

## 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-Mar	30,903.02	27,451.70	12.6%
<b>Import</b> (C&F) (US\$ million)	Jul-Mar	42,367.00	40,300.00	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)	March	225,090.30	212,250.40	6.0%
<b>Broad Money</b> (BDT crore)	March	1,168,579.40	1,054,113.20	10.9%
<b>Tax Revenue (NBR)</b> (BDT crore)	Jul-Mar	153,419.89	143,277.27	7.1%
<b>Total Domestic Credit</b> (BDT crore)	March	1,096,260.10	964,205.40	13.7%
Net Credit to the Govt. Sector	March	92,512.00	74,575.50	24.1%
Credit to the Other Public Sector	March	24,062.00	18,198.40	32.2%
Credit to the Private Sector	March	979,686.10	871,431.50	12.4%
<b>Interest Rate on Advances</b> (in percentage)	March	9.50	9.70	-2.1%
<b>Interest Rate on Deposits</b> (in percentage)	March	5.35	5.30	0.9%
<b>Interest Rate Spread</b> (in percentage)	March	4.15	4.40	-5.7%
<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)	February	63,921.86	73,230.98	-12.7%
<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	April	4.70	2.20	113.6%
182-Day T-bill	April	4.85	3.69	31.4%
364-Day T-bill	April	5.50	4.00	37.5%
2-Year BGTB	April	6.25	5.44	14.9%
5-Year BGTB	April	6.99	5.69	22.8%
10-Year BGTB	April	7.74	7.11	8.9%
15-Year BGTB	April	8.10	7.52	7.7%
20-Year BGTB	April	8.44	8.00	5.5%
<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)	April	6.00	6.00	0.0%
Reverse Repo (1-3 day)	April	4.75	4.75	0.0%
<b>Breakdown of Major Exports</b>				
Woven Garments (US\$ million)	Jul-Mar	13,150.55	11,513.36	14.2%
Knitwear (US\$ mn)	Jul-Mar	12,800.87	11,321.20	13.1%
<b>Breakdown of Import L/C Opening</b> (US\$ million)	Jul-Mar	44,266.23	55,957.34	-20.9%
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)	Jul-Mar	41,217.74	38,407.72	7.3%
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%

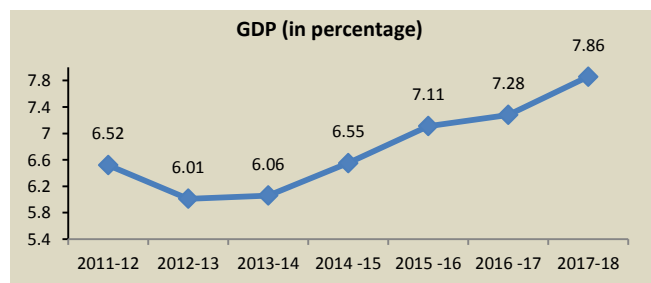
\* Revised GDP Growth Rate; <sup>#</sup> Total liquid assets less required liquidity (SLR)

## News in Brief on Major Macro-Economic Indicators

### Govt to project GDP growth at 8.2pc in new budget

New Age Bd: April 25, 2019

- The government is likely to project growth in gross domestic product at 8.2 per cent and the rate of inflation at 5.5 per cent for financial year 2019-2020.
- The projection on GDP and inflation, two vital economic indicators, was proposed at a coordination meeting of country's macro-economy and budget monitoring at the finance ministry.
- The meeting endorsed the projections, but expressed disappointment to slow progress in implementation of his previous directives on scanners and electronic cash register.
- The officials said the GDP projection for the next FY was slightly higher from the provisional estimate of 8.13 per cent in the outgoing fiscal.



Source: Bangladesh Bank Website.

### BB revises interest rate policy on short term foreign currency loans

The Financial Express; May 06, 2019

- The central bank has revised interest rate policy on short-term foreign currency loans linked with global bench mark rate.
- Under the revised policy, the banker are allowed to fix the interest rates on buyers'/suppliers' credit at six-month LIBOR (London Inter-bank Offered Rate) plus maximum 3.50 per cent instead of earlier maximum 6.0 per cent.
- The central bank revised its policy on usance interest rate against import under suppliers'/ buyers credit to facilitate the country's business community.

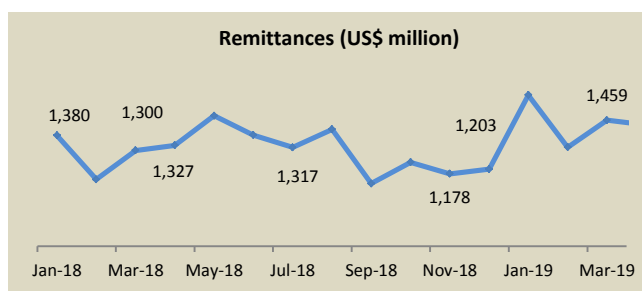
### Remittance inflow rises 10pc in Jul-Apr period

The Financial Express; May 03, 2019

- The flow of inward remittances grew by 10.01 per cent in the first 10 months of this fiscal year (FY) as the

exchange rate of local currency maintained a depreciating mode against the US dollar.

- The Bangladeshi nationals working abroad sent home US\$ 13.03 billion during the July-April period of the FY 2018-19 from \$12.09 billion in the same period of the previous FY.
- The remittance inflow registered \$ 1.43 billion in April last, down from \$ 1.46 billion in the previous month. It was \$ 1.33 billion in April 2018.
- The BDT depreciated by 55 poisha against the greenback in the inter-bank forex market from January 03 to April 29, mainly due to higher demand for the US currency.



Source: Bangladesh Bank Website.

### Higher demand pushes dollar up

The Financial Express; April 30, 2019

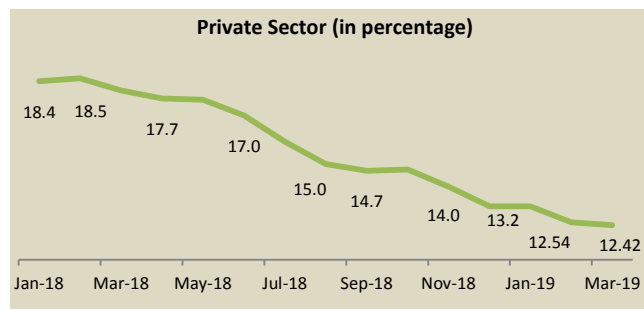
- The exchange rate of Bangladesh Taka (BDT) depreciated significantly against the US dollar, mainly due to higher demand for the greenback for settling the import bills.
- The local currency depreciated by 10 poisha in the inter-bank foreign exchange (forex) market on the day after 22 days.
- The US dollar was quoted at Tk 84.45 each in the inter-bank forex market on the day against BDT 84.35 of the previous working day.
- The country's overall export earnings and the inflow of remittance will be increased following depreciation of the local currency against the US dollar.

### Lower pvt credit flow may slow economic growth

The Financial Express; May 06, 2019

- The private-sector credit growth decelerated further in March as private banks faced liquidity pressure due mainly to lower deposits.

- The growth in credit flow to the private sector came down to 12.42 per cent in March 2019 on a year-on-year basis from 12.54 per cent a month ago.
- This growth was 4.08 percentage points lower than the Bangladesh Bank (BB)'s target of 16.50 per cent for the second half (H2) of this fiscal year (FY).
- Such declining trend in the private-sector credit growth may hamper economic growth in future.



Source: Bangladesh Bank Website.

#### Govt seeks ADB support to develop bond market

The Daily Star; May 05, 2019

- Asian Development Bank in developing its untapped sectors as it strives to become a developed nation by 2041.
- Developing the private sector and the skillset of the youth as well as the digital economy also got a mention in the discussions.
- The Bangladesh delegation held a host of bilateral meetings, one of which is with its counterpart from Finland.

#### New ADP to be 21pc bigger

The Daily Star; May 09, 2019

- The government is set to fix the size of the development budget at Tk 202,721 crore for 2019-20, up 21.39 percent from the current fiscal year, as it looks to mobilise a higher amount of foreign aid piled up in the pipeline.
- As of November last year, the amount of foreign aid in the pipeline stood at \$48.75 billion.
- In the next fiscal year, foreign aid utilisation will get a big boost: it has been fixed at Tk 71,800 crore, which is 40.78 percent higher than the current year's.

#### BB relaxes rules to facilitate FDI

The Financial Express; May 09, 2019

- The central bank has relaxed regulation allowing foreigners to open temporary non-resident Taka

account (NRTA) with any scheduled bank along with authorised dealer (AD) bank branches to facilitate foreign direct investment (FDI) in Bangladesh.

- Under the relaxation, interested foreign investors are now allowed to deposit their funds in the name of proposed companies through opening temporary NRTA with both scheduled and AD bank branches.
- Banks branch will have suitable arrangement with ADs/central processing centres (CPCs) to receive the foreign exchange in their NOSTRO accounts abroad

#### FDI soars 71pc, hits record

The Daily Star; May 10, 2019

- Bangladesh received its highest-ever foreign direct investment of \$3.6 billion in 2018.
- The FDI flow is 71.43 percent higher than the \$2.1 billion the country drew in 2017, according to Bangladesh Investment Development Authority (Bida).
- \$371 million came from the United Kingdom, \$174 million from the United States, \$171 million from Singapore, \$170 million from Hong Kong, \$121 million from India and \$108 million from Norway.
- Of the total, \$1.12 billion was in the form of equity capital, \$1.3 billion reinvested earnings and the rest \$1.18 billion intra-company loans.

#### Trade deficit narrows by 9pc in July-March

New Age Bd; May 10, 2019

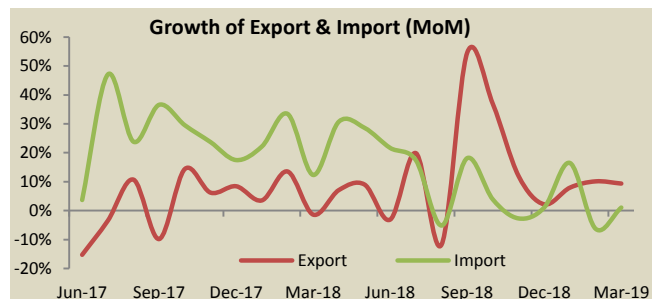
- Country's trade deficit narrowed by 9.24 per cent or \$1.22 billion in the first nine months (July-March) of the current 2018-2019 fiscal year compared with that in the same period of last fiscal year due mainly to a drop in import growth and modest export growth.
- According to the latest Bangladesh Bank data, trade deficit stood at \$11.92 billion in July-March of FY19. The figure was \$13.14 billion in the same period of FY18.
- Trade deficit eased in the period amid strong export growth against subdued import growth.

#### Exports fetch \$3b in April

The Daily Star; May 10, 2019

- Exports grew 2.69 percent year-on-year to \$3.03 billion in April riding mainly on the higher shipment of apparel items.
- Last month's receipts, however, fell short of the government's monthly target of \$3.08 billion by 1.52 percent.

- The overall export of merchandise from Bangladesh also showed a positive trend between July and April, the first 10 months of the current fiscal year.
- During the period, export earnings were \$33.93 billion, up 11.61 percent year-on-year, data from the Export Promotion Bureau showed.



Source: Bangladesh Bank Website.

### Apparel exports grow by 12.59% in 10 months

Dhaka Tribune; May 05, 2019

- Bangladesh apparel exports to global markets have seen a 12.59% rise to \$28.50 billion in the first ten months of the current fiscal year.
- According to the Export Promotion Bureau (EPB) provisional data, in July-April of FY19 readymade garment sector earned \$28.49 billion, up by 12.59% from \$25.30 billion during the same period of the previous fiscal year.
- Of the total export earnings by the apparel sector, knitwear products earned \$14.08 billion, which is 12.32% higher than the \$12.54 billion earned during the same period of FY2017-18.
- The specialized textile sector saw a 36% growth to \$125 million from \$92, while home textile products saw a negative growth of 3.74% to \$723.60 million, down from \$752.67 million.

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### Higher import payments strain forex reserves

The Financial Express; May 11, 2019

- The country's foreign exchange reserves have come under pressure after higher external payments against import of oil and construction materials for mega projects.
- The reserves shrank on Wednesday after a routine payment to the Asian Clearing Union (ACU) against imports during the March-April period of the year.
- The country's forex reserves reached \$30.99 billion on the day from \$32.19 billion of the previous working day, according to the central bank's latest statistics. It was \$31.02 billion.
- Bangladesh will be able to meet more than five months import payment bills with the existing reserves

### US wants BD regains GSP facility: Miller

The Financial Express; April 29, 2019

- The US envoy has expressed the hope that Bangladesh would regain its Generalized System of Preferences (GSP) facility in the US market provided a 16-point plan of actions prescribed by US Trade Representative (USTR) is implemented.
- Bangladesh regains its GSP facility successfully and we want exercise to be made in respect of 16-point action plans that we presented in 2013.
- Giving importance on the solution to the existing problems linked with cotton, he said it is vital for the advancement of trade relations for the two countries. Trade relation between the US and Bangladesh is good.
- The government is providing special facilities for boosting investment, he said, adding that an investment-friendly environment now prevails in the country. One hundred special economic zones (SEZs) are also being built in the country.

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