

Major Macro Economic Indicators

Indicators	Period	2018-19	2017-18	Growth
GDP Growth Rate (in percentage)	FY 2017-18	-	7.86*	
Rate of Inflation				
Twelve Month Average (in percentage)	March	5.48	5.82	-5.8%
Point to Point (in percentage)	March	5.55	5.68	-2.3%
Export (EPB) (US\$ million)	Jul-Mar	30,903.02	27,451.70	12.6%
Import (C&F) (US\$ million)	Jul-Feb	40,895.40	38,715.00	5.6%
Remittances (US\$ million)	Jul-Mar	11,868.97	10,761.00	10.3%
Current Account Balance (US\$ million)	Jul-Feb	(4,270.00)	(5,899.00)	27.6%
Foreign Exchange Reserve (US\$ million)	March	31,787.21	32,401.77	-1.9%
Interbank Taka-USD Exchange Rate (Average) (BDT/US\$)	March	84.25	82.96	1.6%
Reserve Money (BDT crore)	February	226,742.60	210,549.40	7.7%
Broad Money (BDT crore)	February	1,160,572.80	1,051,546.70	10.4%
Tax Revenue (NBR) (BDT crore)	July-Jan	116,780.50	109,093.37	7.0%
Total Domestic Credit (BDT crore)	February	1,087,163.20	955,852.90	13.7%
Net Credit to the Govt. Sector	February	92,946.20	75,069.30	23.8%
Credit to the Other Public Sector	February	23,868.30	18,558.80	28.6%
Credit to the Private Sector	February	970,348.70	862,224.80	12.5%
Interest Rate on Advances (in percentage)	February	9.49	9.55	-0.6%
Interest Rate on Deposits (in percentage)	February	5.34	5.18	3.1%
Interest Rate Spread (in percentage)	February	4.15	4.37	-5.0%
Classified Loan to Total Outstanding (in percentage)	December	10.30	9.31	10.6%
Excess Liquidity of the Scheduled Banks[#] (BDT crore)	January	67,642.74	77,697.49	-12.9%
Call Money Rate (weighted average) (in percentage)	March	4.54	4.56	-0.4%
Interest Rates on Treasury Securities (in percentage)				
91-Day T-bill	April	4.70	2.20	113.6%
182-Day T-bill	April	4.74	3.69	28.5%
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%
Interest Rate on 30-day BB Bill (in percentage)	Mar-18	2.96	2.97	-0.3%
Interest Rates on Repo & Reverse Repo (in percentage)				
Repo (1-3 day)	March	6.00	6.75	-11.1%
Reverse Repo (1-3 day)	March	4.75	4.75	0.0%
Breakdown of Major Exports				
Woven Garments (US\$ million)	Jul-Feb	11,633.31	10,130.37	14.8%
Knitwear (US\$ mn)	Jul-Feb	11,493.04	10,125.66	13.5%
Breakdown of Import L/C Opening (US\$ million)	Jul-Feb	39,273.26	50,203.93	-21.8%
Food grains (Rice & Wheat)	Jul-Feb	1,003.69	2,978.70	-66.3%
Capital Machinery	Jul-Feb	3,274.17	4,423.69	-26.0%
Petroleum	Jul-Feb	2,544.59	2,225.39	14.3%
Industrial Raw Materials	Jul-Feb	13,386.58	12,936.50	3.5%
Others	Jul-Feb	19,064.23	27,639.65	-31.0%
Breakdown of Import L/C Settlement (US\$ million)	Jul-Feb	36,902.05	33,841.96	9.0%
Food grains (Rice & Wheat)	Jul-Feb	926.76	2,206.95	-58.0%
Capital Machinery	Jul-Feb	3,246.35	3,503.17	-7.3%
Petroleum	Jul-Feb	2,607.13	1,930.11	35.1%
Industrial Raw Materials	Jul-Feb	13,180.74	11,804.95	11.7%
Others	Jul-Feb	16,941.07	14,396.78	17.7%

* Revised GDP Growth Rate; [#] Total liquid assets less required liquidity (SLR)

News in Brief on Major Macro-Economic Indicators

GDP growth to reach 8.13pc this fiscal

The Financial Express; March 20, 2019

- The country's economy is estimated to grow 8.13 per cent in the current fiscal year (FY), buoyed by the strong performance of the industrial and service sectors, the government's provisional data show.
- The GDP growth target will be set at 8.5 per cent for FY 2019-20, the minister also said after a separate pre-budget meeting he held with economists at the same venue later in the day.
- As per the estimation of three quarters of the current fiscal year (FY), 2018-19, the provisional Gross Domestic Product (GDP) growth rate is 0.33 percentage points higher than the target of 7.8 per cent projected in the seventh five-year plan (SFYP) and 0.27 percentage points higher than the last FY's achievement.

Per capita income hits \$1,909

The Daily Star; March 20, 2019

- Bangladesh's per capita gross national income (GNI) jumped more than 9 percent to \$1,909 last fiscal year from \$1,751 a year ago, showed provisional official figures released yesterday he Daily Star; March 20, 2019.
- The GNI means all income of a country's residents and businesses including residents abroad while gross domestic product (GDP) takes into account domestic production only.
- Provisional data showed that the per capita GDP also rose at the same pace to \$1,827 in 2018-19 from \$1,675 the previous year.

Govt has no net bank borrowing in 9 months as NSC sales soar

New Age Bd: April 16, 2019

- The government had no net borrowing from the banking sector in nine months (July-March) of the current fiscal year (2018-2019) as high sales of pricy national savings certificates helped the government meet deficit financing.
- Instead, the government paid back Tk 1,255.83 crore to banks in the nine months of the current fiscal year.
- Despite the poor state of tax-revenue collection, the government's net borrowing from the banking sector

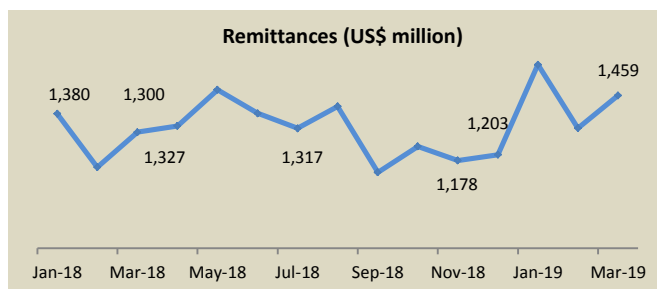
dropped to Tk 87,001 crore as of April 7 this year from Tk 88,257.67 crore as of June 30, 2018.

- The government's move to borrow high-cost fund by the sales of NSCs and to pay back low-cost fund of the banks was a political decision.

Remittance up 10.28pc

The Daily Star; April 02, 2019

- Inward remittances edged up 10.28 percent year-on-year to \$11.87 billion in nine months to March this year thanks to the steady depreciation of the taka against the US dollar.
- Majority of the banks have taken steps to boost foreign exchanges because of their higher import payments than export earnings, bankers said.
- Many lenders have been forced to offer remitters a lucrative rate amid foreign currency shortage in the banking sector.
- The large deficit in the country's current account is an indication of the existing scarcity of the greenback in the banking sector.



Source: Bangladesh Bank Website.

Savings certificates become a headache: BIBM

The Daily Star; April 17, 2019

- Astronomical sales of national savings certificates has become a grave concern for policymakers and bankers, as their high interest means the government's interest burden is soaring and banks are being deprived of deposits, said the Bangladesh Institute of Bank Management.
- The government's savings tools are now offering interest rates between 11.04 and 11.76 percent in contrast to 5 to 8 percent rate given by banks.
- This has prompted savers to flock to NSCs, so much that the government's target of borrowing Tk 26,197 crore from the tool this fiscal year was met in just the first seven months.

- Between July and February, the net sales of the savings tools stood at Tk 35,602.49 crore, up 7.49 percent year-on-year, according to data from the Department of National Savings.

2018 net FDI inflow at \$3.61b

The Financial Express; April 24, 2019

- The net inflow of foreign direct investment (FDI) in Bangladesh stood at \$3.61 billion on a final count, according to the latest statistics of the central bank.
- Annual net FDI inflow jumped by 67 per cent last year as net FDI was \$2.15 billion. In 2017, FDI dropped by 7.73 per cent from \$2.33 billion.
- The Bangladesh Bank data put gross inflow of foreign investment at \$4.54 billion in the 2018 calendar year.
- Disinvestment, loan repayments and loses have been deducted as per the International Monetary Fund (IMF) guideline from gross FDI to determine net FDI.

Currency swaps rule forex mkt, cushion reserve

The Financial Express; April 18, 2019

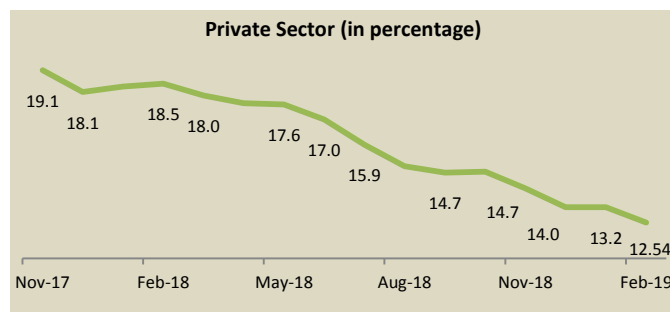
- Interbank currency swaps under agreements to exchange cash flows at later dates dominate the country's foreign exchange market shielding the forex reserve to a great extent from any pressure.
- Bangladesh Bank, the central bank of the country, recently prepared a note on it elaborating the nature of the forex market.
- Currency swaps, a kind of derivatives, accounted for around 86 per cent of the forex market. The spot market derivatives accounted for 11 per cent with the forward derivatives grabbing the remaining 3.0 per cent.
- The banks in need of dollars could turn to the central bank to meet their requirements putting pressure on the foreign currency reserve.

Private credit growth hits 53-month low

The Daily Star; April 03, 2019

- Private sector credit growth hit a 53-month low in February thanks to the ongoing liquidity crunch brought about by the rising default loans.
- In February, credit growth stood at 12.54 percent, the lowest since October 2014, according to data from the central bank.
- The growth was much lower than the central bank's target of 16.5 percent for the second half of fiscal 2018-19.

- Scarcity of funds to give loans with, shortage of greenbacks to meet import payments and disbursement of large amounts of loans for the mega infrastructure projects are responsible for the dwindling credit growth.



Source: Bangladesh Bank Website.

Economy to expand at 7.3pc this fiscal

The Financial Express; April 07, 2019

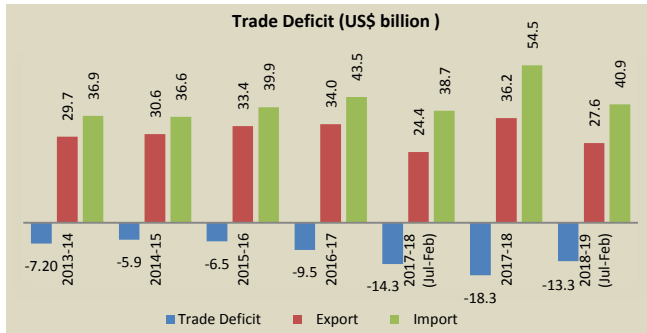
- The United Nations has said Bangladesh's real GDP (Gross Domestic Product) growth is expected to reach 7.3 per cent this fiscal year.
- The forecast came in the latest report of the Bangkok-based Economic and Social Commission for Asia and the Pacific (ESCAP) released Thursday.
- This is nearly 1.0 percentage point lower than the government's estimates of 8.13 per cent for the fiscal year 2018-19. But this is exactly the same as the World Bank's projection of 7.3 per cent.
- The inflation rate may reach 6.1 per cent at the end of fiscal year, up by 0.5 percentage point from the government's projection of 5.6 per cent for the fiscal year 2018-19.

Trade deficit narrows

The Daily Star; April 09, 2019

- Trade deficit squeezed by 8.42 percent in the first eight months of 2018-19 thanks to the steady growth of exports and a slowdown in imports, giving some breathing space to the government in managing the economy.
- Between July and February, the deficit stood at \$10.69 billion, down from \$11.67 billion in the same period a year ago.
- The development will not sustain because of a potential import growth in the months to come.
- The import growth will pick up shortly, sweeping aside the economic stalemate stemming from the uncertainty surrounding the national pools held in December last year, they said. Exports stood at \$27.14

billion in the first eight months of 2018-19, up 12.44 percent year-on-year. Imports rose 5.64 percent to \$37.83 billion.



Source: Bangladesh Bank Website.

BD poised to emerge as 30th largest economy: MIGA

The Financial Express; March 14, 2019

- The local currency is continuously maintaining a depreciating mode against the US dollar (US\$), although the central bank is directly selling the greenback to the banks to keep the market stable.
- The Bangladesh Taka (BDT) depreciated by 10 poisha in the country's inter-bank foreign exchange (forex) market last week that ended on Thursday, according to the market operators.
- The US dollar was quoted at Tk 84.25 each in the forex market on Thursday against Tk 83.15 a week ago, they added.
- The local currency faced such depreciation, although the Bangladesh Bank (BB) expedited its foreign currency support to the commercial banks last week to keep the forex market stable.

ADP spending stands at 39pc in 8 months

New Age Bd; March 13, 2019

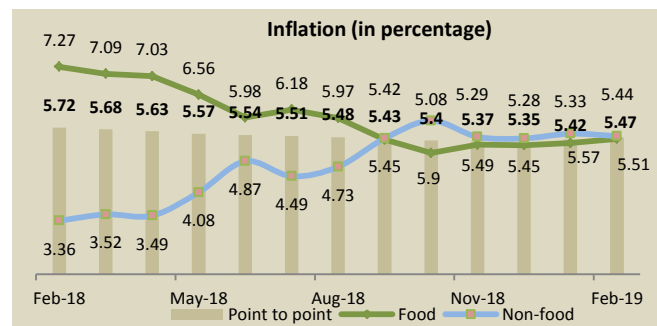
- The progress in implementation of annual development programme still has remained slow though the implementation rate slightly increased in July-February of the current fiscal year (2018-2019) compared with that in the same period of last fiscal year (2017-2018).
- According to the data of Implementation Monitoring and Evaluation Division of the planning ministry, 57 ministries and divisions responsible for ADP implementation spent only 39.13 per cent or Tk 70,772 crore in the eight months of this fiscal year, up 1.12 percentage points or Tk 8,400 crore on that of the same period of last fiscal year
- The government has adopted an ADP worth Tk 1,80,869 crore for FY19.

- In July-February of FY18, the agencies implemented 38.01 per cent or Tk 62,372 crore of ADP worth Tk 1,64,085 crore.

General inflation stands at 5.55pc

The Financial Express; April 10, 2019

- Non-food inflation hit the consumers hard in March this year compared to the same period in the previous year.
- On a point-to-point basis, the rate of non-food inflation rose to 5.29 per cent this March, up from 3.52 per cent a year back.
- Overall inflation in the urban areas also rose to 5.86 per cent in March this year from 5.76 per cent in March last year.
- However, general inflation eased slightly to 5.55 per cent this March from 5.68 per cent in March last year.



Source: Bangladesh Bank Website.

ADP spending from govt fund on the rise

The Daily Star; March 18, 2019

- Development spending from the government's own purse rose in the first eight months of the current fiscal year while the use of the funds from the foreign aid portion of the budget fell.
- Between July and February, Tk 42,979 crore, or 32.41 percent of the allocation from the government owned fund, was spent. It was Tk 33,654 crore, or 35.23 percent, in the same period a year ago.
- On the other hand, Tk 24,225 crore was spent from the foreign aid, which is 40.37 percent of the allocation. It stood at Tk 25,341 crore, or 41.94 percent of the allocation, during the same eight-month period in the last fiscal year.
- Officials of the planning ministry said the implementation of the annual development programme (ADP) did not hit the target because of the delay in land acquisition.

- The per capita GNI was \$120 in 1972 and it took a decade to double to \$240 in 1982. It added only \$80 to \$320 in the next decade till 1992.

Pvt investment inches up as poor business climate weighs

The Financial Express; March 21, 2019

- Bangladesh's private investment as percentage of economic output has expanded at a slower pace this fiscal, hurt by unfavourable business climate and low-quality public investments.
- Private investment as percentage of Gross Domestic Product (GDP) in fiscal year 2018-19 recorded at 23.40 per cent, a mere 0.14 percentage point increase, according to preliminary data of the Bangladesh Bureau of Statistics. The ratio was 23.26 per cent in FY 2018.

Export sectors demand equal fiscal benefits

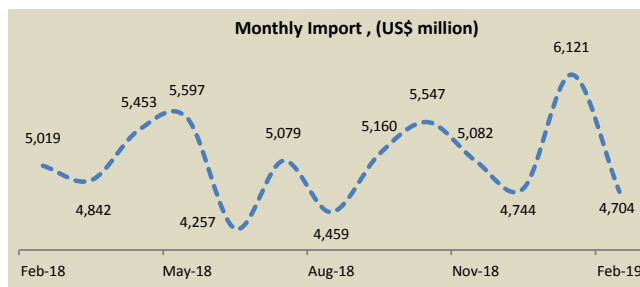
The Financial Express; April 02, 2019

- The country's export sectors sought Monday equal treatment in case of fiscal and other benefits in the forthcoming budget to promote diversification.
- Leaders of the sectors said there are some reduced tax benefits for the readymade garment industry, including corporate and source tax rates, which are not offered for other sectors.
- Corporate tax rate for the apparel industry is 12 per cent and source tax 0.25 per cent, but jute exporters have to pay 0.60 per cent source tax on export-proceeds and corporate tax rate for some export-oriented sectors is still 15 per cent to 35 per cent.

Imports grow by more than 9.0pc

The Financial Express; April 04, 2019

- Country's overall imports grew by more than 9.0 per cent in the first eight months of this fiscal year (FY), 2018-19, following higher imports of intermediate goods and fuel oils.
- The actual import in terms of settlement of letters of credit (LCs) rose to US\$36.90 billion during the July-February period of FY'19 from \$33.84 billion in the same period of the previous fiscal, according to the central bank's latest data.
- The overall import may rise slightly in the coming months ahead of the holy Ramadan.
- A large quantity of essential commodities is imported to meet the additional demand of consumers during the month of Ramadan.



Source: Bangladesh Bank Website.

Problem projects threaten \$2.0b WB loans

The Financial Express; April 02, 2019

- The World Bank (WB) has warned that it will reconsider financing projects worth US\$ 2.0 billion unless the authority expedites implementation of the projects.
- The global lender may even withdraw funds if the agencies fail to speed up the execution process of the WB-aided projects
- The Bank issued the warning while reviewing 11 problem projects at a meeting at its Dhaka office last month; it is providing lion's share of the costs for those undertakings.

Exports exceed target, fetch \$30.9b in nine months

The Financial Express; April 08, 2019

- Earnings from the country's merchandise exports in the first nine months of the current fiscal year (FY), 2018-19, increased to US\$ 30.90 billion, registering a modest growth of about 13 per cent over the same period of the previous fiscal.
- The country fetched \$27.45 billion during the July-March period of FY 2017-18. The export performance exceeded the nine-month target by 7.20 per cent this fiscal year
- The single-month earnings in March last grew by 9.35 per cent to \$ 3.34 billion from \$ 3.05 billion in the same month of last year.

None to be allowed to take money abroad to open subsidiary co

New Age Bd: April 16, 2019

- The Bangladesh Bank on Thursday clarified that no local entity will be allowed to take foreign currency aboard to set up subsidiary company.
- The central bank issued a notice making correction in the Guidelines for Foreign Exchange Transaction 2018 to this end.

- Under the paragraph 24, chapter 10 of the guidelines, prior approval of Bangladesh Bank was not required for the Bangladeshi residents to open branch offices or subsidiary companies abroad.
- The provision also enabled companies to spend annual remittance of up to \$30,000 or equivalent to meet expenses of their foreign offices.

RHD to save Tk 15b on a mega-project

The Financial Express; April 07, 2019

- For the first time in its history, the Roads and Highways Department (RHD) is set to finish a mega project before time, cutting back on a hefty budget.
- Sources said a militant attack on Holey Artisan Bakery in upscale Gulshan district in July 2016 kept on hold the Tk 84.86-billion project for months.
- The project -- construction of Kanchpur, Meghna and Gumti second bridges and rehabilitation of existing bridges -- later added on Tk 1.5 billion for security purposes.
- But much to the credit of the implementer the stage is set to save Tk 15 billion of the project cost, according to insiders.

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