Major Macro Economic Indicators

Indicators	Period	2019-20	2018-19	Growth
GDP Growth Rate (in percentage)	FY 2018-19	-	8.15*	
Rate of Inflation				
Twelve Month Average (in percentage)	May	5.61	5.48	2.4%
Point to Point (in percentage)	May	5.35	5.63	-5.0%
Export (EPB) (US$ million)	Jul-Apr	29,494	33,937	-13.1%
Import (C&F) (US$ million)	Jul-Mar	40,330	42,367	-4.8%
Remittances (US$ million)	Jul-May	16,365	15,051	8.7%
Current Account Balance (US$ million)	Jul-Mar	(2,648)	(4,212)	37.1%
Foreign Exchange Reserve (US$ million)	May	33,409	31,346	6.6%
Interbank Taka-USD Exchange Rate (Average) (BDT/US$)	May	84.95	84.50	0.5%
Reserve Money (BDT crore)	April	256,332	226,991	12.9%
Broad Money (BDT crore)	April	1,325,871	1,170,943	13.2%
Tax Revenue (NBR) (BDT crore)	Jul-Mar	165,008	153,104	7.8%
Investment in National Savings Certificates (BDT crore)				
Net sale	Jul-Jan	7,673	30,996	-75.2%
Total Outstanding	Jul-Jan	293,333	268,763	9.1%
Total Domestic Credit (BDT crore)	April	1,272,109	1,104,897	15.1%
Net Credit to the Govt. Sector	April	167,079	93,267	79.1%
Credit to the Other Public Sector	April	29,919	23,701	26.2%
Credit to the Private Sector	April	1,075,111	987,929	8.8%
Interest Rate on Advances (in percentage)	February	9.62	9.49	1.4%
Interest Rate on Deposits (in percentage)	February	5.53	5.34	3.6%
Interest Rate Spread (in percentage)	February	4.09	4.15	-1.4%
Classified Loan to Total Outstanding (in percentage)	December	9.32	10.30	-9.5%
Excess Liquidity of the Scheduled Banks# (BDT crore)	January	103,358	67,643	52.8%
Call Money Rate (weighted average) (in percentage)	May	5.03	4.59	9.6%
Interest Rates on Treasury Securities (in percentage)				
91-Day T-bill	May	7.08	6.05	17.0%
182-Day T-bill	May	7.37	6.08	21.2%
364-Day T-bill	May	7.59	6.38	19.0%
2-Year BGTB	June	7.80	7.55	3.3%
5-Year BGTB	April	8.12	6.99	16.2%
10-Year BGTB	May	8.74	8.11	7.8%
15-Year BGTB	May	8.90	8.44	5.5%
20-Year BGTB	May	9.20	8.68	6.0%
Interest Rate on 30-day BB Bill (in percentage)	Mar-18	2.96	2.96	0.0%
Interest Rates on Repo & Reverse Repo (in percentage)				
Repo (1-3 day)	March	5.75	6.00	-4.2%
Reverse Repo (1-3 day)	March	4.75	4.75	0.0%
Breakdown of Major Exports				
Woven Garments (US$ million)	Jul-Feb	10,949	11,633	-5.9%
Knitwear (US$ mn)	Jul-Feb	10,899	11,493	-5.2%
Breakdown of Import L/C Opening (US$ million)	Jul-Feb	38,851	39,261	-1.0%
Food grains (Rice & Wheat)	Jul-Feb	4,373	3,834	14.0%
Capital Machinery	Jul-Feb	3,700	3,721	-0.6%
Petroleum	Jul-Feb	2,635	3,142	-16.2%
Industrial Raw Materials	Jul-Feb	13,702	13,874	-1.2%
Others	Jul-Feb	14,443	14,689	-1.7%
Breakdown of Import L/C Settlement (US$ million)	Jul-Feb	37,745	37,242	1.4%
Food grains (Rice & Wheat)	Jul-Feb	3,851	3,403	13.2%
Capital Machinery	Jul-Feb	2,968	3,313	-10.4%
Petroleum	Jul-Feb	2,694	2,793	-3.5%
Industrial Raw Materials	Jul-Feb	12,986	12,782	1.6%
Others	Jul-Feb	15,246	14,952	2.0%

* Revised GDP Growth Rate; **Effective from March 24, 2020; # Total liquid assets less required liquidity (SLR)

News in Brief on Major Macro-Economic Indicators

Bangladesh 9th strongest economy

The Daily Star; May 4, 2020

- Bangladesh ranks ninth in a global league table of 66 emerging economies measured according to their financial strengths to cope under the strain of Covid-19 outbreak.
- The Economist, a globally acclaimed magazine for economic and political analyses, placed Bangladesh even before China, which has been ranked 10th, for Bangladesh has fared relatively better in all indicators.
- Botswana topped the list and it was followed by Taiwan, South Korea, Peru, Russia, the Philippines, Thailand and Saudi Arabia.
- South Asian giant India ranked 18th, Vietnam 12th, Indonesia 16th, Malaysia 25th, Pakistan 43rd and Sri Lanka 61st.
- The ranking examines the economies across four potential sources of peril -- public debt as percentage of GDP, foreign debt (both public and private), cost of borrowing and reserve cover.

FY'21 budget; Deficit could reach 5.7 per cent of GDP

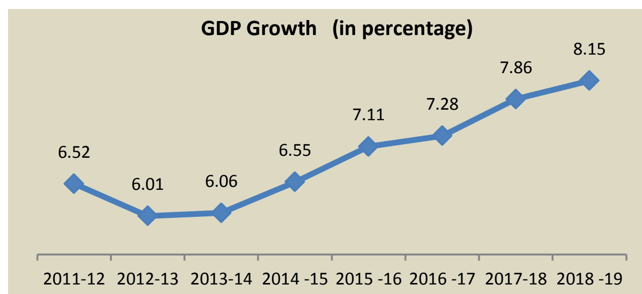
The Financial Express; June 2, 2020

- The deficit in the upcoming budget is likely to hit a new high of 5.7 per cent due to the government's "expansionary" fiscal approach aimed at weathering the coronavirus effect on the economy.
- If that happens, the government's budgetary deficit will surpass the traditional 5.0 per cent band of the GDP, according to available data.
- The Ministry of Finance officials said that nearly half of the deficit would be financed from overseas assistance and the rest from domestic borrowing.
- The ministry has been drafting the national budget for fiscal year 2020-21, which will be announced on June 11 in parliament.

CPD projects only 2.5% GDP growth for Bangladesh, lowest in 25 years

The Daily Star; June 7, 2020

- The Centre for Policy Dialogue (CPD) has said that Bangladesh's GDP growth will be no more than 2.5 percent this fiscal year, and that poverty will soar by 35 percent.
- CPD made these projections under an "optimistic scenario", saying that this is the best case of the country's economic growth given that no further nationwide shutdowns are put in place to restrict the spread of the coronavirus pandemic.
- In the previous fiscal year, Bangladesh saw GDP growth of 8.15 percent -- an all-time high -- and riding on the back of record growth figures from 2016 onwards.
- Previously, the World Bank, International Monetary Fund (IMF) and the Economist Intelligence Unit (EIU) had all predicted GDP growth of less than 4 percent for Bangladesh, with EIU going the lowest with 1.6 percent and IMF being the most optimistic, with a 3.8 percent GDP growth projected.
- If the GDP growth does come down to 2.5 percent as per CPD's projections, it will be the lowest figure in 25 years in Bangladesh according to Bangladesh Bank data, since 1994 saw 4.1 percent growth.



Source: Bangladesh Bank Website.

IMF almost halves GDP growth rate

The Financial Express; June 5, 2020

- The International Monetary Fund or IMF has lowered GDP growth projection for Bangladesh to 3.8 per cent for fiscal year 2019-2020 from its earlier estimate of 7.4 per cent in the aftermath of the pandemic.
- The downward GDP (gross domestic product) growth revision is 3.6 percentage points lower than pre-Covid estimates, according to its Bangladesh report released.
- The IMF projected readymade garment exports and remittances, the country's two major sources of external financing, to decline sharply.
- "Necessary policy responses to prevent a domestic pandemic, including the shutdown of major cities, will inevitably affect economic activities and slow growth," the fund said in its report.

Economy to blast off again from Oct: IMF

The Daily Star; June 5, 2020

- There appears to be glimmer of light at the end of the tunnel after the International Monetary Fund projected that the Bangladesh economy would pick up from the second quarter of next fiscal year from the coronavirus-induced downturn.
- The Washington-based multilateral lender agency, however, said the country's GDP growth would stand at 3.8 per cent this fiscal year against the previous projection of 7.4 per cent as the coronavirus pandemic has severely affected the economy.
- This means, growth is projected to decline by about 4.50 percentage points fiscal 2018-19, in what would be the largest one-year decline in the last three decades.

Govt set to target $2,326 per-capita income

The Financial Express; June 8, 2020

- The government is going to raise the country's per capita income target by $153 to US$2,326 in the next fiscal, despite the economic impact of the coronavirus pandemic.
- The per capita gross national income or GNI target will be documented in the upcoming national budget, which is expected to be placed before parliament on June 11.
- For fiscal year 2020, the authorities expect the per head earnings of the population to reach $2,173, up by $264.
- According to the Bangladesh Bureau of Statistics (BBS), the per capita GNI was recorded at $1,909 in the FY 2019.

Achieving tax target tall order, says CPD

The Financial Express; June 5, 2020

- Achieving the tax collection target set by the National Board of Revenue or NBR for fiscal year 2020-21 is "impossible," analysts said calling the goal "unrealistic."
- They made the remarks while speaking at a virtual news conference on "Challenges of Policymaking in Times of Pandemics," organized by the Centre for Policy Dialogue or CPD, a think tank.
- They said the tax authority sets this unrealistic target to hide mismatch in income and expenditure in the budget.
- As part of the CPD's Independent Review of Bangladesh's development programme, it put forward its recommendations for its interim review of the national economy.
- Prof Rahman said the government has set 56 per cent higher revenue target for next fiscal year when pandemic continues to rage, which is "impossible" and "unrealistic."

Debt at heart as Kamal strikes balance amid falling revenue, rising expenditure

The Daily Star; June 4, 2020

- Between a rock and a hard place is where Finance Minister AHM Mustafa Kamal finds himself in as he is set to unveil his second budget on June 11.
- Does the government enforce austerity given the stunning collapse in economic activities for the coronavirus outbreak? Or does it spend his way out of the pandemic-induced recession and preventing it from undoing decades of progress in alleviating poverty and elevating its citizens into the middle-class?
- The fiscal year may be one of the most challenging years from the perspective of fiscal management.
- The government is facing pressure on public expenditure to tackle the contagion, strengthen the weak health system, support livelihoods of the millions of people and keep businesses afloat reeling from the pandemic.
- Subsequently, the budget deficit may be set at Tk 183,000 crore in fiscal 2020-21, up from Tk 145,385 crore this fiscal year.

Govt expects economy to rebound next fiscal

The Financial Express; May 31, 2020

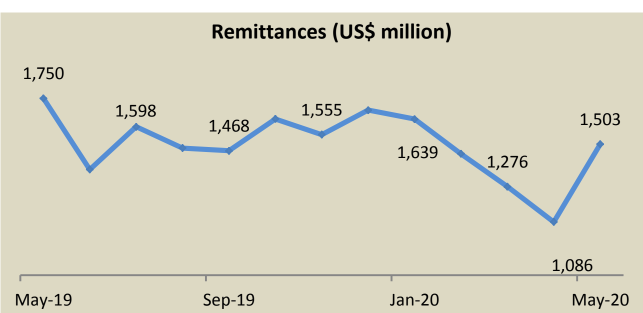
- The government is set to project the GDP growth rate for the fiscal year 2021 at 8.2 per cent, pinning its hope mainly on possible surge in domestic demand, powered by consumption and investment, officials said.
- The projected growth rate, which will be announced in the budget speech of the next fiscal year, is equivalent to the current fiscal year's original estimate.
- The real gross domestic product growth rate for this current fiscal year, however, is likely to contract between 5.25 and 5.35 per cent, according to the finance division.
- Officials familiar with the development at the ministry of finance told the FE that they were hopeful that normal economic activities will pick up speed from October as the pandemic could lose its strength then.

Pandemic saps BD economic strengths
The Financial Express; May 30, 2020

- The economy's almost all major indicators have dipped, drained by sluggish economic activities in the wake of shutdowns aimed at stemming the spread of coronavirus.
- Remittances, exports, imports, inter-bank call money, private sector credit growth fell or worsened over the past few months, according to central bank data.
- The Bangladesh Bank publishes selected economic indicators electronically with the latest information and economic statistics in the areas of money market, balance of payments, fiscal data and capital market.
- Economists viewed this is a common scenario of all developing economies straining under the weight of the virus.

Remittance inflow falls more than 14pc in May
The Financial Express; June 2, 2020

- The flow of inward remittance fell by more than 14 per cent in May following the coronavirus outbreak in different parts of the world.
- Remittance from Bangladeshis working abroad was estimated at $1.50 billion in May 2020, registering a $245-million decrease from the same month a year ago.
- It was $1.75 billion in May 2019.
- On the other hand, inward remittance increased by over 38 per cent to $1.50 billion in May from $1.09 billion a month ago following Eid-ul-Fitr celebrations, according to the officials.
- Non-resident Bangladeshis (NRBs) normally remit an increased amount to help their families back home to celebrate the Muslims' largest religious festival.
- The Bangladesh Bank (BB) has already relaxed the conditions for incentives on the money sent by expatriates to lift up the sinking flow of remittances amid this pandemic.



Source: Bangladesh Bank Website.

Remittances spur forex reserves to $34.23b
The Financial Express; June 5, 2020

- Bangladesh Bank's foreign currency reserves have crossed $34 billion for the first time thanks to surging remittance despite the coronavirus pandemic that is ravaging economies.
- Emergency funds of $732 million from the International Monetary Fund also drove the reserves, Finance Minister AHM Mustafa Kamal told the news agency.
- "The good news has given us courage to fight COVID-19," he said.
- The foreign exchange reserves reached record $34.23 billion. Officials said it was equal to import bills of eight months.
- Reserves hit the previous high of $33.68 billion on Sept 5, 2017. It had since hovered above $31.5 billion and reached $33.46 billion.

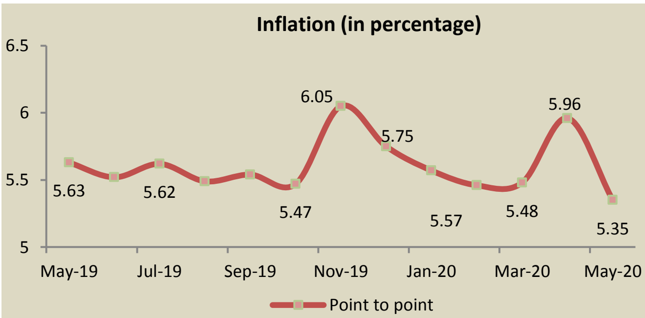
5.4pc inflation rate likely next fiscal
The Financial Express; June 4, 2020

- The government is likely to keep the average inflation rate within the 5.4 per cent limit in fiscal year 2020-21.
- The inflation target for the next fiscal will be proposed in the upcoming national budget, to be announced on June 11 at the parliament.
- In the outgoing fiscal, the government set the 12-month average inflation target at 5.5 per cent as it wanted to keep the Consumer Price Index or CPI in the comfortable zone.
- Data from the state-controlled Bangladesh Bureau of Statistics or BBS on Tuesday showed the point-to-point inflation rate in May fell to 5.35 per cent from 5.96 per cent month on month.

Inflation falls on better crop production, smooth supply
The Financial Express; June 3, 2020

- The rate of inflation (point-to-point) fell by 0.61 percentage point to 5.35 per cent in May this year from 5.96 per cent in April, thanks to better rice output and smooth supply of goods across the country amid coronavirus pandemic.
- According to Bangladesh Bureau of Statistic (BBS) data released on Tuesday, the inflation rate was 5.63 per cent in the same month of last year.
- Both food and noon-food inflation also dropped due to better rice production and ensuring smooth supply of goods across the country even during this coronavirus pandemic, officials said.

- According to the BBS, the food inflation dropped significantly to 5.09 per cent in May from 5.91 per cent in April while non-food inflation fell to 5.75 per cent in May than that of 6.04 per cent in the previous month.

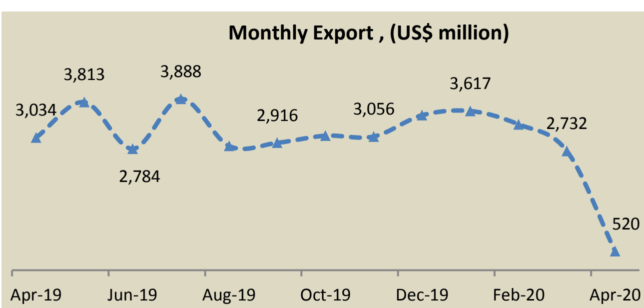


Source: Bangladesh Bank Website.

Exports' rally has begun; Experts see hope after 40-year-low in April

The Daily Star; June 09, 2020

- A glimmer of hope just appeared for the bruised and battered economy: exports seem to be looking up.
- After crashing to a 40-year-old low in April, export receipts almost trebled to $1.46 billion last month, according to data from the Export Promotion Bureau.
- Although May's receipts are down 61.57 percent from a year earlier, it is still a decent figure seeing that much of the global economies were still in some state of an induced coma last month.
- "So we can say that export will grow in the near future as the major importing countries are slowly opening up their economies," said Ahsan H Mansur, executive director of the Policy Research Institute.



Source: Bangladesh Bank Website.

Imports crash in April, as expected

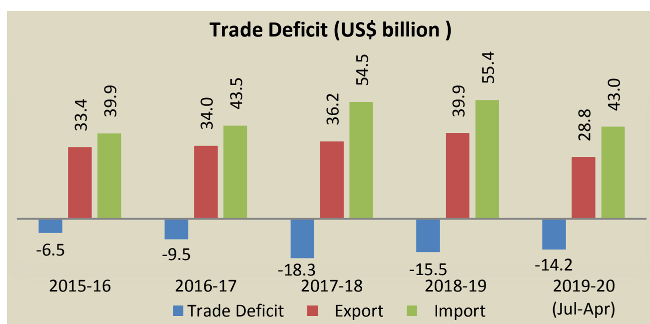
The Daily Star; May 18, 2020

- The country's import decreased 62 per cent year-on-year to $1.95 billion in April as industrial production has almost come to a halt due to the ongoing shutdown to tackle the spread of the coronavirus.
- The settlement of letters of credit (LCs), or generally known as import, also declined 53 per cent in April from a month earlier, when the figure stood at $4.17 billion, according to data from the central bank.
- Both the LCs settlement for industrial raw materials and capital machinery nosedived last month, putting an adverse impact on the overall import.
- A large part of the imports is mainly for the export-earning garment sector, but the industrial units had suspended their manufacturing last month for the countrywide shutdown to flatten the curve on coronavirus.

Trade deficit widens amid economic fallout

The Daily Star; June 09, 2020

- The economic fallout brought on by the ongoing coronavirus pandemic has had an adverse impact on the country's balance of payments as both trade gap and deficit in the current account widened remarkably in April.
- Trade deficit stood at $14.22 billion in the first 10 months of the current fiscal year in contrast to $12.07 billion in the nine-month lead up to March, according to data from the central bank.
- Between the months of July and April, the trade gap also increased by 1.73 per cent from that of one year ago, when the figure was $13.97 billion.
- The existing global recession is mainly responsible for the upward trend of the trade deficit and the financial indicator will get worse in the days ahead, economists said.



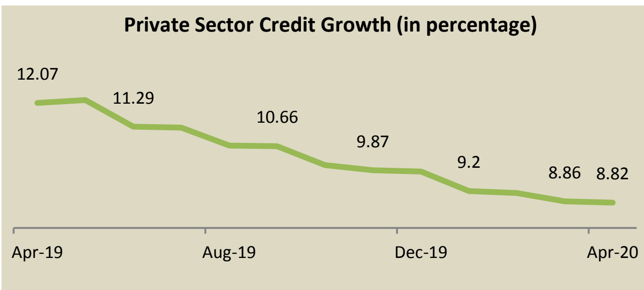
Source: Bangladesh Bank Website.

Credit growth plunges to 12-year low

The Daily Star; June 3, 2020

- As more and more economic data trickle in of the past few months, we are getting a more accurate barometer of the sweeping pall of pessimism that has enshrouded the economy.

- Take the case of private sector credit growth, which nosedived to 8.86 per cent in March, the lowest since December 2008, indicating the businesses' overly glum outlook.
- The first confirmed cases of COVID-19 in Bangladesh were announced on March 8 and 22 days later the government enforced a stay-at-home order to flatten the curve on the rogue virus that has upended lives and livelihoods like no other.
- The credit growth had been maintaining a downward trend for the last two years but the fall in March was relatively steeper compared with the previous months.



Source: Bangladesh Bank Website.

Balance of payment shrinks with pandemic

The Daily Star; June 2, 2020

- The major economic indicators of the country's balance of payments (BoP) shriveled in the first nine months of the fiscal year on the back of the economic fallout from the global coronavirus pandemic.
- Both the contraction of exports and imports has not widened the trade deficit to a great extent in the first three quarters of fiscal 2019-20.
- But this is not a good sign at all for the country as the economy has been shrinking remarkably in the last few months, economists said.
- The trade deficit narrowed 1 per cent year-on-year to $12.07 billion in the first nine months.
- Exports stood at $28.25 billion between July last year and March this year, down 6.34 per cent from a year earlier. Imports also decreased 4.81 per cent to $40.33 billion during the period.

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