	385	392	423	418
<i>Others</i>	36	33	34	35	36	37	35	37	39	37	41
b. Industry	3,851	3,509	3,663	3,741	3,851	4,343	3,989	4,150	4,315	4,347	4,360
<i>Term Loan</i>	1,909	1,584	1,752	1,774	1,909	2,156	1,937	2,012	2,121	2,154	2,129
<i>Working capital financing</i>	1,942	1,924	1,911	1,968	1,942	2,188	2,053	2,138	2,194	2,193	2,231
c. Construction	901	799	850	855	901	920	911	890	923	920	916
d. Transport	72	71	67	72	72	88	86	86	79	87	82
e. Trade &Commerce	3,121	2,844	2,957	3,061	3,121	3,486	3,106	3,247	3,248	3,484	3,587
f. Other Institutional loan	260	215	250	261	260	293	268	290	284	293	265
g. Consumer finance	686	599	648	631	686	665	648	709	682	665	725
h. Miscellaneous	53	44	47	46	53	36	33	33	40	36	38
<b>Grand Total :</b>	<b>9,374</b>	<b>8,467</b>	<b>8,875</b>	<b>9,078</b>	<b>9,374</b>	<b>10,291</b>	<b>9,456</b>	<b>9,827</b>	<b>10,002</b>	<b>10,291</b>	<b>10,433</b>
	Growth in percent										
a. Agriculture	6.1	7.1	1.7	4.9	6.1	7.2	7.3	7.7	5.1	7.2	10.8
<i>Crops</i>	3.8	5.5	0.1	3.2	3.8	7.7	7.3	7.8	4.5	7.7	10.2
<i>Others</i>	38.7	28.2	22.3	29.2	38.7	2.1	7.1	7.4	12.0	1.9	17.1
b. Industry	13.3	17.6	15.4	16.1	13.3	12.8	13.7	13.3	15.3	12.9	9.3
<i>Term Loan</i>	20.2	14.6	18.9	22.1	20.2	12.9	22.2	14.9	19.6	12.8	10.0
<i>Working capital financing</i>	7.2	20.2	12.4	11.3	7.2	12.6	6.7	11.9	11.5	12.9	8.7
c. Construction	15.8	20.1	22.6	16.6	15.8	2.1	14.0	4.7	8.0	2.0	0.6
d. Transport	4.2	25.3	16.3	9.2	4.2	22.7	21.3	27.6	9.9	21.8	-4.8
e. Trade &Commerce	10.2	12.3	13.1	12.0	10.2	11.7	9.2	9.8	6.1	11.6	15.5
f. Other Institutional loan	24.3	23.8	40.0	28.3	24.3	12.6	24.8	15.9	8.7	12.7	-1.3
g. Consumer finance	13.0	5.9	-6.5	4.3	13.0	-3.1	8.2	9.4	8.1	-3.1	11.9
h. Miscellaneous	20.6	38.6	81.8	32.3	20.6	-31.8	-24.2	-19.9	-12.0	-31.9	14.7
<b>Grand Total :</b>	<b>12.4</b>	<b>14.9</b>	<b>13.4</b>	<b>13.6</b>	<b>12.4</b>	<b>9.8</b>	<b>11.7</b>	<b>10.7</b>	<b>10.2</b>	<b>9.8</b>	<b>10.3</b>

Source: Statistics department, Bangladesh Bank.

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

	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>Programme/Target (July-June)</b>	<b>218.0</b>	<b>218.0</b>	<b>218.0</b>	<b>218.0</b>	<b>218.0</b>	241.25	<b>241.2</b>	<b>241.2</b>	<b>241.2</b>	<b>241.2</b>	<b>262.9</b>
<b>Total disbursement</b>	<b>236.2</b>	<b>34.9</b>	<b>67.4</b>	<b>60.3</b>	<b>73.5</b>	227.5	<b>35.5</b>	<b>72.5</b>	<b>61.2</b>	<b>58.3</b>	46.84
Crop	118.8	16.9	36.8	30.0	35.1	114.0	16.9	38.6	31.6	26.9	24.8
Irrigation	1.6	0.2	0.5	0.5	0.3	1.3	0.1	0.5	0.4	0.3	0.5
Agricultural equipment	1.6	0.3	0.5	0.3	0.5	1.4	0.3	0.4	0.4	0.3	0.3
Live-stock	32.5	5.6	8.6	8.1	10.2	31.7	5.9	10.0	8.1	7.7	7.5
Fisheries	26.8	4.5	7.3	7.0	8.0	26.1	4.8	7.6	6.8	6.8	5.0
Grain storage & marketing	1.2	0.1	0.3	0.2	0.6	1.3	0.2	0.4	8.9	-8.2	0.3
Poverty alleviation	19.5	2.6	5.2	6.5	5.1	20.9	3.0	5.3	4.8	7.7	3.7
Others	34.3	4.8	8.1	7.8	13.7	30.9	4.3	9.7	8.7	8.2	4.6
<b>Total recovery</b>	<b>237.3</b>	<b>45.1</b>	<b>68.9</b>	<b>56.2</b>	<b>67.2</b>	212.5	<b>43.7</b>	<b>71.3</b>	<b>54.4</b>	<b>43.0</b>	62.8
<b>Total overdue</b>	<b>66.9</b>	<b>72.4</b>	<b>66.8</b>	<b>63.7</b>	<b>66.9</b>	<b>60.6</b>	<b>67.0</b>	<b>64.0</b>	<b>60.8</b>	<b>60.6</b>	69.5
<b>Outstanding</b>	<b>429.7</b>	<b>396.2</b>	<b>401.1</b>	<b>409.2</b>	<b>429.7</b>	<b>455.9</b>	<b>422.3</b>	<b>430.3</b>	<b>440.4</b>	<b>455.9</b>	440.4
Overdue as percent of outstanding	17.8	18.3	16.7	15.6	15.6	13.3	15.9	14.9	13.8	13.3	15.8
Growth in percent <sup>1</sup>											
Total disbursement	10.4	-17.5	3.3	10.5	41.9	-3.7	1.7	7.6	1.5	-20.7	31.8
Total recovery	10.9	-1.2	23.7	6.8	12.0	-10.5	-3.0	3.5	-3.2	-36.0	43.5

Source: Agricultural Credit Department, Bangladesh Bank.

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

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

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

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

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

	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>Disbursement</b>											
SOBs	27.1	7.0	6.8	6.7	6.6	75.2	29.1	23.0	10.2	12.9	10.9
PCBs	615.4	139.3	173.5	119.7	182.8	579.6	168.8	195.6	117.8	97.4	127.6
Foreign banks	27.6	5.1	5.6	5.3	11.6	41.9	7.5	9.7	17.2	7.5	6.6
Specialized banks	9.7	0.3	4.3	1.2	3.9	2.6	0.4	0.2	0.3	1.8	1.7
Non-bank financial institutions	128.7	39.4	52.3	19.6	17.4	43.3	13.9	13.6	14.0	1.8	7.7
<b>Total</b>	<b>808.5</b>	<b>191.1</b>	<b>242.6</b>	<b>152.5</b>	<b>222.3</b>	<b>742.6</b>	<b>219.7</b>	<b>242.1</b>	<b>159.5</b>	<b>121.3</b>	<b>154.6</b>
<b>Recovery</b>											
SOBs	56.6	18.0	19.4	10.4	8.8	57.0	17.2	21.8	11.5	6.4	5.6
PCBs	606.9	120.8	132.2	153.6	200.2	554.7	163.8	176.4	134.6	79.9	80.4
Foreign banks	14.8	3.5	2.8	3.3	5.2	21.3	7.5	4.3	5.1	4.4	10.5
Specialized banks	7.1	0.3	2.0	1.6	3.3	2.2	0.3	0.7	0.8	0.3	0.5
Non-bank financial institutions	80.3	21.2	22.5	17.9	18.7	62.0	19.0	18.2	14.0	10.8	16.2
<b>Total</b>	<b>765.7</b>	<b>163.8</b>	<b>178.9</b>	<b>184.7</b>	<b>238.3</b>	<b>697.2</b>	<b>207.9</b>	<b>221.5</b>	<b>166.0</b>	<b>101.9</b>	<b>113.2</b>
<b>Outstanding</b>											
SOBs	473.2	437.2	414.7	301.2	473.2	559.4	459.6	496.1	528.0	559.4	497.9
PCBs	1,583.8	1,378.2	1,454.2	1,389.0	1,583.8	1,812.3	1,621.9	1,718.5	1,740.7	1,812.3	1,874.8
Foreign banks	66.9	34.7	39.9	44.6	66.9	84.2	70.4	71.7	80.7	84.2	76.9
Specialized banks	16.2	12.7	15.2	15.2	16.2	18.1	16.1	16.9	16.7	18.1	18.7
Non-bank financial institutions	298.2	272.1	283.3	288.0	298.2	299.5	305.3	290.0	301.1	299.5	274.5
<b>Total :</b>	<b>2,438.3</b>	<b>2,134.9</b>	<b>2,207.4</b>	<b>2,037.9</b>	<b>2,438.3</b>	<b>2,773.5</b>	<b>2,473.4</b>	<b>2,593.1</b>	<b>2,667.2</b>	<b>2,773.5</b>	<b>2,742.8</b>
Growth in Percent <sup>1</sup>											
<b>Disbursement</b>											
SOBs	2.8	-30.9	24.7	-9.6	93.1	177.8	319.2	237.0	52.6	94.7	-62.6
PCBs	16.4	16.8	23.5	-4.5	27.2	-5.8	21.1	12.7	-1.6	-46.7	-92.4
Foreign banks	30.5	139.0	-7.1	-36.1	144.9	51.6	45.4	73.3	225.7	-35.5	-11.5
Specialized banks	-7.6	-91.3	199.8	-59.8	25.8	-72.9	54.7	-95.3	-78.0	-55.2	349.6
Non-bank financial institutions	6.6	69.8	105.8	-23.9	-62.6	-66.4	-64.8	-74.0	-28.7	-89.8	-44.2
<b>All Banks and NBFIs</b>	<b>14.2</b>	<b>21.2</b>	<b>35.6</b>	<b>-10.2</b>	<b>10.4</b>	<b>-8.2</b>	<b>15.0</b>	<b>-0.2</b>	<b>4.6</b>	<b>-45.4</b>	<b>-29.6</b>
<b>Recovery</b>											
SOBs	1.1	144.7	47.6	-36.7	-53.8	0.7	-4.2	12.3	11.1	-27.1	-67.6
PCBs	10.0	-4.1	-10.9	20.7	33.5	-8.6	35.6	33.4	-12.4	-60.1	-50.9
Foreign banks	11.1	17.0	-39.9	9.7	94.3	44.3	117.0	55.1	53.6	-15.7	40.2
Specialized banks	-40.6	-87.5	-13.2	-73.2	106.4	-69.6	3.5	-63.6	-46.1	-90.6	50.8
Non-bank financial institutions	16.7	28.9	25.9	39.5	-13.5	-22.8	-10.4	-19.1	-21.8	-42.1	-14.8
<b>All Banks and NBFIs</b>	<b>9.1</b>	<b>5.6</b>	<b>-4.0</b>	<b>11.8</b>	<b>22.1</b>	<b>-8.9</b>	<b>26.9</b>	<b>23.8</b>	<b>-10.1</b>	<b>-57.2</b>	<b>-45.5</b>
<b>Outstanding</b>											
SOBs	15.0	27.3	13.9	-18.9	15.0	18.2	5.1	19.6	75.3	18.2	8.3
PCBs	21.4	19.4	21.1	11.8	21.4	14.4	17.7	18.2	25.3	14.4	15.6
Foreign banks	104.3	52.1	63.5	45.4	104.3	25.9	103.0	79.5	81.1	25.9	9.2
Specialized banks	29.2	-19.8	0.1	21.1	29.2	11.3	26.9	11.5	9.9	11.3	15.9
Non-bank financial institutions	11.6	22.4	15.6	12.0	11.6	0.5	12.2	2.4	4.5	0.5	-10.1
<b>All Banks and NBFIs</b>	<b>20.2</b>	<b>21.4</b>	<b>19.3</b>	<b>6.5</b>	<b>20.2</b>	<b>13.7</b>	<b>15.9</b>	<b>17.5</b>	<b>30.9</b>	<b>13.7</b>	<b>10.9</b>

Source: SME &amp; Special Programmes Department, Bangladesh Bank

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

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

(Base: 2005-06=100)

Period	12 Month point to point			12 Month Average		
	General	Food	Non-food	General	Food	Non-food
<b>2018</b>						
January	5.90	7.40	3.13	5.68	7.17	3.00
February	5.64	6.94	3.25	5.72	7.19	3.07
March	5.63	6.77	3.52	5.76	7.19	3.16
April	5.63	7.03	3.49	5.83	7.32	3.58
May	5.57	6.56	4.08	5.82	7.25	3.63
June	5.54	5.98	4.87	5.78	7.13	3.74
July	5.51	6.18	4.49	5.78	7.06	3.82
August	5.48	5.97	4.73	5.74	6.95	3.90
September	5.43	5.42	5.45	5.68	6.74	4.07
October	5.40	5.08	5.90	5.63	6.52	4.26
November	5.37	5.29	5.49	5.58	6.37	4.38
December	5.35	5.28	5.45	5.54	6.21	4.51
<b>2019</b>						
January	5.42	5.33	5.57	5.51	6.02	4.71
February	5.47	5.44	5.51	5.49	5.87	4.89
March	5.55	5.72	5.29	5.48	5.76	5.03
April	5.58	5.54	5.64	5.47	5.64	5.21
May	5.63	5.49	5.84	5.48	5.55	5.35
June	5.52	5.40	5.71	5.47	5.51	5.42
July	5.62	5.42	5.94	5.48	5.45	5.54
August	5.49	5.27	5.82	5.48	5.39	5.63
September	5.54	5.30	5.92	5.49	5.38	5.67
October	5.47	5.49	5.45	5.50	5.42	5.64
November	6.05	6.41	5.47	5.56	5.51	5.63
December	5.75	5.88	5.55	5.59	5.56	5.64
<b>2020</b>						
January	5.57	5.12	6.30	5.60	5.54	5.70
February	5.46	4.97	6.23	5.60	5.50	5.77
March	5.48	4.87	6.45	5.60	5.43	5.86
April	5.96	5.91	6.04	5.63	5.46	5.90
May	5.35	5.09	5.75	5.61	5.43	5.89
June	6.02	6.54	5.22	5.65	5.52	5.85
July	5.53	5.70	5.28	5.64	5.54	5.79
August	5.68	6.08	5.05	5.65	5.61	5.72
September	5.97	6.50	5.12	5.69	5.71	5.66

Source: Bangladesh Bureau of Statistics (BBS)

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

	FY19				FY20				FY21
	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
Rice	402.66	404.66	408.00	414.00	424.33	425.67	465.00	531.33	497.33
Wheat	208.80	212.60	212.60	206.70	201.13	224.69	238.36	210.70	213.79
Soyabean oil	765.44	736.49	756.98	740.00	773.54	788.77	807.93	705.01	864.64
Sugar	0.25	0.29	0.28	0.28	0.27	0.28	0.30	0.24	0.28
Crude Petroleum	74.00	66.80	63.36	67.00	60.89	61.43	50.67	31.66	42.48

Source: World Bank

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

Country	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
Bangladesh	5.5	5.4	5.4	5.6	5.5	6.02	5.5	5.8	5.5	6.0	6.0
India(CPI NS)	3.2	3.7	2.2	2.9	3.2	6.1	4.0	7.4	5.9	6.1	6.7
Pakistan	8.9	5.1	6.2	9.4	8.9	8.6	12.4	12.6	10.2	8.6	9.0
Sri Lanka (NCPI)	2.1	0.9	0.4	2.9	2.1	6.3	5.0	6.2	7.0	6.3	6.4

Source: Central banks and Statistics Departments of respective countries.

**Table III.1 : Movements in Reserve Money**

(In billion Taka)

	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>Outstanding</b>											
1. Net foreign assets of BB	2,572	2,517	2,477	2,514	2,572	2,860	2,546	2,591	2,631	2,860	3,136
2. Net domestic assets of BB	-110	-232	-130	-263	-110	-16	-74	-82	98	-16	-328
a) Claims on public sector	336	128	234	141	336	447	314	370	248	447	148
i) Claims on govt. (net)	312	104	211	118	312	421	289	344	222	421	122
ii) Claims on other public sector	24	24	24	24	24	26	25	26	26	26	26
b) Claim on private sector	48	50	50	48	48	53	48	49	49	53	50
c) Claims on banks	54	50	59	69	52	138	63	59	372	138	101
d) Other items (net)	-547	-461	-473	-522	-547	-653	-499	-560	-570	-653	-627
3. Currency issued	1,704	1,555	1,584	1,595	1,704	2,081	1,739	1,719	1,919	2,081	2,056
i) Currency outside banks	1,543	1,410	1,447	1,446	1,543	1,921	1,579	1,566	1,733	1,921	1,892
ii) Cash in tills	161	145	137	149	161	160	160	153	186	160	164
4. Deposits of banks with BB	758	730	763	656	758	764	732	790	810	764	752
5. Reserve money (RM)	2,462	2,285	2,347	2,251	2,462	2,845	2,472	2,509	2,729	2,845	2,808
6. Money multiplier (M2/RM)	5.0	4.9	4.9	5.2	5.0	4.8	5.1	5.2	4.8	4.8	5.1
Growth in percent											
1. Net foreign assets of BB	1.6	0.4	-2.3	-0.6	1.5	11.2	1.1	4.6	4.7	11.2	23.2
2. Net domestic assets of BB	43.6	34.6	64.3	35.3	44.3	85.9	68.1	37.1	137.3	85.9	-342.0
a) Claims on public sector	34.6	44.7	105.6	14.9	34.6	33.1	145.0	58.0	75.5	33.1	-52.9
i) Claims on govt. (net)	38.2	56.2	128.0	16.8	38.2	35.0	176.7	63.4	88.8	35.0	-57.8
ii) Claims on other public sector	0.5	9.9	9.9	6.5	0.5	7.2	5.0	9.4	9.5	7.2	4.2
b) Claim on private sector	-7.3	3.4	-0.2	-2.9	-7.3	11.5	-3.7	-2.2	1.5	11.5	4.6
c) Claims on Banks	-3.8	-5.1	19.1	37.1	-3.8	155.5	25.7	-0.2	436.0	155.5	61.0
3. Currency issued	10.0	7.9	12.6	13.8	10.0	22.1	11.8	8.6	20.3	22.1	18.2
4. Deposits of banks with BB	-3.8	2.6	0.0	-9.0	-3.8	0.8	0.4	3.5	23.5	0.8	2.7
5. Reserve money (RM)	5.3	6.1	8.1	6.0	5.3	15.6	8.2	6.9	21.2	15.6	13.6

Source: Statistics Department, Bangladesh Bank.

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

	FY19					FY20					FY21
	FY19	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>Outstanding</b>											
1. Net foreign assets	2,724	2,652	2,647	2,695	2,724	2,973	2,713	2,741	2,792	2,973	3,312
2. Net domestic assets	9,472	8,537	8,906	8,991	9,472	10,764	9,806	10,203	10,314	10,764	10,950
a) Domestic credit	11,469	10,341	10,803	10,963	11,459	13,076	11,832	12,406	12,305	13,076	13,330
Credit to public sector	1,366	1,153	1,215	1,166	1,366	2,104	1,665	1,874	1,639	2,104	2,199
Credit to govt. (net)	1,133	957	982	925	1,133	1,812	1,408	1,569	1,338	1,812	1,905
Credit to other public sector	234	196	233	241	234	292	257	306	301	292	294
Credit to private sector	10,103	9,187	9,588	9,797	10,100	10,973	10,167	10,532	10,666	10,973	11,131
b) Other items (net)	-1,997	-1,804	-1,897	-1,972	-1,989	-2,312	-2,026	-2,203	-1,991	-2,312	-2,379
3. Narrow Money	2,733	2,449	2,555	2,517	2,733	3,283	2,708	2,759	2,910	3,283	3,255
a) Currency outside banks	1,543	1,410	1,447	1,446	1,543	1,921	1,579	1,566	1,733	1,921	1,892
b) Demand deposits	1,190	1,039	1,108	1,071	1,190	1,361	1,129	1,194	1,176	1,361	1,363
4. Time deposits	9,463	8,740	8,999	9,169	9,463	10,455	9,811	10,185	10,197	10,455	11,007
5. Broad money	12,196	11,189	11,553	11,686	12,196	13,737	12,519	12,944	13,107	13,737	14,262
<b>Growth in percent</b>											
1. Net foreign assets	3.0	0.8	0.3	2.4	2.9	9.2	2.3	3.6	3.6	9.2	22.1
2. Net domestic assets	12.0	11.5	12.5	13.7	12.1	13.6	14.9	14.6	14.7	13.6	11.7
a) Domestic credit	12.3	13.2	13.4	13.7	12.2	14.0	14.4	14.8	12.2	14.0	12.7
Credit to public sector	19.8	2.9	14.7	25.7	19.8	54.0	44.4	54.3	40.6	54.0	32.0
Credit to govt. (net)	19.4	1.3	12.5	24.0	19.4	59.9	47.1	59.8	44.6	59.9	35.3
Credit to other public sector	21.6	11.0	27.6	32.2	21.6	25.1	31.1	31.3	25.3	25.1	14.1
Credit to private sector	11.3	14.7	13.2	12.4	11.3	8.6	10.7	9.8	8.9	8.6	9.5
3. Narrow money	7.2	5.9	9.3	11.7	7.2	20.1	10.6	8.0	15.6	20.1	20.2
4. Time deposits	10.7	9.6	9.4	10.6	10.7	10.5	12.3	13.2	11.2	10.5	12.2
5. Broad money	9.9	8.8	9.4	10.9	9.9	12.6	11.9	12.0	12.2	12.6	13.9

Source: Statistics Department, Bangladesh Bank.

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

Instruments	Sep.18	Dec.18	Mar.19	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20	Sep.20
<b>T - Bills</b>									
14 - day		3.12	....	6.30	....	7.52	...	...	...
91 - day	2.23	2.18	3.48	6.78	7.78	7.01	7.09	6.83	2.93
182 - day	3.41	2.96	3.67	6.91	8.36	7.61	7.47	6.91	3.71
364 - day	3.54	3.40	4.28	7.06	8.55	8.04	7.51	7.35	3.86
<b>BGTB</b>									
2 - year	4.07	4.33	5.27	7.41	8.57	8.16	7.79	7.75	4.61
5 - year	5.34	5.35	6.35	8.05	9.13	8.93	8.05	8.05	5.57
10 - year	6.95	7.53	7.54	8.42	9.26	9.2	8.47	8.62	6.48
15-year	7.09	7.69	7.75	8.77	9.50	9.3	8.69	8.69	6.70
20-year	7.94	8.42	8.37	9.08	9.74	9.4	8.99	8.90	6.98
<b>Repo</b>									
1-3 day	6.00	6.00	6.00	6.00	6.00	6	5.75	5.25	4.75
<b>Reverse Repo</b>									
1-3 day	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.00
<b>Bangladesh Banks Bills</b>									
07-Day	0.02	0.02	...	...	....	....	...	...	...
14-Day	...	0.02	...	...	....	....	...	...	...
30-Day	...	...	...	...	....	....	...	...	...
<b>Call Money Rate</b>	4.22	4.09	4.54	4.55	5.04	4.50	5.14	5.01	2.87
<b>Lending Rate</b>									
All Banks	9.54	9.49	9.50	9.58	9.72	9.80	9.5	8.03	8.02
SOBs	6.77	6.75	6.65	6.60	6.56	6.76	6.73	6.45	6.44
SPBs	8.96	7.56	7.54	7.68	7.71	7.67	7.85	7.79	7.67
PCBs	10.27	10.27	10.30	10.80	10.57	10.64	10.28	8.43	8.44
FCBs	9.08	8.90	8.92	9.37	9.66	9.79	9.52	8.03	7.87
<b>Deposits Rate</b>									
All Banks	5.27	5.26	5.35	5.43	5.75	5.75	5.44	5.02	4.89
SOBs	4.33	4.37	4.38	4.28	4.57	4.54	4.5	4.27	4.48
SPBs	5.67	5.77	5.70	5.70	6.46	5.60	5.66	5.64	5.69
PCBs	5.84	5.82	5.96	6.08	6.40	6.42	5.99	5.49	5.22
FCBs	2.26	2.30	2.23	2.46	2.32	2.31	2.15	1.87	1.72
<b>NSD Certificate</b>									
3 - year	11.04	11.04	11.04	11.04	11.04	11.04	11.04	11.04	11.04
5 - year	11.28	11.28	11.28	11.28	11.28	11.28	11.28	11.76	11.76

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

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

Instruments	Dec.18	Mar. 19	Jun. 19	Sep.19	Dec.19	Mar. 20	Jun. 20	Sep.20
<b>Bangladesh Banks Bills</b>								
07-Day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14-Day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30-Day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Sub Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>T - Bills</b>								
14 - day	30.0	0.0	20.0	0.0	30.0	0.0	0.0	0.0
91 - day	79.0	88.0	148	204.0	147.0	122.00	122.0	165.0
182 - day	63.0	54.0	112	189.0	198.0	177.00	185.0	185.0
364 - day	109.0	142.0	174	241.0	311.0	362.00	355.0	332.0
<b>Sub Total</b>	<b>251.0</b>	<b>284.0</b>	<b>454.0</b>	<b>634.0</b>	<b>686.0</b>	<b>661.0</b>	<b>662.0</b>	<b>682.0</b>
<b>BGTB</b>								
2 - year	130.0	120.0	145.0	177.0	212.0	254.0	302.0	357.0
5 - year	301.7	303.7	309.7	326.7	355.7	387.0	461.5	510.0
10 - year	527.6	530.6	557.6	579.1	615.8	651.8	723.2	772.7
15-year	258.7	266.7	282.7	298.7	317.7	327.2	350.2	359.7
20-year	228.9	236.9	252.9	268.9	287.9	294.4	326.4	335.9
<b>Sub Total</b>	<b>1,446.9</b>	<b>1,457.9</b>	<b>1,547.9</b>	<b>1650.4</b>	<b>1789.0</b>	<b>1914.3</b>	<b>2163.2</b>	<b>2335.2</b>
NSD Certificate	2627.6	2,779.8	2,877.5	2924.0	2931.4	2989.1	3021.3	3138.0
<b>Total</b>	<b>4325.5</b>	<b>4,521.6</b>	<b>4,879.4</b>	<b>5208.4</b>	<b>5406.4</b>	<b>5564.4</b>	<b>5846.5</b>	<b>6155.2</b>

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

**Table IV.1 : Government Fiscal Operations**

(In billion Taka)

	FY20							FY21	
	Budget	Revised Budget	FY20 <sup>P</sup>	Q1 <sup>E</sup>	Q2 <sup>E</sup>	Q3 <sup>E</sup>	Q4 <sup>E</sup>	Budget	Q1 <sup>E</sup>
<b>Revenue</b>	3778.1	3480.69	2550.32	594.75	642.79	703.25	609.53	3780	632.4
a) NBR Tax revenue	3256	3005	2184.07	480.17	582.24	598.82	522.84	3300	499.9
i) VAT	1230.67	1098.46	842.69	203.09	239.05	218.59	181.96	1251.62	206.2
ii) Customs duties	365.52	337.33	261.13	58.9	66.1	65.57	70.56	378.62	62.84
iii) Income tax	1139.12	1028.94	721.8	149.13	172.26	199.06	201.35	1039.45	158.82
iv) Others	520.69	540.27	358.45	69.05	104.83	115.6	68.97	630.31	72.04
b) Non- NBR tax revenue	145	125.67	39.5	12.4	12.38	9.93	4.79	150	20
c) Non- tax revenue	377.1	350.02	326.75	102.18	48.17	94.5	81.9	330	112.5
<b>Expenditure</b>	5231.9	5015.77	3837.98	972.27	959.96	674.82	1230.93	5680	922.53
a) Current	2779.34	2749.07	1954.15	743.53	492.37	265.12	453.13	3111.9	696.82
b) ADP	2027.21	1929.21	1618.54	173.44	393.7	339.9	711.5	2146.11	173.01
c) Others	425.35	337.49	265.29	55.3	73.89	69.8	66.3	421.99	52.7
<b>Budget Deficit</b>	-1453.8	-	-	-377.52	-317.17	28.43	-621.4	-1900	-290.13
		1535.08	1287.66						
<b>Financing</b>	1453.8	1535.08	1287.66	377.52	317.17	-28.43	621.4	1900	290.13
a) Domestic financing	773.64	973.45	898.89	327.5	187.67	-148.19	531.91	1099.83	227.79
i) Bank financing	473.64	824.21	669.08	271.15	158.22	-231.79	471.5	849.8	88.5
ii) Non-bank financing	300	149.24	229.81	56.35	29.45	83.6	60.41	250.03	139.29
b) Foreign financing*	680.16	561.63	388.77	50.02	129.5	119.76	89.49	800.17	62.34
<b>In Percentage of GDP</b>									
<b>Revenue</b>	13.5	12.4	9.1	2.1	2.3	2.5	2.2	11.9	2.0
a) NBR Tax revenue	11.6	10.7	7.8	1.7	2.1	2.1	1.9	10.4	1.6
i) VAT	4.4	3.9	3.0	0.7	0.9	0.8	0.7	3.9	0.7
ii) Customs duties	1.3	1.2	0.9	0.2	0.2	0.2	0.3	1.2	0.2
iii) Income tax	4.1	3.7	2.6	0.5	0.6	0.7	0.7	3.3	0.5
iv) Others	1.9	1.9	1.3	0.2	0.4	0.4	0.2	2.0	0.2
b) Non-NBR tax revenue	0.5	0.4	0.1	0.0	0.0	0.0	0.0	0.5	0.1
c) Non tax revenue	1.3	1.3	1.2	0.4	0.2	0.3	0.3	1.0	0.4
<b>Expenditure</b>	18.7	17.9	13.7	3.5	3.4	2.4	4.4	17.9	2.9
a) Current	9.9	9.8	7.0	2.7	1.8	0.9	1.6	9.8	2.2
b) ADP	7.2	6.9	5.8	0.6	1.4	1.2	2.5	6.8	0.5
c) Others	1.5	1.2	0.9	0.2	0.3	0.2	0.2	1.3	0.2
<b>Budget Deficit</b>	-5.2	-5.5	-4.6	-1.4	-1.1	0.1	-2.2	-6.0	-0.9
<b>Financing</b>	5.2	5.5	4.6	1.4	1.1	-0.1	2.2	6.0	0.9
a) Domestic financing	2.8	3.5	3.2	1.2	0.7	-0.5	1.9	3.5	0.7
i) Bank financing	1.7	2.9	2.4	1.0	0.6	-0.8	1.7	2.7	0.3
ii) Non-bank financing	1.1	0.5	0.8	0.2	0.1	0.3	0.2	0.8	0.4
b) Foreign financing	2.4	2.0	1.4	0.2	0.5	0.4	0.3	2.5	0.2
<b>Memorandum item</b>									
<b>GDP at current market price</b>	<b>27963.8</b>	<b>27963.8</b>	<b>27963.8</b>	<b>27963.8</b>	<b>27963.8</b>	<b>27963.8</b>	<b>27963.8</b>	<b>31718.0</b>	<b>31718.0</b>

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

\* = include grants, E=Estimates

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

	FY19 <sup>R</sup>				FY20 <sup>P</sup>	FY20 <sup>P</sup>				FY21 <sup>P</sup>
	Q <sub>1</sub> <sup>R</sup>	Q <sub>2</sub> <sup>R</sup>	Q <sub>3</sub> <sup>R</sup>	Q <sub>4</sub> <sup>R</sup>		Q <sub>1</sub> <sup>R</sup>	Q <sub>2</sub> <sup>P</sup>	Q <sub>3</sub> <sup>P</sup>	Q <sub>4</sub> <sup>P</sup>	Q <sub>1</sub> <sup>P</sup>
<b>Current Account Balance</b>	<b>-1,316</b>	<b>-2,072</b>	<b>-824</b>	<b>-890</b>	<b>-4,849</b>	<b>-715</b>	<b>-824</b>	<b>-871</b>	<b>-2,439</b>	<b>3,534</b>
Trade balance	-3,852	-3,948	-4,401	-3,634	-	-3,840	-4,382	-3,856	-5,783	<b>-2,039</b>
					17,861					
Export f.o.b.	9,747	10,276	10,143	9,438	32,830	9,417	9,427	9,408	4,578	9,697
Import f.o.b.	13,599	14,224	14,544	13,072	50,691	13,257	13,809	13,264	10,361	11,736
Services	-761	-863	-782	-771	-2,987	-876	-1,099	-1,009	-3	<b>-585</b>
Credit	1,597	1,881	1,824	1,851	6,770	1,664	1,868	1,514	1,724	1,508
Debit	2,358	2,744	2,606	2,622	9,757	2,540	2,967	2,523	1,727	2,093
Primary Income	-647	-1,048	-118	-1,180	-2,776	-620	-411	-479	-1,266	<b>-667</b>
Credit	35	51	51	55	172	80	18	42	32	48
Debit	682	1,099	169	1,235	2,948	700	429	521	1,298	715
Secondary Income	3,944	3,787	4,477	4,695	18,775	4,621	5,068	4,473	4,613	<b>6,825</b>
Official Transfers	10	6	4	21	19	2	8	2	7	9
Private Transfers	3,934	3,781	4,473	4,674	18,756	4,619	5,060	4,471	4,606	6,816
Of which : workers' remittances	3,869	3,514	4,318	4,495	18,014	4,457	4,839	4,317	4,401	6,643
<b>Capital &amp; Financial Account</b>	<b>1,367</b>	<b>1,740</b>	<b>1,476</b>	<b>1,563</b>	<b>7,914</b>	<b>959</b>	<b>326</b>	<b>1,322</b>	<b>5,307</b>	<b>-756</b>
Capital account	58	76	54	51	256	28	101	36	91	<b>43</b>
Capital transfers	58	76	54	51	256	28	101	36	91	43
Financial account	1,309	1,664	1,422	1,512	7,658	931	225	1,286	5,216	-799
Foreign direct investment (Gross Inflows)	1,032	1,609	1,332	973	3,242	717	971	804	750	540
Of which: FDI net inflow*	599	726	877	426	1,510	170	413	447	480	68
Portfolio investment	29	43	75	25	276	36	1	-23	262	-154
Of which : workers' remittances	62	50	56	56	191	62	50	50	29	70
Other investment	681	895	470	1,062	5,872	725	-189	862	4,474	-713
Medium and long-term (MLT) loans	928	1,807	1,579	1,949	6,996	901	1,673	1,631	2,791	1,385
MLT amortization payments	330	263	338	271	1,257	343	290	340	284	376
Other long term loans	284	172	225	-379	438	131	58	99	150	-20
Other short term loans	638	-66	181	-481	931	53	535	-56	399	-11
Trade credit	-483	-569	-1,467	-197	-966	470	-1,859	-606	1,029	-571
DMBs and NBDCs	-356	-186	290	441	-270	-487	-306	134	389	-1,120
Assets	250	295	4	-182	-242	224	111	105	-682	417
Liabilities	-106	109	294	259	-512	-263	-195	239	-293	-703
Net Errors & Omissions	-209	-23	-465	-168	590	-448	729	-133	442	320
<b>Overall Balance</b>	<b>-158</b>	<b>-355</b>	<b>187</b>	<b>505</b>	<b>3,655</b>	<b>-204</b>	<b>231</b>	<b>318</b>	<b>3,310</b>	<b>3,098</b>
<b>Reserve Assets</b>	<b>158</b>	<b>355</b>	<b>-187</b>	<b>-505</b>	<b>-3,655</b>	<b>204</b>	<b>-231</b>	<b>-318</b>	<b>-3,310</b>	<b>-3,098</b>
Bangladesh Bank	158	355	-187	-505	-3,655	204	-231	-318	-3,310	-3,098
Assets	-896	221	-376	896	3,250	-760	676	-236	3,570	3,014
Liabilities	-738	576	-563	391	-405	-556	445	-554	260	-84
<b>Memorandum Items</b>										
Gross official reserves	31,958	32,016	31,753	32,717	36,037	31,832	32,689	32,570	36,037	39,314
In months of imports of goods & services	6.0	5.7	5.6	6.2	7.2	6.0	5.8	6.2	8.9	8.5
In months of prospective imports	5.6	5.2	5.1	5.7	6.4	6.9	5.4	5.7	8.3	7.9
Export growth (in percent) <sup>1</sup>	14.0	12.5	10.0	3.4	-17.1	-3.4	-8.3	-7.2	-51.5	3
Import growth (in percent) <sup>1</sup>	11.5	0.8	4.0	-7.7	-8.6	-2.5	-2.9	-8.8	-20.7	-11.5
Remittances growth (in percent) <sup>1</sup>	15.9	0.6	14.2	7.8	10.9	16.8	34.8	-0.2	-2.7	48.6

Source: Statistics Department, Bangladesh Bank.

R=Revised, P=Provisional.

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

Items	FY19					FY20				FY21
	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub> <sup>P</sup>
1. Raw jute	33	33	30	17	130	33	55	29	12	41
2. Jute goods	184	171	177	171	752	188	236	234	95	266
3. Tea	1	1	1	1	3	1	1	1	1	1
4. Leather	41	49	44	30	98	31	35	23	10	24
5. Frozen shrimps and fish	125	133	92	75	408	111	150	99	49	124
6. Woven garments	3,985	4,447	4,718	4,094	14,041	3,887	3,931	4,331	1,892	3,663
7. Knitwear products	4,207	4,446	4,148	4,088	13,908	4,170	4,036	3,749	1,954	4,464
8. Fertilizer	0	0	0	0	0	0	0	0	0.00	0
9. Terry towels	13	17	12	8	37	11	10	9	7	9
10. Others	1,352	1,261	1,181	1,148	4,296	1,217	1,201	1,196	683	1,305
Total exports	9,941	10,559	10,403	9,632	33,674	9,648	9,654	9,672	4,700	9,897
Of which: exports from EPZ	1,445	1,515	1,523	1,546	4,944	1,427	1,497	1,477	542	1,283
Total exports (adjusted)	9,747	10,416	10,276	9,505	32,830	9,484	9,360	9,408	4,578	9,697

Source : Export Promotion Bureau, Bangladesh. P= Provisional

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

	FY19					FY20					FY21
	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>	
<b>Exports of RMG</b>	<b>8,192</b>	<b>8,893</b>	<b>8,867</b>	<b>8,182</b>	<b>27,949</b>	<b>8,058</b>	<b>7,967</b>	<b>8,080</b>	<b>3,846</b>	<b>8,126</b>	
European Countries	5,284	5,677	5,780	5,267	17,890	5,097	5,102	5,248	2,444	5,219	
USA	1,484	1,608	1,506	1,535	5,147	1,491	1,488	1,397	770	1,580	
Other Countries	1,423	1,608	1,580	1,380	4,912	1,470	1,377	1,435	631	1,328	
<b>Woven Garments</b>	<b>3,985</b>	<b>4,447</b>	<b>4,718</b>	<b>4,094</b>	<b>14,041</b>	<b>3,887</b>	<b>3,931</b>	<b>4,331</b>	<b>1,892</b>	<b>3,663</b>	
European Countries	2,171	2,384	2,766	2,245	7,733	2,061	2,091	2,533	1,049	1,967	
USA	1,097	1,217	1,162	1,143	3,773	1,085	1,104	1,060	524	1,049	
Other Countries	717	847	790	705	2,535	742	736	739	318	647	
<b>Knitwear Products</b>	<b>4,207</b>	<b>4,446</b>	<b>4,148</b>	<b>4,088</b>	<b>13,908</b>	<b>4,170</b>	<b>4,036</b>	<b>3,749</b>	<b>1,954</b>	<b>4,464</b>	
European Countries	3,113	3,293	3,014	3,022	10,157	3,037	3,011	2,715	1,395	3,252	
USA	387	392	344	392	1,374	406	384	338	246	532	
Other Countries	706	761	790	674	2,378	728	640	697	313	680	
Growth in percent											
<b>Exports of RMG</b>	<b>14.7</b>	<b>16.6</b>	<b>10.0</b>	<b>5.2</b>	<b>-18.1</b>	<b>-1.6</b>	<b>-10.4</b>	<b>-8.9</b>	<b>-53.0</b>	<b>0.9</b>	
European Countries	11.2	9.0	7.2	12.9	-18.7	-3.5	-10.1	-9.2	-53.6	2.4	
USA	13.6	24.3	13.3	7.9	-16.1	0.5	-7.5	-7.2	-49.8	6.0	
Other Countries	31.3	42.5	18.0	-18.5	-18.0	3.3	-14.4	-9.2	-54.3	-9.7	
<b>Woven Garments</b>	<b>17.3</b>	<b>17.6</b>	<b>8.8</b>	<b>4.6</b>	<b>-18.6</b>	<b>-2.4</b>	<b>-11.6</b>	<b>-8.2</b>	<b>-53.8</b>	<b>-5.8</b>	
European Countries	11.6	5.9	5.5	10.5	-19.2	-5.1	-12.3	-8.4	-53.3	-4.5	
USA	16.8	28.9	12.5	7.6	-18.3	-1.1	-9.3	-8.8	-54.2	-3.4	
Other Countries	39.6	44.7	16.0	-13.8	-17.2	3.4	-13.1	-6.5	-54.9	-12.7	
<b>Knitwear Products</b>	<b>12.3</b>	<b>15.5</b>	<b>11.3</b>	<b>5.7</b>	<b>-17.6</b>	<b>-0.9</b>	<b>-9.2</b>	<b>-9.6</b>	<b>-52.2</b>	<b>7.0</b>	
European Countries	10.8	11.4	8.7	14.8	-18.4	-2.5	-8.6	-9.9	-53.9	7.1	
USA	5.3	11.9	16.0	8.7	-9.3	4.8	-1.9	-1.9	-37.1	31.1	
Other Countries	23.8	40.2	20.1	-23.0	-18.9	3.1	-15.9	-11.8	-53.6	-6.6	

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

**Table V.4: Export Performance for July-September 2020-21**

(In million USD)

	Export target for 2020-21	Strategic Target for July-September 2020-21	Export Performance for July-September 2020-21	Export Performance for July-September 2019-20	% Change of export performance over Export target	% Change of export performance July-September 2020-21 Over July-September 2019-20
<b>All Products (A+B)</b>	<b>41,000</b>	<b>9,660</b>	<b>9,897</b>	<b>9,648</b>	<b>2</b>	<b>3</b>
<b>A. Primary Commodities:</b>	<b>1,644</b>	<b>387</b>	<b>403</b>	<b>388</b>	<b>4</b>	<b>4</b>
Frozen & Live Fish	574	135	132	125	-3	5
Agricultural Products	1,070	252	272	263	8	3
<b>B. Manufactured Commodities:</b>	<b>39,356</b>	<b>9,273</b>	<b>9,494</b>	<b>9,261</b>	<b>2</b>	<b>3</b>
Cement salt stone etc.	10	2	2	2	-23	-24
Ores, Slag and Ash	25	6	6	4	-3	45
Petroleum bi Products	50	12	5	7	-58	-34
Chemical products	245.00	57.72	61.92	53.76	7	15
Plastic, Melamine Products	123	29	26	32	-10	-17
Rubber	34	8	6	7	-21	-9
Leather & Leather products (including leather footwear)	920	217	225	254	4	-11
Wood and Wood Products	4	3.5	0.8	0.5	-78	-63
Handicrafts	28	7	8	5	21	51
Pulp	0	0	0	0	0	0
Paper and Paper Products	94	22	16	26	-26	-36
Printed Materials	1	0	0	0	0	111
Silk	0.2	0	0	0	-40	-40
Wool and woolen Products	0	0	0	0	-100	-100
Cotton and Cotton Products	161	38	34	36	-10	-7
Jute and Jute Goods	1,167	275	308	221	12	39
Man Made Filaments and Staple Fibers	135	32	33	28	3	19
Carpet	30	7	9	6	24	51
Specialized Textiles	143	34	30	33	-12	-11
Knitwear	16,700	3,935	4,464	4,170	13	7
Woven Garments	17,085	4,025	3,663	3,887	-9	-6
Home Textile	960	226	252	179	12	41
Other Footwear (excluding leather footwear)	380	90	102	82	14	23
Headgear/Cap	230	54	44	51	-19	-14
Umbrella Waking Sticks	0	0	0	0	0	0
Wigs and Human Hair	40	9	9	6	-2	46
Building Materials	2	0	0	1	-29	-55
Ceramic Products	35	8	8	10	-1	-15
Glass and Glass ware	5	1	1	1	13	90
Engineering Products	362	85	111	93	30	19
Ships, boats & floating structures	18	4	0	0	-99	-62
Other Manufactured Products	370	87	69	63	-20	10

Source: Export Promotion Bureau, Bangladesh.

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

Items	FY19					FY20				FY21
	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>A. Food Grains</b>	<b>344</b>	<b>370</b>	<b>480</b>	<b>357</b>	<b>1,672</b>	<b>286</b>	<b>472</b>	<b>590</b>	<b>324</b>	<b>450</b>
1. Rice	43	27	32	13	22	3	11	3	5	3
2. Wheat	301	343	448	344	1,651	283	461	587	319	447
<b>B. Other Food Items</b>	<b>807</b>	<b>810</b>	<b>1,036</b>	<b>863</b>	<b>3,705</b>	<b>740</b>	<b>789</b>	<b>1,218</b>	<b>959</b>	<b>824</b>
3. Milk & cream	85	63	113	101	341	78	69	98	97	73
4. Spices	96	58	83	91	351	92	75	102	82	138
5. Edible oil	401	467	449	340	1,617	328	398	481	410	325
6. Pulses (all sorts)	69	74	155	172	662	116	88	211	246	113
7. Sugar	157	149	237	160	733	125	159	325	123	175
<b>C. Consumer &amp; Intermediate Goods</b>	<b>8,356</b>	<b>8,813</b>	<b>8,432</b>	<b>8,007</b>	<b>31,913</b>	<b>8,300</b>	<b>8,511</b>	<b>8,037</b>	<b>7,065</b>	<b>7,423</b>
8. Clinker	189	263	307	235	879	206	262	282	129	198
9. Crude petroleum	87	117	110	101	731	216	180	120	214	124
10. POL	1,146	1,098	1,103	1,215	4,627	1,160	829	1,097	1,541	1,386
11. Oil seeds	186	111	242	258	1,183	212	208	394	369	260
12. Chemicals	631	627	616	598	2,533	660	659	620	595	728
13. Pharmaceutical products	60	58	67	61	294	78	92	68	55	70
14. Fertilizer	308	604	302	87	1,035	349	396	231	60	207
15. Dyeing and tanning materials	206	192	184	197	697	189	190	188	131	188
16. Plastics and rubber articles thereof	708	709	647	694	2,610	722	724	647	517	621
17. Raw cotton	870	791	778	643	2,961	777	748	837	599	609
18. Yarn	658	590	625	572	1,901	460	484	555	403	521
19. Textile and articles thereof	1,741	1,987	1,759	1,798	6,380	1,569	2,009	1,541	1,261	1,361
20. Staple fibre	297	338	310	283	1,086	283	320	284	199	195
21. Iron, steel & other base metals	1,270	1,327	1,384	1,265	4,997	1,421	1,410	1,173	993	956
<b>D. Capital Goods &amp; Others</b>	<b>3,668</b>	<b>3,609</b>	<b>3,890</b>	<b>3,435</b>	<b>11,109</b>	<b>3,429</b>	<b>3,242</b>	<b>2,681</b>	<b>1,758</b>	<b>2,632</b>
22. Capital machinery	1,384	1,379	1,580	1,070	3,581	1,116	1,038	861	566	811
23. Others Capital goods	2,284	2,230	2,310	2,365	7,528	2,313	2,204	1,820	1,191	1,821
<b>E. Others n.i.e</b>	<b>1,523</b>	<b>1,770</b>	<b>1,879</b>	<b>1,464</b>	<b>6,386</b>	<b>1,570</b>	<b>1,912</b>	<b>1,809</b>	<b>1,095</b>	<b>1,357</b>
<b>Grand Total c.i.f.(A+B+C+D+E)</b>	<b>14,698</b>	<b>15,373</b>	<b>15,718</b>	<b>14,126</b>	<b>54,785</b>	<b>14,324</b>	<b>14,926</b>	<b>14,335</b>	<b>11,200</b>	<b>12,687</b>
Of which Import by EPZ	993	1,037	1,060	942	3,488	885	1,048	909	646	695
<b>Grand Total f.o.b.(adjusted)</b>	<b>13,599</b>	<b>14,224</b>	<b>14,544</b>	<b>13,072</b>	<b>50,691</b>	<b>13,252</b>	<b>13,814</b>	<b>13,264</b>	<b>10,361</b>	<b>11,736</b>

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

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

	FY19		FY20		FY21	
	Opening	Settlement	Opening	Settlement	Opening	Settlement
	Q* <sub>1</sub>					
Consumer goods	5,737	5,328	6,078	5,576	496	445
Industrial raw materials	20,343	19,605	19,100	17,659	1,619	1,535
Intermediate goods	6,289	5,922	4,796	4,813	329	313
Petroleum and petroleum products	4,283	4,407	4,340	3,918	199	124.85
Capital machinery	6,101	4,828	4737.5	4374	377	252
Machinery for misc. industries	3,966	3,467	2,952	2,808	355	200
Others	11,986	13,770	11,118	11,944	981	816
<b>Total</b>	<b>58,703</b>	<b>57,328</b>	<b>53,120</b>	<b>51,091</b>	<b>4,357</b>	<b>3,685</b>
<i>of which back to back</i>	9,150	9,636	7,609	7,368	673	643
	Growth in percent					
Consumer goods	-26.3	-26.6	5.9	4.6	8.0	-3.6
Industrial raw materials	12.0	16.6	-6.1	-9.9	-5.2	-4.6
Intermediate goods	40.2	53.5	-23.7	-18.7	-20.9	-23.8
Petroleum and petroleum products	23.4	48.5	1.3	-11.1	-54.7	-67.1
Capital machinery	-1.5	0.4	-22.3	-9.4	-29.8	-55.9
Machinery for misc. industries	-28.0	-24.7	-25.6	-19.0	33.6	-35.2
Others	-39.5	84.3	-7.2	-13.3	-22.6	-29.0
<b>Total</b>	<b>-10.2</b>	<b>20.0</b>	<b>-9.5</b>	<b>-10.9</b>	<b>-14.5</b>	<b>-24.6</b>
<i>of which back to back</i>	15.8	35.3	-16.8	-23.5	-12.1	-12.6

Source: Foreign Exchange Operation Department, Bangladesh Bank.

\*= July 2020

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

Countries	FY19					FY20				FY21
	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
<b>Gulf Region</b>	<b>2,287</b>	<b>2,119</b>	<b>2,579</b>	<b>2,690</b>	<b>10,557</b>	<b>2,670</b>	<b>2,779</b>	<b>2,456</b>	<b>2,653</b>	<b>3,824</b>
1. Saudi Arabia	727	696	818	869	4,015	947	1,007	916	1,144	1,614
2. UAE	607	544	714	675	2,473	625	715	564	569	752
3. Qatar	251	229	254	290	1,020	285	276	249	209	347
4. Oman	262	220	277	308	1,240	319	308	269	344	486
5. Kuwait	317	317	402	427	1,372	378	368	347	279	466
6. Bahrain	123	112	114	121	437	117	104	109	107	160
<b>Euro Region</b>	<b>266</b>	<b>263</b>	<b>364</b>	<b>344</b>	<b>1,418</b>	<b>352</b>	<b>412</b>	<b>346</b>	<b>307</b>	<b>531</b>
7. UK	255	249	345	327	1,365	338	398	333	296	516
8. Germany	11	14	18	17	53	14	15	13	11	15
<b>Asia Pacific Region</b>	<b>392</b>	<b>356</b>	<b>418</b>	<b>449</b>	<b>1,738</b>	<b>440</b>	<b>461</b>	<b>451</b>	<b>386</b>	<b>818</b>
9. Singapore	89	76	95	108	457	108	125	117	108	189
10. Japan	9	10	18	12	49	14	12	11	12	21
11. Malaysia	294	270	305	328	1,231	319	324	322	266	607
<b>Rest of the World</b>	<b>925</b>	<b>888</b>	<b>1,013</b>	<b>1,068</b>	<b>4,492</b>	<b>1,057</b>	<b>1,236</b>	<b>1,114</b>	<b>1,085</b>	<b>1,540</b>
12. USA	446	419	468	510	2,403	490	612	610	691	815
13. Others n.i.e.	478	469	545	558	2,089	567	625	504	393	725
<b>Total</b>	<b>3,869</b>	<b>3,627</b>	<b>4,374</b>	<b>4,551</b>	<b>18,205</b>	<b>4,519</b>	<b>4,889</b>	<b>4,367</b>	<b>4,430</b>	<b>6,713</b>

Source: Statistics Department, Bangladesh Bank.

**Table V.8 Exchange Rate Movements**

(Taka per Currencies)

Period	US Dollar		U.K. Pound Sterling		EURO		Japanese Yen	
	Period Average	End Period	Period Average	End Period	Period Average	End Period	Period Average	End Period
<b>2017-18</b>	82.10	83.73	110.61	109.50	97.99	96.86	0.74	0.76
October	80.82	80.86	106.82	106.82	95.10	94.21	0.72	0.71
November	81.26	82.30	107.45	110.35	95.33	97.50	0.72	0.74
December	82.55	82.70	110.59	111.76	97.69	99.22	0.73	0.73
January	82.82	82.90	114.21	117.27	100.81	102.81	0.75	0.76
February	82.92	82.96	115.89	115.39	102.40	101.48	0.77	0.77
March	82.96	82.96	115.87	116.79	102.32	102.11	0.78	0.78
April	82.97	82.98	116.81	114.35	101.97	100.65	0.77	0.76
May	83.38	83.70	112.28	111.25	98.51	97.62	0.76	0.77
June	83.70	83.73	111.30	109.50	97.79	96.86	0.76	0.76
<b>2018-19</b>								
July	83.75	83.75	110.40	109.99	97.90	98.04	0.75	0.75
August	83.75	83.75	107.86	109.10	96.74	98.05	0.75	0.75
September	83.75	83.75	109.22	109.13	97.58	97.23	0.75	0.74
October	83.82	83.85	109.23	106.54	96.33	95.12	0.74	0.74
November	83.87	83.90	108.22	107.35	95.34	95.59	0.74	0.74
December	83.90	83.90	106.36	106.61	95.33	95.96	0.75	0.76
January	83.94	83.95	108.17	110.11	95.89	96.36	0.77	0.77
February	84.04	84.15	109.26	111.51	95.43	95.83	0.76	0.76
March	84.21	84.25	111.12	109.80	95.27	94.51	0.76	0.76
April	84.33	84.45	109.91	109.26	94.77	94.47	0.76	0.76
May	84.49	84.50	108.67	106.70	94.52	94.06	0.77	0.77
June	84.50	84.50	107.05	107.27	95.30	96.08	0.78	0.78
<b>2019-20</b>								
July	84.50	84.50	105.49	102.68	94.82	94.26	0.78	0.78
August	84.50	84.50	102.76	103.18	94.03	93.60	0.79	0.80
September	84.50	84.50	104.30	103.84	93.03	92.43	0.79	0.78
October	84.67	84.75	106.96	109.35	93.54	94.50	0.78	0.78
November	84.78	84.90	109.20	109.63	93.73	93.47	0.78	0.78
December	84.90	84.90	111.05	111.34	94.25	95.08	0.78	0.78
January	84.90	84.90	111.08	111.18	94.30	93.66	0.78	0.78
February	84.95	84.95	110.33	109.46	92.71	93.44	0.77	0.78
March	84.95	84.95	104.48	99.89	93.60	91.65	0.79	0.76
April	84.95	84.95	104.93	103.90	91.99	91.89	0.79	0.79
May	84.95	84.95	104.48	108.88	92.34	94.29	0.79	0.79
June	84.92	84.90	104.38	104.41	95.54	95.44	0.79	0.79
<b>2020-21</b>								
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

Source: Statistics Department, Bangladesh Bank.

**Table V.9 Trends in Foreign Aid**

(In million USD)

	FY19 <sup>R</sup>				FY20	FY20 <sup>P</sup>				FY21 <sup>P</sup>
	Q1 <sup>R</sup>	Q2 <sup>R</sup>	Q3 <sup>R</sup>	Q4 <sup>R</sup>		Q1 <sup>R</sup>	Q2 <sup>P</sup>	Q3 <sup>P</sup>	Q4 <sup>P</sup>	Q1 <sup>P</sup>
a. Grants (i+ii)	69	81	58	72	276	31	109	39	98	52
i) Food Aid	6	0	0	17	0	0	0	0	0	6
ii) Project Aid	63	81	58	55	276	31	109	39	98	46
b. Loans (MLT)	928	1,807	1,579	1,949	6,996	900	1,673	1,631	2,792	1,385
A. Total (a+b)	997	1,888	1,637	2,021	7,272	931	1,782	1,669	2,890	1,437
B. Amortization(1+2)	443	304	464	382	1,726	495	349	507	375	508
1) Principal	330	240	330	303	1,270	352	278	344	297	352
2) Interest	114	64	135	79	457	144	72	163	78	157
C. Net Foreign Financing (A-1)	<b>667</b>	<b>1,648</b>	<b>1,307</b>	<b>1,718</b>	<b>6,002</b>	<b>579</b>	<b>1,504</b>	<b>1,326</b>	<b>2,593</b>	<b>1,086</b>

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

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

(In percent)

Type of Banks	2018		2019				2020		
	Sep.	Dec.	Mar.	Jun	Sep	Dec.	Mar.	Jun	Sep
State Owned Commercial Banks	31.2	30.0	32.2	31.6	31.5	23.9	22.8	22.73	22.5
Specialized Banks	21.7	19.5	19.5	17.8	17.8	15.1	15.1	15.92	15.92
Private Commercial Banks	6.7	5.5	7.1	7.1	7.43	5.8	5.6	5.86	5.56
Foreign Commercial Banks	7.1	6.5	6.2	5.5	6.0	5.7	5.6	5.49	5.86
<b>All Banks</b>	<b>11.5</b>	<b>10.3</b>	<b>11.9</b>	<b>11.7</b>	<b>12.0</b>	<b>9.3</b>	<b>9.0</b>	<b>9.16</b>	<b>8.88</b>

Source : Banking Regulation and Policy Department, Bangladesh Bank.

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

(In percent)

Type of Banks	2018		2019				2020		
	Sep.	Dec.	Mar.	Jun	Sep	Dec.	Mar.	Jun	Sep
State Owned Commercial Banks	14.3	11.3	11.2	8.7	15.2	6.3	4.6	3.21	2.93
Specialized Banks	7.4	5.7	5.7	4.6	4.6	3.0	3.0	2.7	2.7
Private Commercial Banks	1.1	0.4	1.5	1.5	1.5	-0.1	-0.6	-0.52	-0.94
Foreign Commercial Banks	1.1	0.7	0.6	0.1	0.2	0.2	0.0	-0.41	-0.38
<b>All Banks</b>	<b>3.3</b>	<b>2.2</b>	<b>3.0</b>	<b>2.5</b>	<b>3.7</b>	<b>1.0</b>	<b>0.4</b>	<b>0.15</b>	<b>-0.22</b>

Source : Banking Regulation and Policy Department, Bangladesh Bank.

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

(In percent)

Type of Banks	2018			2019			2020		
	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.
State Owned Commercial Banks	6.1	1.9	6.9	8.5	7.7	4.99	4.59	6.9	8.3
Specialized banks	-14.0	-31.7	-31.7	-31.2	-31.6	-32.0	-33.5	-36.5	-33.7
Private Commercial Banks	12.2	12.8	12.7	12.7	12.9	13.62	13.49	13.3	13.3
Foreign Commercial Banks	26.7	26.0	28.0	28.7	25.1	24.45	24.66	24.4	25.6
<b>All Banks</b>	<b>10.9</b>	<b>10.5</b>	<b>11.4</b>	<b>11.7</b>	<b>11.7</b>	<b>11.57</b>	<b>11.35</b>	<b>11.6</b>	<b>11.9</b>

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

**Table VI.4 : Profitability Ratios by Type of Banks**

(In percent)

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

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

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

	FY19				FY20	FY20				FY21
	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>		Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	
Number of listed securities <sup>1</sup>	354	357	360	363	368.0	365	366	368.0	368.0	371.0
Issued equity and debt (billion Taka)	680	694	699	720	751.2	731	746	748.8	751.2	763.4
Market capitalization (billion Taka)	3,299	3,321	3,565	3,437	2576.3	3,175	2,845	2574.6	2576.3	3467.7
Turnover (billion Taka)	450	331	455	223	780.4	248	211	271.5	49.2	468.8
DSE broad index	5,369	5,386	5,492	5,422	3989.1	4,948	4,453	4008.3	3989.1	4963.3
DSE -30 index	1,890	1,881	1,967	1,929	1341.0	1,760	1,512	1330.8	1341.0	1696.0
	Growth in percent									
Number of listed securities	3.2	2.6	3.2	3.4	1.4	3.1	2.5	2.2	1.4	1.6
Issued equity and debt	8.0	7.5	7.7	7.3	4.3	7.5	7.5	7.1	4.3	4.5
Market capitalization	-6.2	-9.5	5.9	5.3	-25.0	-3.8	-14.3	-27.8	-25.0	9.2
Turnover	-25.6	-23.6	86.1	-27.4	-46.5	-44.8	-36.2	-40.4	-78.0	88.7
DSE broad index	-11.9	-13.8	-1.9	0.3	-26.4	-7.8	-17.3	-27.0	-26.4	0.3
DSE -30 index	-13.2	-17.6	-6.6	-1.6	-30.5	-6.9	-19.6	-32.3	-30.5	-3.6

Source: Dhaka Stock Exchange

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

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

(In billion Taka )

Name of Group	FY19					FY20				FY21
	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	FY20	Q <sub>1</sub>	Q <sub>2</sub>	Q <sub>3</sub>	Q <sub>4</sub>	Q <sub>1</sub>
Banks	561.6	583.1	596.6	593.0	449.1	564.4	539.6	456.4	449.1	552.4
Financial Institutions	193.3	191.5	189.9	181.8	125.4	157.1	144.7	123.7	125.4	181.1
Mutual Funds	34.9	34.5	34.9	35.6	29.5	33.1	30.7	29.5	29.5	40.2
Engineering	201.4	190.7	190.3	202.6	131.9	180.5	147.9	131.9	131.9	385.3
Food & Allied Product	262.3	276.7	340.1	314.4	208.4	266.2	222.1	208.2	208.4	254.9
Fuel and Power	450.6	432.2	500.1	480.0	365.3	424.7	386.6	363.7	365.3	446.9
Jute Industry	1.5	4.7	4.4	4.0	1.8	3.4	2.5	1.7	1.8	2.3
Textile Industry	129.7	141.7	133.5	140.1	95.9	107.1	105.7	99.1	95.9	117.8
Pharmaceuticals and Chemicals	489.9	508.8	530.7	528.3	467.5	520.5	473.2	458.1	467.5	564.5
Paper and Printing	22.3	17.4	14.5	14.5	9.6	11.3	10.0	9.6	9.6	15.3
Services and Real Estate	19.2	18.0	18.1	17.8	13.0	15.3	13.5	13.1	13.0	16.1
Cement Industry	114.4	102.0	100.9	90.5	71.9	78.6	68.9	73.6	71.9	79.6
Insurance	100.8	103.1	10.1	109.2	91.5	112.9	113.4	91.0	91.5	139.7
Telecommunication	513.0	511.4	578.4	514.2	336.7	496.0	401.4	335.6	336.7	467.1
Miscellaneous	200.8	202.4	318.6	207.3	178.2	200.6	182.0	175.0	178.2	200.1
Corporate Bond	2.8	2.8	2.9	2.9	3.9	2.8	2.8	3.8	3.9	3.9
<b>Total Market Capitalization</b>	<b>3,298.6</b>	<b>3,320.8</b>	<b>3,564.1</b>	<b>3,436.2</b>	<b>2,579.6</b>	<b>3,174.5</b>	<b>2,844.9</b>	<b>2,574.0</b>	<b>2,579.6</b>	<b>3,463.3</b>

Source: Dhaka Stock Exchange.

# **ANNEXUR**

## Major Policy Announcements: July- September, 2020

<p>BRPD Circular Letter No. 35 July 02, 2020 Implementation of different loans/ investments stimulus packages introduced by Bangladesh Bank.</p>	<p>All the scheduled banks operating in Bangladesh are advised to implement/disburse the lion's share of the loans/investments stimulus packages introduced/declared by Bangladesh Bank by July 2020 and the remaining share by August 2020 through their fruitful efforts.</p>
<p>FID Circular No. 02 July 06, 2020 Disbursement of cash assistance to 50 Lac coronavirus (COVID-19) affected families during "Mujibborsho" (Mujib-year)</p>	<p>All the scheduled banks operating in Bangladesh are advised to open 10-Taka-deposit bank accounts based on the information available on National ID card or smart card and certification by Upazila Nirbahi Officer favoring those beneficiaries who have no mobile phone or for whom it is not possible to open mobile financial service account. Moreover, payment of cash has to be made through debit voucher to the beneficiaries who do not have a cheque book. And the beneficiaries who already have an account with the bank need not open new accounts.</p>
<p>FEPD Circular No. 26 July 07, 2020 Transactions relating to foreign direct investment (FDI) in Bangladesh</p>	<p>Dividend payable to foreign shareholders may be credited to their FC accounts maintained in Bangladesh, subject to observance of following instructions: (a) ADs shall satisfy themselves that the fund in equivalent foreign currency to be credited in FC accounts on account of dividend has arrived and reporting of which has been made. (b) While crediting FC accounts, the transactions shall be treated as outward remittances and accordingly TM Form procedures need to be followed. (c) Encashment of balances held in FC accounts shall be treated as inward remittances for bonafide local disbursements, subject to Form-C procedures. Purchase of shares out of fund held in FC accounts shall be treated as foreign investment and declared dividend may be used for reinvestment in Bangladesh through purchase of shares in existing companies and/or other companies.</p>
<p>BRPD Circular No. 16 July 21, 2020 Loan Classification and Provisioning for Cottage, Micro and Small Credits under CMSME</p>	<p>Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas, In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date. If a Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan remain(s) past due/overdue for a period of 06 (six) months or beyond but less than 18 (eighteen) months, the entire loan will be classified as "Sub-standard (SS)".  If a Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan remain(s)</p>

	<p>past due/overdue for a period of 18 (eighteen) months or beyond but less than 30 (thirty) months, the entire loan will be classified as "Doubtful (DF)".</p> <p>If a Continuous loan, Demand loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan remain(s) past due/overdue for a period of 30 (thirty) months or beyond, the entire loan will be classified as "Bad/Loss (B/L)".</p> <p>Provision for Cottage, Micro and Small credits under CMSME shall be :</p> <p>a) All unclassified credits : 0.25%</p> <p>b) Classified as 'Sub-standard' : 5%</p> <p>c) Classified as 'Doubtful' : 20%</p> <p>d) Classified as 'Bad/Loss' : 100%.</p>
<p>DMD Circular No. 4 July 21, 2020 Formation of "Government Securities Investment Window" for providing cliental services of Treasury Bills and Bonds.</p>	<p>In order to provide prompt and effective cliental service to the potential investors in treasury bills and bonds, all the scheduled banks and financial institutions operating in Bangladesh are directed to form a "Government Securities Investment Window" under the control/supervision of their respective Treasury Division. Government Securities Investment Window shall accomplish the following functions:</p> <ol style="list-style-type: none"> <li>1. Provide with necessary information to the potential investors in treasury bills and bonds regarding investment procedure in treasury bills and bonds including Coupon/Yield,</li> <li>2. Take necessary initiative to open securities account of individual and institutional investors,</li> <li>3. Advise the investors to open bank account for smooth and safe transaction of purchasing and selling securities, speedy settling of the coupon and principal amount on maturity etc.,</li> <li>4. Accomplish securities purchase and sales related activities following the requisition of the clients,</li> <li>5. Perform reconciliation activities of client's securities account</li> <li>6. Coordinate the Bangladesh bank trading platform with other trading platform, such as-DSE trading platform etc of the clients.</li> </ol>
<p>FEPD Circular No. 29 July 21, 2020 Remittances of dividend to non-resident shareholders</p>	<p>Authorized Dealers (ADs) shall no longer be required to forward documents to Bangladesh Bank subject to observance of the following instructions:</p> <p>(a) ADs shall comply with the relevant instructions</p> <p>(b) ADs shall maintain dividend files for eventual inspections by Bangladesh Bank/other regulatory agencies.</p> <p>As usual, ADs shall observe due diligence with regards to KYC, AML/CFT standards, reporting routine to Bangladesh Bank.</p>
<p>FEPD Circular No. 30 July 23, 2020 Relaxation of foreign exchange regulations for trade transactions - extended facilities</p>	<p>The policy supports to export trade due to COVID-19 pandemic are extended till March 31, 2021. The tenure of realization of export proceeds is also enhanced up to 90 days, as additional time from the statutory period of 4(four) months.</p> <p>The facilities for the extended period shall be applicable only for exports of readymade garments and textile goods.</p>

<p>FEPD Circular No. 31 July 26, 2020 Outward remittances on account of shipment tracking charges</p>	<p>Authorized Dealers (ADs) are allowed to effect remittances on account of shipment tracking charges; subject to observance of the following instructions: a) ADs shall have tie-up arrangements with globally recognized shipment tracking service providers; b) ADs shall receive shipment tracking information through secure communication channels/automatic system generated paths; c) Remittance requests from service providers abroad shall be supported by invoices; d) Regulations regarding payment of tax at source, value added taxes and other levies applicable on the payments need to be complied with.</p> <p>To economize transaction costs, ADs may establish tie-up arrangements with other ADs having arrangements with shipment tracking service providers abroad, for receiving the particular services. Payments between them will be settled in Taka. Service providing ADs may remit, in accordance with the above, the payments abroad payable against the services rendered to other ADs.</p>
<p>SMESPD Circular No. 03 July 27, 2020 Introduction of Credit Guarantee Scheme for Cottage, Micro and Small Enterprises</p>	<p>Bangladesh Bank launched a Credit Guarantee Scheme for Cottage, Micro and Small Enterprises (CMS) to salvage the adversely COVID-19 -pandemic-hit CMS sector. The credit guarantee scheme shall give coverage to the scheduled banks and financial institutions against their collateral-free loans and investment in CMS sector. The scheme shall be provided through the Credit Guarantee Scheme (CGS) Unit under SME and Special Program Department of Bangladesh Bank. The said scheme is applicable only for the working capital loans and investment in CMSME sector under aBDT 200 billion stimulus package. Interested scheduled banks and financial institutions will have to sign an Agreement of Participation for 5 (Five) years with the CGS unit of Bangladesh Bank to avail the benefit. Under the agreement, CGS unit shall provide portfolio guarantee against CMS portfolio.</p> <p>The required fund for the scheme shall be financed jointly by the Government and the Bangladesh Bank. Participating banks and financial institutions shall get maximum 30 percent guarantee cap against their stipulated portfolio limit of investment as working capital in CMS sector. Of the guarantee cap, banks and financial institutions shall enjoy maximum 80 percent guarantee coverage against their loans and investment to a single entrepreneur / borrower.</p> <p>Sector-wise division of portfolio limit for Cottage, Micro and Small Enterprises shall be: Maximum 70 percent in manufacturing and Service sector and maximum 30 percent in Trading sector.</p> <p>Whatever may be the existing limit to loans/investment in CMS sector, the amount of loan/investment under the scheme shall be minimum BDT 2 lac and maximum BDT 50 lac</p> <p>The tenure of the scheme is 1 (One) year. If renewed or rescheduled, the renewed or rescheduled period shall be considered as guarantee period.</p> <p>Scheduled banks and financial institutions shall have to pay 1 (One)</p>

	<p>percent guarantee fee against their applied loan/investment amount, realizable from the entrepreneur/borrower.</p> <p>For banks which have less than or equal to 5 percent classified loans are required to pay 0.5 percent guarantee fee annually and for those above 5 percent classified loans shall have to pay 0.75 percent guarantee fee annually.</p> <p>The rate of interest for such guaranteed loans/investments is 9 (Nine) percent, of which 4 (four) percent of the interest shall be borne by the borrower and the rest 5 (five) percent shall be subsidized by the government to the participating banks/financial institutions</p>
<p>MPD Circular No. 06 July 29, 2020 Re-fixation of Bank Rate.</p>	<p>The existing bank rate is reduced by 100 basis points from 5.00 percent and re-fixed at 4.00 percent.</p>
<p>MPD Circular No. 05 July 29, 2020 Re-fixation of Repo and Reverse Repo interest rates of Bangladesh Bank.</p>	<p>The existing overnight based Repo rate is reduced by 50 basis points from 5.25 percent and re-fixed at 4.75 percent and Reverse Repo rate is reduced by 75 basis points from 4.75 percent and re-fixed at 4.00 percent annually.</p>
<p>FEPD Circular No. 32 August 09, 2020 Deposit products for Non-Resident Bangladeshis (NRBs) working abroad</p>	<p>Authorized Dealers (ADs) are allowed to introduce deposit products in taka for NRBs. The guidance note for the products is as follows:</p> <p>(a) The deposit accounts in the name of NRBs may be opened in the form of savings for a period of one year and above. The accounts may also be opened without initial installment for the persons proceeding abroad for employment.</p> <p>(b) Non-AD bank branches providing remittance delivery services can also maintain the accounts.</p> <p>(c) The deposits in the accounts shall be either monthly or quarterly.</p> <p>(d) The accounts shall be credited in taka after conversion of foreign currency: (i) out of wage remittance channeled through banks or exchange houses abroad, (ii) foreign currency tendered by account holder himself while on temporary visit to Bangladesh subject to production of FMJ Form for currency in case of exceeding permissible limit, and (iii) transfer from foreign currency accounts of the account holders.</p> <p>(e) Interest/profit of the deposit products shall be commercially competitive as per market trend. Being the source of deposit is foreign currency, ADs may encourage NRBs with incentive in interest/profit.</p> <p>(f) Taka loans to such deposit product holder for meeting his personal requirements in Bangladesh may be granted keeping the deposit accounts as lien, subject to adherence to usual lending norms.</p> <p>(g) During the tenor of deposit product, if the deposit product holder returns to Bangladesh permanently, the deposit products may continue to be maintained with deposits from local sources subject to conversion of the products into same type of products available to residents and necessary adjustment of interest/profits or installment size, if any, as per agreement.</p> <p>(h) On maturity, based on option of the deposit product holder, ADs may pay the proceeds of the deposits including interest/profit to the</p>

	beneficiaries/nominees of the product or may be credited to interest/profit bearing fixed deposit accounts opened in their names. In case of NRBs residing in Bangladesh permanently after their return, the proceeds can be made available to them either in one time settlement or pension type monthly/quarterly settlement.
FEPD Circular No. 34 August 23, 2020 Payment of fees for webinar solution services to conduct virtual meetings	Authorized Dealers (ADs) are allowed to effect remittances on account of actual payments against relevant invoices of webinar solution services and supporting documents regarding payment of applicable taxes/levies. In case of requirement for online payments against such services, ADs may issue virtual card or one time card in the name of the nominated official of the applicant entities. As always, ADs shall observe due diligence with regards to KYC and AML/CFT standards and reporting routine (card module in case of payments through cards) to Bangladesh Bank.
FEPD Circular No. 36 August 27, 2020 Export Development Fund (EDF)-relaxation.	Refinancing from EDF will be admissible in case of no overdues against the realizable export proceeds during the immediate past 720 days from the date of applications by manufacturer-exporters for loans from EDF against concerned input imports.
DMD Circular Letter No. 06 September 10, 2020 Regarding auto reinvestment in 5-years term Bangladesh Sanchyapatra.	As per schedule 52D of Income Tax Ordinance, 1984, it is mandatory to deduct source tax at the time of the payment of profit of Savings instruments. Source tax has to be deducted at the existing tax rate on payment date of profit. Here payment means a transfer, a credit, an adjustment of payment or an order of instruction of making payment. For the second term auto reinvestment in 5-year term Bangladesh Sanchyapatra, net profit and principal amount of first term investment shall be treated as total investment (consolidated investment). If the consolidated investment exceeds BDT 5 lac on the date of making payment of profit, 10 percent tax at source has to be levied against the total profit. For that of less than BDT 5 lac, 5 (five) percent tax at source has to be deducted.
PSD Circular Letter No. 11 September 06, 2020 To revise the transaction limit in Internet Banking Fund Transfer (IBFT) through NPSB	The transaction limit in Internet Banking Fund Transfer (IBFT) through National Payment Switch Bangladesh (NPSB) is revised. The maximum limit of transaction in individual level is set at BDT 5 lac per day with maximum 10 transactions. The maximum limit of a single transaction is fixed at BDT 1 (one) lac per day. For that of institution entity, the upper limit of transaction per day is set at BDT 10 lac per day, with provision of maximum 20 transactions and no transaction exceeding the limit of BDT 2 lac per day.
FEPD Circular No. 37 September 15, 2020 Transfer of remunerations to Foreign Currency (FC) accounts in the names of foreign nationals employed in exporting companies in Bangladesh	Exporters-employers are allowed to transfer from their Exporter's Retention Quota (ERQ) accounts up to 75 percent of net monthly income of the expatriate employees in equivalent foreign currency to their FC accounts maintained and operated in terms of paragraph 1, chapter 13 of GFET. In the context of transfer of net monthly income from ERQ accounts of relevant exporter-employers, ADs shall observe the instructions as contained in aforementioned FE Circular; including verification of the authenticity of the work permits issued by the competent authorities.
BRPD Circular Letter No. 46	All the scheduled banks operating in Bangladesh are advised, with

<p>September 17, 2020 L/C Margin for Onion Import.</p>	<p>effect from 31 December 2020, to set the margin of Letter of Credits (LCs) for onion imports at the minimum level with a view to containing the price hike of onion in the local market and maintaining the smooth supply of onion.</p>
<p>FEPD Circular No. 39 September 21, 2020 Export subsidy/Cash incentive for the financial year 2020-2021</p>	<p>Export subsidy/cash incentive for the financial year 2020-2021 has been announced to boost up country's export trade. Under the assistance, all types of listed 37 categories of export products on board from 01 July 2020 to 30 June 2021, with export subsidies/cash incentives varying from 1 percent to 20 percent, shall be privileged with the facility .</p>
<p>BRPD Circular Letter No. 47 September 24, 2020 Fixing Rate of Interest/Profit on Credit Card</p>	<p>The rate of interest/profit on credit cards is not anyhow be allowed to set above 20 percent. The rate of interest/profit on credit cards is attributable from the very next day of the last date of bill payment on the unpaid bill amount. In this regard, interest is in no way allowed to be imposed from the date of transaction. Except that of 50 percent cash-withdrawal-loan facility against the credit cards, no other cash-withdrawal-loan facilities are allowed to be provided to the card holders. For late payment, a late fee can be realizable only for once.</p>
<p>FEPD Circular No. 40 September 24, 2020 Use of international cards for travels outside Bangladesh</p>	<p>International cards is allowed to be used for online purchase of air tickets by cardholders having visa, where applicable, for travels of such destinations outside Bangladesh. Bangladeshi travel operators may also provide such ticketing services to travelers for movements between destinations outside Bangladesh against payments by international cards. In this context, Authorized Dealers (ADs) shall, under merchant agreements, provide acquiring services to travel operators in Bangladesh for capturing online payments settled through international cards against sales of air tickets for above stated travels. Travel operators shall, having relevant registrations / permissions / licenses including membership with trade association representing the sector, have tie-up arrangements with internationally recognized travel operators/airlines. Acquiring services by ADs may also be applicable for capturing payments against such sales to foreign nationals / non-residents residing abroad or in Bangladesh. The payments so captured by ADs shall be retained in margin accounts of travel operators. Utilization of balances retained in margin accounts shall be guided by the following instructions: (a) Periodical remittances to counterparts abroad, net of agreed upon reasonable service charges/ commissions; (b) Refund to travelers in case of cancellation of travel; (c) Encashment of service charges/commissions; (d) Deduction and payment of applicable taxes thereon. Remittance requests by travel operators to ADs shall be supported by invoices and statements stating sales of air tickets, cancellation of travels, utilization of air tickets, payment of applicable taxes, if any, etc., and reconciliation thereof to arrive at payable amount. ADs shall preserve documents for 5 (five) years for onsite inspection by Bangladesh Bank. Subject to observance of the above instructions, hotel booking and</p>

	<p>purchase of railway/ ship/bus tickets for travel between destinations outside Bangladesh may be arranged by travel operators for which ADs may provide services of receiving payment in margin accounts and settling dues payable to counterparts abroad.</p> <p>As usual, ADs shall adhere to KYC and AML/CFT standards with regards to the transactions.</p> <p>Tour operators desirous to provide the services shall, through their ADs, intimate to Foreign Exchange Policy Department at Bangladesh Bank, Head office of their agreements/ arrangements with international travel operators made in line with this circular before one month of commencing business.</p>
<p>BRPD Circular No. 17 September 28, 2020 Regarding Loan Classification.</p>	<p>Loan/investment-classification status that occupied on 01 January 2020 cannot be declassified till 31 December 2020 even if the standard degrades. By the time, however, if classification status of a loan/investment upgrades, that loan/investment can be classified following proper norms.</p> <p>The payable installment(s) of the existing term loans (including short term agricultural loan and micro credit) on 01 January 2020 shall be treated as deferred for the stated period. The size and number of installment(s) shall have to be reset from January/2021. At the time of re-fixing number of installment(s), the equal number of installments shall be added to the number that remained overdue during 01 January 2020 to 31 December 2020. The borrowers are not allowed to be marked as defaulter even if any installment(s) remains overdue during the mentioned period.</p> <p>The tenure/adjustment date of all the existing continuous and demand loans/investments on 01 January 2020 and all the demand-natured loans/investments created within 01 January 2020 to 30 September 2020 shall increase to next 12 months from the existing expiry or till 31 December, whichever appears first.</p> <p>Attributable interest/profit, except cash recoveries, of rescheduled, restructured and one time exit availed loans/investments is not allowed to be transferred to income account. No penal interest or additional fee is allowed to charge for the time period.</p> <p>If any borrower does not feel the necessity of availing of the aforementioned provisions, his loan/investment may be settled following previous payment schedule or based on the banker-customer relationship.</p> <p>Reasonable rebate facilities can be offered to those borrowers who are reluctant to get the facility and voluntarily desires to settle the term/ demand/continuous loans with the banks.</p>