

Major Economic Indicators	GDP	Inflation	Investment as % of GDP
Target for FY '20	8.20%	5.50%	32.80%

Monthly Commentary on Selected Economic Indicators

Bangladesh logged the uppermost economic growth among a list of 26 countries in the last 10 years, according to The Spectator Index. The country's GDP expanded 188% at the current prices since 2009. The index delivers concise qualified study on substances relating to politics, economics, history, military affairs, sports, science and technology. On the other hand, the Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI) said in its review of economic situation in Bangladesh that the economy faces risks despite high growth. MCCI specified that the country should prudently deal with the downside risks facing the economy (power and gas shortage, insufficiency of investment and weak infrastructure) in order to keep up the growth momentum.

- Country's point-to-point inflation declined 13 bp in August and stood at 5.49% from that of 5.62% in July due to the descending movement of both food & non-food inflation. Food & non-food inflation stood at 5.27% & 5.82% in August compared to 5.42% & 5.94% in July respectively.
- According to BB, the public sector credit growth stood at 32.33% (YoY) in July compared to 19.76% (YoY) in June. Public sector credit stood at USD 18.27 bn having 13% growth (MoM) in July. Besides, net sales of National Savings Certificate declined by 32.67% in July (MoM) for the 6th consecutive-month and stood at USD 256 mn. Total outstanding of NSCs stood at USD 34,048 mn in July.
- Private sector credit growth hits fresh 6-year low in July and stood at 11.26% whereas Bangladesh Bank's target is 13.2% growth for H1 of FY '20. Heavy borrowing from the banking sector by the government, tight monitoring by Bangladesh Bank, growing volume of defaulted loans and slower rate of recovery are holding banks from ensuring adequate credit to the private sector. On the other hand, Bangladesh Bank has raised the AD ratio by 1-1.5 percentage points which will ease the liquidity position of the Banking sector.
- Export earnings were noted at USD 2.84 bn having 26.99% (MoM) & 11.62% (YoY) degrowth in August due to the lower shipments of garment items during Eid. This earnings missed the target for August by 26.42%. Besides, total import was USD 4.81 bn having 2.34% growth (YoY) in July '19. Besides, BDT has remained unchanged against Dollar at 84.50 at the end of August compared to July. On the other hand, the Country received USD 1,483 mn remittances having 7.19% degrowth (MoM) in August.
- Net foreign investment at DSE continued negative for the 6th consecutive month in August and dipped to BDT 1,025.3 mn negative compared to BDT 1,646.7 mn negative in July as well.

Inflation (P-P)

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
General (%)	5.48	5.43	5.40	5.37	5.35	5.42	5.47	5.55	5.58	5.63	5.52	5.62	5.49
Food (%)	5.97	5.42	5.08	5.29	5.28	5.33	5.44	5.72	5.54	5.49	5.4	5.42	5.27
Non-food (%)	4.73	5.45	5.9	5.49	5.45	5.57	5.51	5.29	5.64	5.84	5.71	5.94	5.82

Domestic Fiscal

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
Tax Revenue (NBR) Earnings (USD mn)	1,785	2,092	1,935	2,058	2,185	2,237	1,987	2,368	2,323	2,432	3,583	-	-
Net Foreign Aid (USD mn)	353	164	365	354	932	266	740	285	276	236	906	-	-
Net Sale of NSC (USD mn)	480	520	527	457	397	715	547	490	443	385	380	256	-

Money & Banking

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
Call Money Rate (%)	4.34	4.02	3.32	3.81	4.61	4.47	4.53	4.54	4.53	4.55	4.54	4.46	5.07
Inter Bank Repo Rate (%)	4.52	3.17	1.43	2.08	5.19	4.12	5.51	6.27	6.13	5.75	4.82	3.45	5.98
Lending Rate (%)	9.63	9.54	9.47	9.42	9.49	9.49	9.49	9.50	9.46	9.51	9.58	9.59	-
Deposit Rate (%)	5.36	5.27	5.25	5.30	5.26	5.34	5.34	5.35	5.42	5.46	5.43	5.56	-
Spread	4.27	4.27	4.22	4.12	4.23	4.15	4.15	4.15	4.04	4.05	4.15	4.03	-
Monthly Deposit (USD mn)	261	872	1,063	674	2,180	(100)	570	1,100	269	1,699	3,016	-	-
Monthly Credit (USD mn)	901	1,174	1,584	1,669	1,707	846	701	1,173	750	2,167	1,913	-	-
Excess Liquidity (USD mn)	9,392	9,682	9,761	-	9,105	8,058	7,596	7,626	7,905	7,166	-	-	-
Private Credit (USD mn)	108,677	109,701	111,192	112,371	114,285	114,807	115,312	116,283	116,984	118,452	119,557	118,694	-
Public credit (USD mn)	14,462	13,770	13,822	14,229	14,481	14,655	13,882	13,837	13,851	16,271	16,169	18,270	-
Domestic credit (USD mn)	123,138	123,471	125,014	126,600	128,766	129,462	129,193	130,120	130,835	134,723	135,726	136,965	-
Classified Loan (%) - Quarterly		11.45			10.30			11.87			11.69		

External Sector

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
Export fob (USD mn)	3,214	3,146	3,711	3,422	3,426	3,680	3,383	3,340	3,034	3,813	2,784	3,888	2,840
Import fob (USD mn)	4,125	4,774	5,132	4,701	4,391	5,663	4,353	4,528	4,738	4,742	3,592	4,810	-
Current Account Balance-YTD (USD mn)	(60)	(1,354)	(1,992)	(2,558)	(3,082)	(4,337)	(4,270)	(4,234)	(5,065)	(5,175)	(5,254)	240	-
BOP-YTD (Overall Balance) (USD mn)	156	(720)	(444)	(837)	(513)	(975)	(499)	(329)	(590)	(682)	12	124	-
Remittance (USD mn)	1,411	1,140	1,239	1,178	1,203	1,591	1,318	1,459	1,434	1,756	1,368	1,598	1,483
Remittance Growth % (MoM)	7.06%	-19.23%	8.73%	-4.91%	2.09%	32.25%	-17.17%	10.70%	-1.69%	22.44%	-22.07%	16.77%	-7.19%
Exchange Rate (BDT/USD)	83.75	83.75	83.85	83.90	83.90	83.95	84.15	84.25	84.45	84.50	84.50	84.50	84.50
Foreign Ex. Reserve (USD mn)	32,925	31,956	32,078	31,188	32,016	31,235	32,234	31,787	32,123	31,266	32,537	32,127	32,775

Capital Market

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
Index (DSEX)	5,601	5,369	5,284	5,281	5,386	5,821	5,712	5,492	5,203	5,378	5,422	5,139	5,096
Total Turnover (USD mn)	1,373	1,768	1,453	1,391	1,038	2,662	1,637	1,115	827	913	905	1,059	875