

## Major Macro Economic Indicators

Indicators	Period	2018-19	2017-18	Growth
<b>GDP Growth Rate</b> (in percentage)	FY 2017-18	-	7.86*	
<b>Rate of Inflation</b>				
Twelve Month Average (in percentage)	March	5.48	5.82	-5.8%
Point to Point (in percentage)	March	5.55	5.68	-2.3%
<b>Export</b> (EPB) (US\$ million)	Jul-Apr	33,937.23	30,406.41	11.6%
<b>Import</b> (C&F) (US\$ million)	Jul-Mar	45,789.00	43,557.00	5.1%
<b>Remittances</b> (US\$ million)	Jul-Apr	13,303.02	12,092.33	10.0%
<b>Current Account Balance</b> (US\$ million)	Jul-Mar	(4,234.00)	(6,487.00)	34.7%
<b>Foreign Exchange Reserve</b> (US\$ million)	April	32,122.87	33,109.53	-3.0%
<b>Interbank Taka-USD Exchange Rate</b> (Average) (BDT/US\$)	April	84.45	82.98	1.8%
<b>Reserve Money</b> (BDT crore)	April	226,991.30	212,381.00	6.9%
<b>Broad Money</b> (BDT crore)	April	1,170,943.60	1,059,468.00	10.5%
<b>Tax Revenue (NBR)</b> (BDT crore)	Jul-Mar	153,419.89	143,277.27	7.1%
<b>Total Domestic Credit</b> (BDT crore)	April	1,104,897.40	972,474.00	13.6%
Net Credit to the Govt. Sector	April	93,266.70	71,628.90	30.2%
Credit to the Other Public Sector	April	23,701.50	19,334.30	22.6%
Credit to the Private Sector	April	987,929.20	881,510.80	12.1%
<b>Interest Rate on Advances</b> (in percentage)	April	9.46	9.89	-4.3%
<b>Interest Rate on Deposits</b> (in percentage)	April	5.42	5.43	-0.2%
<b>Interest Rate Spread</b> (in percentage)	April	4.04	4.46	-9.4%
<b>Classified Loan to Total Outstanding</b> (in percentage)	December	10.30	9.31	10.6%
<b>Excess Liquidity of the Scheduled Banks<sup>#</sup></b> (BDT crore)	March	64,249.10	72,750.03	-11.7%
<b>Call Money Rate</b> (weighted average) (in percentage)	April	4.53	3.13	44.7%
<b>Interest Rates on Treasury Securities</b> (in percentage)				
91-Day T-bill	May	6.05	0.89	579.8%
182-Day T-bill	May	6.08	3.69	64.8%
364-Day T-bill	May	6.38	3.50	82.3%
2-Year BGTB	May	6.39	3.50	82.6%
5-Year BGTB	May	7.46	5.69	31.1%
10-Year BGTB	May	8.11	6.84	18.6%
15-Year BGTB	May	8.44	7.50	12.5%
20-Year BGTB	May	8.68	8.40	3.3%
<b>Interest Rate on 30-day BB Bill</b> (in percentage)	Mar-18	2.96	2.97	-0.3%
<b>Interest Rates on Repo &amp; Reverse Repo</b> (in percentage)				
Repo (1-3 day)	May	6.00	6.00	0.0%
Reverse Repo (1-3 day)	May	4.75	4.75	0.0%
<b>Breakdown of Major Exports</b>				
Woven Garments (US\$ million)	Jul-Apr	14,405.76	12,765.27	12.9%
Knitwear (US\$ mn)	Jul-Apr	14,084.94	12,540.29	12.3%
<b>Breakdown of Import L/C Opening</b> (US\$ million)				
Food grains (Rice & Wheat)	Jul-Mar	1,136.13	3,223.38	-64.8%
Capital Machinery	Jul-Mar	3,753.44	5,188.68	-27.7%
Petroleum	Jul-Mar	2,808.60	2,653.20	5.9%
Industrial Raw Materials	Jul-Mar	14,950.14	14,837.22	0.8%
Others	Jul-Mar	21,617.92	30,054.86	-28.1%
<b>Breakdown of Import L/C Settlement</b> (US\$ million)				
Food grains (Rice & Wheat)	Jul-Mar	1,066.07	2,472.10	-56.9%
Capital Machinery	Jul-Mar	3,612.68	3,989.90	-9.5%
Petroleum	Jul-Mar	2,809.61	2,239.99	25.4%
Industrial Raw Materials	Jul-Mar	14,732.14	13,425.03	9.7%
Others	Jul-Mar	18,997.24	16,280.70	16.7%

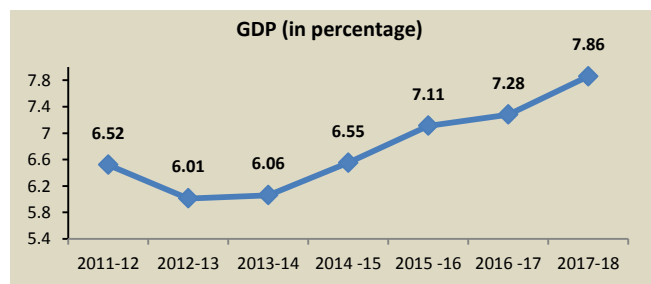
\* Revised GDP Growth Rate; <sup>#</sup> Total liquid assets less required liquidity (SLR)

## News in Brief on Major Macro-Economic Indicators

### WB keeps Bangladesh's GDP growth unchanged at 7.3%

Dhaka Tribune; June 08, 2019

- World Bank (WB) keeps Bangladesh's growth rate for the outgoing fiscal year unchanged at 7.3% with strong infrastructure spending, private investment and domestic consumption.
- The government estimated 8.13% GDP growth for the fiscal year 2018-19 to end on June 30. In the last fiscal year, Bangladesh attained 7.86% growth.
- The global lender made the estimation in its flagship report titled "Global Economic Prospects: Heightened Tensions, Subdued Investment" released Tuesday, which also projected that the global economy would slowdown in the outgoing year.
- In Bangladesh, Gross Domestic Products (GDP) is estimated to expand by 7.3% in Fiscal Year 2018-19 as a recovery in remittance inflows, stemming from improving economic activities in source countries supported private consumption.



Source: Bangladesh Bank Website.

### Net sales of savings tools up 8.0pc in nine months

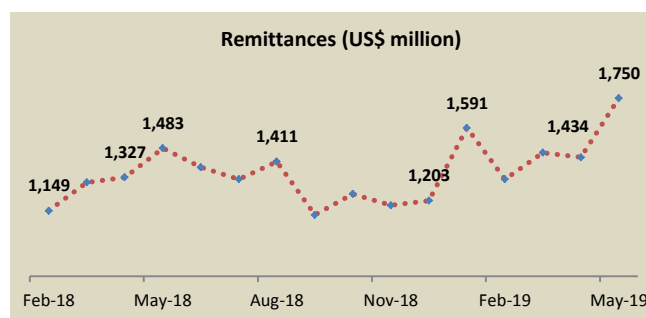
The Financial Express; May 14, 2019

- The net sales of state-run savings instruments rose by more than 8.0 per cent in nine months of the current fiscal year (FY), compared to the same period of the previous fiscal.
- According to the Department of National Savings (DNS) data, the net sales of savings tools in the July-March period of FY 2018-19 stood at Tk 397.33 billion, up from Tk 367.09 billion in the corresponding period of FY 2017-18.
- The sales of savings schemes have surged in recent years due to their higher yield rates.
- The government spent Tk 181.54 billion on interest payments in the July-March period of current FY, up from Tk 147.33 billion in the same period of FY 2017-18.

### May remittances hit record high as expats boost wire before Eid; Inflow amounts to \$1.75b

The Financial Express; June 04, 2019

- The inflow of remittances reached US\$1.75 billion in May ahead of the upcoming Eid-ul-Fitr festival, highest ever the country received in a month.
- The remittance inflow was estimated at \$1.75 billion in May, up by 321.72 million the month before. The amount was \$1.50 billion in May 2018.
- The May remittance set a new record in the history of Bangladesh.
- Non-resident Bangladeshis (NRBs) normally send increased amount of remittances to help the relatives and families left behind celebrate the Muslims' Eid-ul-Fitr festival.



Source: Bangladesh Bank Website.

### ADP spend rises 17pc in Jul-Apr

The Daily Star; May 19, 2019

- Development spending rose 17.47 percent year-on-year in the first 10 months of the current fiscal year as the government forked out much of its own fund in the election year.
- Between July and April, ministries and divisions expended Tk 97,030 crore, up from Tk 82,603 crore in the same period a year ago, according to data from the Implementation Monitoring and Evaluation Division.
- Spending from the government's own coffer grew 29.65 percent to Tk 60,261 crore during the period, while foreign fund utilisation rose only 0.25 percent to Tk 31,862 crore.

### NEC set to endorse today Tk 2.02t ADP for FY '20

The Financial Express; May 21, 2019

- The government is going to approve Tk 2.02-trillion Annual Development Programme (ADP) for the next

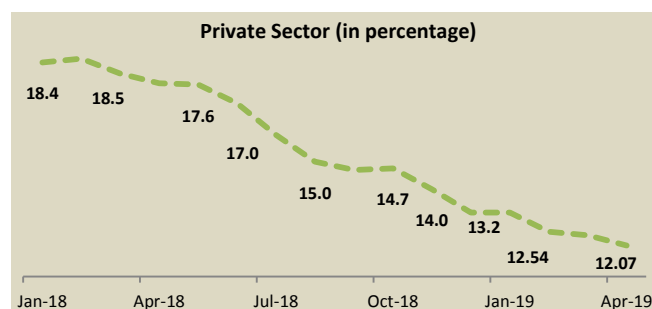
fiscal year (FY), 2019-20, allocating the highest fund to the transport sector.

- The proposed Tk 2.02-trillion ADP outlay is 21.38 per cent higher than the allocation of Tk 1.67 trillion for the ongoing FY, 2018-19.
- The Planning Commission (PC) is also likely to approve another development programme for the state-run autonomous and semi-autonomous bodies, involving Tk 123.93 billion, for the upcoming FY.

### Credit growth sinks to 56-month low

The Daily Star; June 02, 2019

- Private sector credit growth sank to a 56-month low of 12.07 percent in April on the back of the ongoing liquidity crunch in the banking sector, in an ominous development that stands to slow down the economy's tremendous growth momentum.
- The growth is 4.43 percentage points less than the central bank's target of 16.5 percent for the second half of the fiscal year. In the last two fiscal years, private sector credit growth hovered between 16 percent and 18 percent, only to dip at the turn of the fiscal year.
- The declining trend will continue in the months ahead as the government is not bothered about addressing the problem.



Source: Bangladesh Bank Website.

### Tax collection target set at Tk 3.25 trillion for next fiscal

The Financial Express; May 24, 2019

- Tax collection target is likely to be set at Tk 3.25 trillion for the upcoming fiscal year with 16 per cent growth over the revised goal of FY 2018-19.
- At Tk 1.17 trillion, the highest tax collection figure may be set for the Value Added Tax (VAT) wing, as the authorities aim it big on implementation of the new VAT law, finance ministry officials, said. The law is scheduled to come into force from July 01, 2019.

- The income tax wing of the National Board of Revenue (NBR) is projected to collect Tk 1.15 trillion while the customs wing Tk 923.40 billion.
- Citing a large amount of shortfall in revenue collection in the first three quarters, the actual receipt might be Tk 2.25 trillion in the current fiscal.

### July-March tax collection growth lowest in decade; Slow imports, exemptions blamed

The Financial Express; May 19, 2019

- The overall tax collection fell short of the target by over half a trillion taka in the last three quarters of the current fiscal year.
- The total tax revenue collection, however, registered a 7.11 per cent growth during the July-March period of FY 2018-19 over the same period of the last fiscal.
- The National Board of Revenue (NBR) collected Tk 1.53 trillion tax revenue against its target for Tk 2.03 trillion for the period.
- The total revenue collection target for the National Board of Revenue (NBR) has been set at Tk 2.96 trillion for FY 2018-19.

### Imports up 5.36pc in 10 months; Fuel oil, LNG import increases by 24.43pc

The Financial Express; June 03, 2019

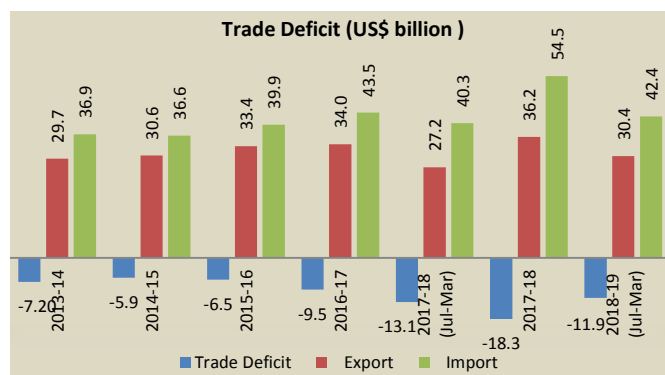
- Country's imports grew by 5.36 per cent in the first 10 months of the current fiscal year (FY) 2018-19 over that of the corresponding period of the last FY.
- The growth was mainly due to higher import of intermediate goods and fuel oils.
- The actual import in terms of settlement of letters of credit (LCs) rose to US\$ 45.79 billion during the July-April period of FY'19 from \$ 43.46 billion in the same period of the previous fiscal.
- The import growth during first 10 months showed a downward trend.

### Trade deficit narrows 9pc

The Daily Star; May 14, 2019

- Trade deficit fell 9.24 percent year-on-year to \$11.92 billion in the first nine months of the current fiscal year, giving some breathing space to the government in managing the economy.
- A steady growth of exports against a slowdown in imports narrowed the trade gap between July and March.
- Exports are on the rise but yet to enter an impressive zone.

- Merchandise exports fetched \$30.43 billion in the nine months, up 12.09 percent year-on-year. Imports rose 5.13 percent to \$42.36 billion, according to data from the central bank.
- But many banks are in crisis to open fresh letters of credit because of shortage of foreign exchange.
- The lower credit growth is an indication that the expansion of the private sector will grind to a halt in the near future, which will subsequently hit the GDP growth.



Source: Bangladesh Bank Website.

### Bangladeshi apparel makers paid one of the lowest prices in the world

The Daily Star; May 23, 2019

- Bangladeshi garment makers received one of the lowest prices in the world last year due to a lack of value-added apparel items, lack of negotiation skills, and image crisis.
- Among the garment trading nations in the world, Bangladeshi garment items were paid \$2.79 per unit or per square metre equivalent (SME) in the US market in 2018.
- Bangladesh has not been receiving high prices because the local exporters are mainly competing in some particular items like woven shirts and bottoms that have many competitors.

#### ILSL Research Team:

Name	Designation
Rezwana Nasreen	Head of Research
Towhidul Islam	Sr. Research Analyst
Kishan Saha	Executive - Research

To access research through **Bloomberg** use <ILSL>

ILSL research is also available on **Thomson Reuters** products and on **FactSet** and **Sentio** platform

For any Queries: [research@ilsbd.com](mailto:research@ilsbd.com)

### Export to India soars 53pc to \$1.07b

The Financial Express; May 18, 2019

- The country's overall export to India reached US\$1.07 billion during July-April period of the current fiscal (FY), 2018-19, marking a robust 53 per cent growth.
- The other non-traditional destinations where local export during the period under review witnessed double-digit growth included Japan \$1.17 billion with 22.57 per cent growth, and China \$709.06 million with 26.14 per cent growth.
- Besides, export to Australia rose 13.63 per cent and reached \$688.89 million, Russia 12.83 per cent to \$446.94 million, and Korea 48.05 per cent to \$317.72 million, the EPB data showed.
- Ready-made garment (RMG) items are the major local goods shipped to India along with other products like raw jute and jute goods, fish and crustaceans, plastic and leather items.

**Disclaimer:** This document has been prepared by International Leasing Securities Limited (ILSL) for information only of its clients on the basis of the publicly available information in the market and own research. This document has been prepared for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither ILSL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However all reasonable care has been taken to ensure the accuracy of the contents of this document. ILSL will not take any responsibility for any decisions made by investors based on the information herein.