

Appendix-2
Bangladesh Bank's Research in FY14

Summary of recent research activities in Bangladesh Bank and a near/medium term agenda

This summary note will cover some of the key outputs of the Research Department (RD), Monetary Policy Department (MPD) and Chief Economists Unit (CEU) - it will also briefly touch on some other analytical/research work on-going in other parts of BB. These are grouped under the following categories (i) synthesis analysis of overall and topic-specific developments in the Bangladesh economy (ii) empirical research on specific economic/ financial sector issues (iii) development of new analytical tools and capacity building (iv) other 'routine tasks'. In addition it will outline some issues which will strengthen the quality of analytical work produced by BB.

Synthesis analysis/reports related to the Bangladesh economy and their frequency

- (i) BB Annual Report - first draft prepared by the Research Department with inputs from other departments and final editing by Dr. Abul Basher, Research Fellow, Bangladesh Institute of Development Studies
- (ii) Monetary Policy Review (MPR) - annual publication focused on monetary policy development and associated analytical work on specific themes produced by CEU
- (iii) Monetary Policy Statement (MPS) - bi-annual announcement of policy stance along with an update of half yearly economic developments. Jointly produced by CEU and MPD
- (iv) Bangladesh Bank Quarterly (BBQ) - analysis of the past quarters economic developments along with a near term outlook - produced by CEU
- (v) Quarterly reviews of RMG sector; Remittances Trends and Islamic Banking - produced by Research department and will soon be published on-line
- (vi) Monthly Economic Indicators (MEI) - a monthly update on key indicators produced by MPD
- (vii) Prepare a manuscript of the book titled "Activities of the Banks and Financial Institutions" prepared by Research Department and published by the MoF (yearly).
- (viii) Background papers for National Budget document and Ministry of Finance 'Economic Review of Bangladesh' annual publication prepared by Research Department
- (ix) Quarterly Financial Stability Assessment Report - analysis of the past quarters financial change/development - produced by FSD

Empirical Analysis of specific economic / financial sector issues in FY14 and on-going

- i. Monetary policy / inflation related
 - "Forecasting Output Growth of Bangladesh" (working paper in progress, CEU)

- "VAR Model and Forecasting of Exchange Rate of Bangladesh" (prepared by MPD and published in Indian Journal of Economics and Development, Volume 2(3), March 2014)
 - "ARIMA Model and Forecasting of Exchange Rate of Bangladesh and Economic Dynamics" (prepared by MPD and published in Indian Journal of Economics and Development, Volume 2(3), March 2014)
 - "Interaction between Public and Private Investment in Bangladesh" (working paper in progress, CEU)
 - "Housing Sector and Formulation of House Price Index(HPI) in Bangladesh" (working paper in progress, RD)
- (ii) Financial sector related
- "An Analysis of the Survey on External Commercial Borrowings by the Some Selected Private Enterprises in Bangladesh" (CEU policy note, 2014)
 - "An Analysis of Interest Rate Spread Calculation in the Banking System of Bangladesh" (CEU policy note, 2014)
 - "External Sector Openness Management: The Bangladesh Experience" (working paper, RD, 2014)
 - "The Impact of State Ownership and Political Ownership on Efficiency of Banks- Evidence from Bangladesh" (working paper in progress, CEU)
 - "Sources of exchange rate fluctuations in Bangladesh" (working Paper, RD, 2013)
 - "Integration of Financial Market and Its Implications of Stock Market Development in Bangladesh: An Evaluation" (working Paper, RD, 2013)
 - "Demand for currency outside banks and its impact on banks' balance sheets" (research work in progress, RD)
 - "Lending behavior in Bangladesh" (research work in progress, RD)
 - "Impact of change in exchange rate on the economy of Bangladesh" (research work in progress, RD)
 - "An impact assessment on loan disbursed by BB to BKB & RUKUB under refinance scheme" (research work in progress, RD)
 - "Financial Stability in the Banking Sector: An Empirical Analysis" (prepared by Research Department and published in IBB Journal, Volume 60, No. 1, January-June 2013)

- "Reserve Accumulation and Sterilised Intervention in the Foreign Exchange Market in Bangladesh: An Empirical Analysis" (prepared by RD and published in IBB Journal, Volume 61, No. 1, July-December 2013)
- "Does Financial Development Spur Growth? Time Series Evidence from Bangladesh" (Research work in progress, RD)
- "A Study Report on Impact Assessment of Bangladesh Bank's Re-finance Scheme for Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank" (Research work in progress, RD)
- "A Study on Islamic Banking and Related Issues in Bangladesh" (Research work in progress, RD)
- "Prospects and Challenges of Sukuk for Financing Infrastructure Projects in Bangladesh"(research work in progress, RD)

(iii) Financial Inclusion

- "The Role of Banks in Promoting Women Entrepreneurship in Bangladesh" (Special Publication, BARD and BB, 2013)
- "An enquiry into the causes of growth of SME loans and its economic impact" (Special Publication, RD, 2013).
- "A Report on Agriculture/rural Credit Disbursement and Recovery by Scheduled Banks of Bangladesh: Present Situation and Future Proposals" (prepared by RD and published in Bangladesh Journal of Political Economy, 2014)
- "Mobile Financial Services in Bangladesh: An Overview of Market Development" (Working paper, RD, 2013)
- "A Primary Survey on Banks in Promoting Women Entrepreneurship in Bangladesh" (research work in progress, MPD and RD)
- "Utilization of Workers' Remittances in Bangladesh" (research work in progress, RD)
- "An impact study on usage of agriculture credit in Bangladesh" (research work in progress, RD)
- "Will the Growth of Remittances to Bangladesh Rebound in 2015?" (working paper in progress, CEU)
- "An analytical paper on impact assessment of agricultural credit programme to the sharecroppers under refinance scheme of Bangladesh Bank"(Research paper in progress, RD)

- "A Multi-Dimensional Approach towards Measuring Financial Inclusion in Bangladesh and Other South Asian Countries" (Research work in progress, RD)
- "An Analysis of Recent Trends of Agricultural Credit in Bangladesh" (Research paper in progress, RD)

Capacity and tools development

- Jointly with Gates Foundation developed a digital map of financial services in Bangladesh which BB and MRA will keep updated.
- BBTA Journal on 'Thoughts on Banking and Finance' has been published since 2012. Till date, 3 issues of the Journal have been published whose Executive Editor is a Research Department staff deputed to Bangladesh Bank Training Academy.
- In-house seminars disseminating work by external academics and in-house research included topics such as dissemination of recent policy research; access to finance: results from a National Survey; applications of Stochastic Frontier Analysis (SFA) and Data Envelope Approach (DEA) in analyzing banking efficiency; the exchange rate and economic growth; how does Indian currency crisis affect Bangladesh economy?; external sector assessment and risks etc
- E-views training level-2 delivered to research officials of Bangladesh Bank by visiting US academic