

Major Macro Economic Indicators

Indicators	Period	2019-20	2018-19	Growth
GDP Growth Rate (in percentage)	FY 2018-19	-	8.13*	
Rate of Inflation				
Twelve Month Average (in percentage)	October	5.50	5.63	-2.3%
Point to Point (in percentage)	October	5.47	5.40	1.3%
Export (EPB) (US\$ million)	Jul-Oct	12,721.22	13,651.78	-6.8%
Import (C&F) (US\$ million)	Jul-Sep	14,324.00	14,698.00	-2.5%
Remittances (US\$ million)	Jul-Nov	7,714.19	6,288.44	22.7%
Current Account Balance (US\$ million)	Jul-Sep	(678.00)	(1,316.00)	48.5%
Foreign Exchange Reserve (US\$ million)	November	31,728.99	31,056.04	2.2%
Interbank Taka-USD Exchange Rate (Average) (BDT/US\$)	November	84.90	83.90	1.2%
Reserve Money (BDT crore)	October	251,037.90	228,118.20	10.0%
Broad Money (BDT crore)	October	1,261,811.20	1,125,824.60	12.1%
Tax Revenue (NBR) (BDT crore)	Jul-Sep	47,388.07	46,180.41	2.6%
Investment in National Savings Certificates (BDT crore)				
Net sale	Jul-Oct	5,521.02	17,828.73	-69.0%
Total Outstanding	Jul-Oct	291,181.10	255,595.25	13.9%
Total Domestic Credit (BDT crore)	October	1,199,463.20	1,048,242.20	14.4%
Net Credit to the Govt. Sector	October	147,657.00	95,668.90	54.3%
Credit to the Other Public Sector	October	25,847.80	20,228.30	27.8%
Credit to the Private Sector	October	1,025,958.40	932,345.00	10.0%
Interest Rate on Advances (in percentage)	October	9.58	9.47	1.2%
Interest Rate on Deposits (in percentage)	October	5.66	5.25	7.8%
Interest Rate Spread (in percentage)	October	3.92	4.22	-7.1%
Classified Loan to Total Outstanding (in percentage)	September	11.99	11.45	4.7%
Excess Liquidity of the Scheduled Banks [#] (BDT crore)	May	60,549.07	79,649.69	-24.0%
Call Money Rate (weighted average) (in percentage)	November	3.39	3.66	-7.4%
Interest Rates on Treasury Securities (in percentage)				
91-Day T-bill	November	6.69	0.57	1073.7%
182-Day T-bill	November	7.52	1.70	342.4%
364-Day T-bill	November	7.72	2.70	185.9%
2-Year BGTB	November	8.33	3.70	125.1%
5-Year BGTB	November	8.97	4.50	99.3%
10-Year BGTB	November	9.19	7.15	28.5%
15-Year BGTB	November	9.19	7.55	21.7%
20-Year BGTB	November	9.29	8.24	12.7%
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)	November	6.00	6.00	0.0%
Reverse Repo (1-3 day)	November	4.75	4.75	0.0%
Breakdown of Major Exports				
Woven Garments (US\$ million)	Jul-Oct	5,039.03	5,457.83	-7.7%
Knitwear (US\$ mn)	Jul-Oct	5,538.35	5,875.26	-5.7%
Breakdown of Import L/C Opening (US\$ million)				
Food grains (Rice & Wheat)	Jul-Aug	272.53	260.60	4.6%
Capital Machinery	Jul-Aug	700.48	760.05	-7.8%
Petroleum	Jul-Aug	693.78	804.59	-13.8%
Industrial Raw Materials	Jul-Aug	2,737.78	3,381.18	-19.0%
Others	Jul-Aug	4,621.46	4,811.61	-4.0%
Breakdown of Import L/C Settlement (US\$ million)				
Food grains (Rice & Wheat)	Jul-Aug	183.94	221.18	-16.8%
Capital Machinery	Jul-Aug	688.88	787.08	-12.5%
Petroleum	Jul-Aug	346.57	791.68	-56.2%
Industrial Raw Materials	Jul-Aug	2,908.14	3,110.81	-6.5%
Others	Jul-Aug	4,339.73	3,613.52	20.1%

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

News in Brief on Major Macro-Economic Indicators

BD businesses more bullish than global peers: HSBC

The Financial Express; Nov 12, 2019

- Business confidence in Bangladesh is significantly higher than the global and Asian average, according to a new global report of HSBC.
- The Hongkong and Shanghai Banking Corporation's 'Navigator: Now, next and how' captured business sentiment from 9,131 companies globally, including 193 Bangladeshi companies, shedding light on their investment priorities, decision-making drivers, and plans to implement change and growth expectations.
- The report mentioned that 74 per cent of Bangladeshi businesses are more optimistic about their business prospect than a year ago while the Asian average is only 43 per cent.
- The HSBC report showed that 97 per cent of Bangladesh businesses, surveyed for the report, are bullish on growth over the next year while the global and Asian average is 79 per cent and 77 per cent.
- Moreover, 50 per cent of Bangladeshi businesses are expecting growth of 15 per cent, which would be about twice the rate of expected GDP growth rate in Bangladesh, the bank said.

July-October: NBR faces Tk 20,225 crore shortfall

New Age Bd: Dec 05, 2019

- The National Board of Revenue (NBR) fell revenue shortfall of Tk 20,220.75 crore during the first four months (July-October) of the current fiscal year, according to the latest data of the revenue board.
- The deficit caused mainly to poor showing in earnings from the customs and value added tax (VAT) fronts during the period.
- The customs faced a shortfall of Tk 7,799.22 crore and vat Tk 8,258.62 crore during the quarter, according to the data.
- Besides, income tax collection also witnessed a whopping Tk 4,162 crore shortfall against their four-month target of Tk 23,858.40 crore.

Income tax collection grows by 13.3pc in July-Nov

New Age Bd: Dec 02, 2019

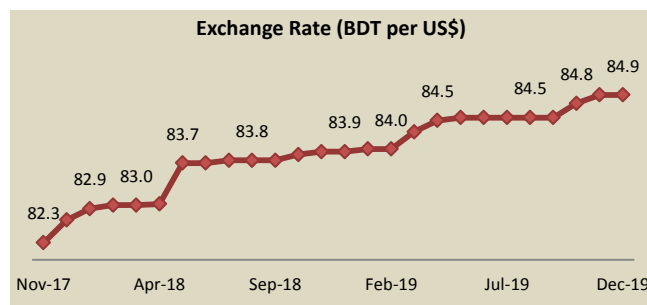
- Income tax collection in July-November period of the current fiscal 2019-2020 grew by 13.30 per cent to Tk 24,836 crore compared with the corresponding period of 2018-2019.

- Of the total amount collected, individual taxpayers paid around Tk 3,800 crore with their income tax returns for the FY20 filed within the deadline set for December 1, according to the provisional data of the National Board of Revenue.
- This year, 22 lakh individual taxpayers filed their income tax returns and submitted petitions seeking additional time for returns submission against that of 20.07 lakh which the revenue board received within the December 2-deadline in FY19.
- The revenue board claimed on various occasions that the number of income tax returns had finally reached to around 22 lakh in FY19.

Taka losing value vs dollar

The Financial Express; Nov 30, 2019

- The local currency has depreciated by Tk 1.0 against the US dollar so far this year in the inter-bank foreign exchange market as demand for the greenback grew.
- The dollar was quoted at Tk 84.90 each in the inter-bank forex market on November 27 against Tk 83.90 on January 02 this calendar year, according to the market operators.
- The demand for the greenback is gradually increasing, mostly driven by higher import payment, particularly for intermediate goods, oil and capital machinery for power plants.
- The Bangladesh Taka's erosion was equally blamed on the falling trend in the export income during the first four months of this fiscal.



Source: Bangladesh Bank Website.

BB steps up forex support to banks; Demand for dollar may spike further

The Financial Express; Nov 16, 2019

- The central bank has scaled up its foreign currency support to the commercial banks to help settle their

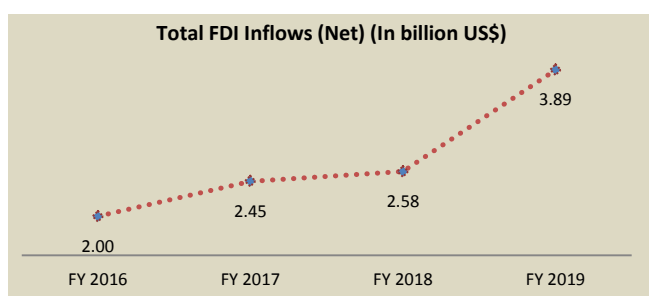
import payment obligations, particularly for oil, officials said.

- The Bangladesh Bank, or BB, sold US\$73 million to the banks during the last three days to help them meet the growing demand for the greenback.
- \$48 million was sold to three state-owned commercial banks (SoCBs), while \$5.0 million and \$20 million were provided to a state bank on Wednesday and Tuesday respectively, according to the officials.
- The central bank has also provided the foreign currency support to a state lender to clear an installment of Rooppur nuclear power plant loans, the central banker noted.

FDI hits all time high

The Daily Star; Nov 13, 2019

- Foreign direct investment to Bangladesh surged 51 percent last fiscal year to its highest on record, riding largely on Japan Tobacco Inc's acquisition of Akij Group's tobacco business for \$1.47 billion.
- In 2018-19, net FDI stood at \$3.88 billion in contrast to \$2.58 billion a year earlier, according to data from the central bank.
- The rise in the FDI last fiscal year will not bring any positive impact for the country. This will not create any fresh investment or give a boost to exports.
- Japan Tobacco has made the investment focusing on the domestic market of Bangladesh and there is no scope to recruit additional workers from the domestic workforce for the existing industry.



Source: Bangladesh Bank Website.

'Govt to develop 200 EZs to attract FDI'

Dhaka Tribune: Nov 26, 2019

- Bangladesh would develop 200 economic zones (EZs) in the country eyeing foreign direct investment (FDI) to implement planned industrialization and save agricultural land, Prime Minister's Private Sector Adviser Salman Fazlur Rahman said.
- "We are in action to develop 200 economic zones. Around 50/60 zones (EZs) are in operation now," Rahman said at the inaugural session of the 33rd

conference of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) at a Dhaka city hotel.

- Rahman said Bangladesh would launch one stop online business registration procedure for foreign investors very soon.
- "We are working on it," he told the program attended by 160 registered participants from CACCI member countries.

NSC sales slump for 4th month

New Age Bd: Nov 30, 2019

- The net sales of national savings certificates dropped for the fourth consecutive month in October because of tightening of sales process and hike in tax on interest, forcing the government to rely heavily on bank funds to meet deficit financing.
- As per the Bangladesh Bank data released on November 28, the net sales of NSCs plunged by 81.37 per cent or Tk 3,593.76 year-on-year in October.
- In October, the net sales of NSCs dropped to Tk 822.95 crore against Tk 4,416.71 crore in the same month of the last year.
- In July-October of FY20, the government's net sales of NSCs dropped by 69.08 per cent or Tk 12,316.71 crore year on-year.
- Government's net borrowing by issuing NSCs dropped to Tk 5,512.02 crore in July-October of FY20 against Tk 17,828.73 crore in the same period of FY19.

10 countries major destinations for Bangladeshi illicit money

Dhaka Tribune: Nov 18, 2019

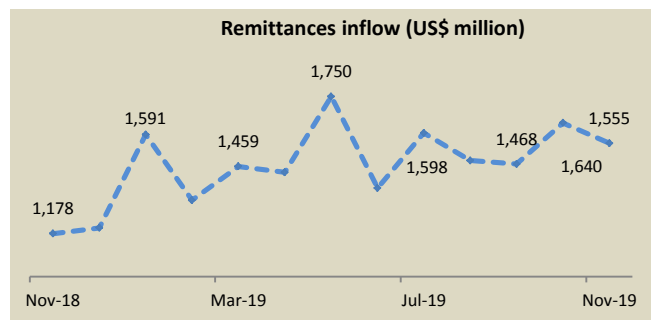
- Government agencies have identified top 10 countries where tainted money is siphoned from Bangladesh.
- As per a government report, the money finds safe haven in the USA, the UK, Canada, Australia, Singapore, Hong Kong, the UAE, Malaysia, Cayman Islands and British Virgin Islands.
- The report styled "National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism 2019-2021" was formally launched at a hotel in the capital.
- Bangladesh Financial Intelligence Unit (BFIU) prepared the report in association with the ministries of finance, home, commerce, foreign affairs, law justice and parliamentary affairs and office of the attorney general, Anti Corruption Commission, NGO Affairs Bureau, Bangladesh Police, National Board of Revenue and Bangladesh Bank.

- The report says that investment visa, permanent residency, long-term residency, second home project and comfortable foreign exchange control regime are some of the major reasons that led many Bangladeshis to launder money to those countries.

Remittance inflow increases by 31.75pc in Nov

The Financial Express; Dec 04, 2019

- Expatriate Bangladeshis sent US\$ 1,555.22 million remittances in November of the current fiscal 2019-20, which is apparently 31.75 per cent higher than the same month of the preceding year, according to a Bangladesh Bank (BB) data, reports BSS.
- The country received \$1,180.44 million remittances during the month of November in 2018-19 financial year, the data added.
- According to the BB data, expatriate Bangladeshis sent \$7,714.19 million remittances during the first five months of the current fiscal 2019-20.



Source: Bangladesh Bank Website.

Conversion of local currency allowed; Remittance incentives

The Financial Express; Nov 21, 2019

- Remitters who will wire \$1,500 or equivalent amount of other currencies or Tk 150,000 will be eligible for receiving 2.0 per cent cash incentives without showing any documents.
- The amount of local currency has been included in the guidelines regarding cash incentives on wage earners' income, according to a clarification issued by the Bangladesh Bank (BB).
- "We've included the amount of local currency-Bangladesh Taka-in the guidelines in line with the banks' requirements," a BB official told the FE while explaining the main objective of the clarification.
- The time for submitting necessary documents for getting cash incentives more than \$1,500 has been extended up to 15 working days instead of five earlier.

ADP projects with token allocation soar

The Daily Star; Nov 19, 2019

- The number of projects in this year's annual development programme (ADP) getting token allocations has increased significantly, a trick that can keep these projects alive for years.
- According to planning commission data, 62 projects have got just Tk 1 lakh allocation this fiscal year, up from 26 two years ago.
- Of the 62 projects, 12 are 90 percent complete, while there is even one scheme that is almost 99 percent implemented.
- "Many of these projects are included in the ADP on political consideration and they remain unimplemented for years due to inadequate allocation of resources," said a senior planning commission official.
- Bangladesh's spending for development projects has been increasing incrementally in the past decade.

Govt likely to cut foreign aid allotment in RADP

The Financial Express; Dec 05, 2019

- The government is likely to slash foreign aid allocation in the upcoming revised development budget, as many ministries and divisions have sought lower funds, officials said.
- The Economic Relations Division (ERD) is now consulting with the government agencies to determine their actual fund demand for the remaining period of the current fiscal year (FY), 2019-20.
- The government in FY 20 has allocated Tk 718 billion funds as project aid (foreign aid) in the original Tk 2.027-trillion ADP.
- Since some ministries are seeking lesser funds than their allocations, the overall size of project aid in the revised ADP (RADP) could be slashed.

Foreign aid utilisation for dev projects crawling

The Daily Star; Nov 19, 2019

- Foreign aid utilisation in the annual development programme dropped 8.14 percent over the last four months although the government had set an ambitious target of spending from foreign sources.
- Between the months of July and October, some Tk 7,637 crore was utilised, which is 10.64 percent of the foreign aid allocation for the fiscal year.
- At this point last year, foreign aid utilisation was Tk 8,360 crore, which was 13.93 percent of total foreign aid allocation for fiscal 2018-19.

- The government has targeted to spend Tk 71,800 crore or more than \$8 billion from the foreign fund for ADP implementation this fiscal year.
- Although foreign aid commitment rises every year, the government cannot spend much of it for ADP implementation. As a result, the amount of unutilised foreign aid is also increasing every year.

Govt seeks ADB support for offloading green bond

The Financial Express; Nov 24, 2019

- The government has recently sought support from the Asian Development Bank (ADB) for offloading green bond in the local market to raise funds.
- The Economic Relations Division (ERD) has lately sent a letter to the Manila-based lender, asking for giving technical and other support for introducing the debt instrument.
- The Bangladesh Bank (BB) is working to offload the fixed-income instrument for mobilising money to be invested in the country's industrial development, the officials said.
- The additional secretary said as the ADB has a vast knowledge about the global bond market and it has best practices in the world, the development partner will be able to lend us support for entering the global market with the planned bond.

Foreign debt payment shoots up in Q1

The Financial Express; Nov 24, 2019

- The country's external debt payment reached a new high of nearly \$500 million in the first quarter (Q1) of this fiscal year.
- The quarterly debt-servicing data released by the finance division showed the repayment rose by over 24 per cent to US\$ 495.2 million over the year-earlier period.
- The volume of interest payment also jumped by 35 per cent to \$143.6 million during the period under review, according to a document obtained by the FE.
- The finance division has prepared the document for the maiden coordination meeting of this fiscal year.

Q1 budget deficit soars

The Financial Express; Dec 07, 2019

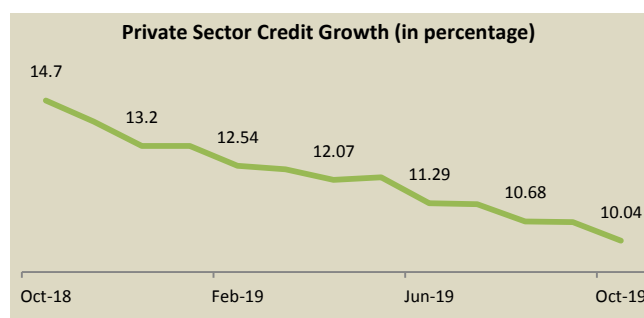
- The budget deficit during the July-September period last increased by nearly 200 per cent compared with the corresponding three months in 2018, as gains in tax receipts were offset by higher spending and growing debt servicing, according to the government statistics.

- The statistics show that the deficit widened to Tk 321.44 billion (32,144 crore) during the first quarter or Q1 of this fiscal year. The rise is 183 per cent compared to the same period a year earlier.
- During the period under review the total spending was Tk 876 billion against the revenue receipts to the tune of Tk 554.6 billion.
- There was no grant during the Q1, but loan disbursement and other flows from external sources were much lower than expectation and stood at Tk 6.37 billion.

Economic woes grow as private sector credit growth hits fresh 9-yr low

New Age Bd: Dec 02, 2019

- The private sector credit growth hit a fresh nine-year low of 10.04 per cent in October this fiscal year (2019-2020), reflecting a gloomy state of the country's economy.
- Besides, a sharp rise in the government's borrowing from the banking system and sluggish business activities in the country were other reasons for the plunge in credit flow to the private sector.
- The private sector credit growth in October was the lowest since the 6.09-per cent growth in September of the fiscal year of 2010-2011.
- As per the Bangladesh Bank data, the amount of credit to the private sector stood at Tk 10,25,958.4 crore in October this year against Tk 9,32,345 crore in October last year.



Source: Bangladesh Bank Website.

Exports see downtrend in July-November

The Financial Express; Dec 06, 2019

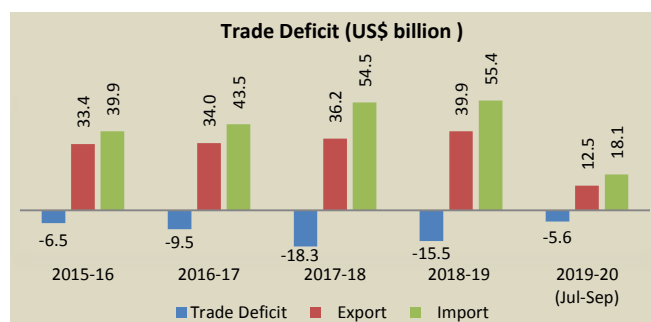
- Merchandise exports continue to see a downtrend as overseas earnings have fallen by 7.59 per cent in the past five months of this fiscal than last year's.
- Aggregate export earnings from July to November of fiscal year (FY) 2019-20 reached \$15.77 billion against \$17.07 billion of the corresponding period of FY '19.

- According to the Export Promotion Bureau (EPB) data revealed on Thursday, total earnings also fell short of target by 12.59 per cent set for the period.
- The single-month export earnings in November 2019 stood at \$3.05 billion, registering a 10.70-per cent decline, compared to the same month of 2018.

Trade deficit widens; Imports dropped 3.17pc, exports 6.65pc during Jul-Oct

The Daily Star; Dec 10, 2019

- Trade deficit widened slightly in the first four months of the fiscal year when exports fell more than imports, a development that has exposed the sluggishness of the economy.
- Between July and October, trade deficit, a situation when imports exceed exports, stood at \$5.62 billion, up 5.58 percent year-on-year, according to data from the central bank.
- During the period, imports declined 3.17 percent from a year earlier to \$18.13 billion and exports dropped 6.65 percent to \$12.51 billion.
- Current account deficit, however, decreased 36.88 percent year-on-year to \$1.30 billion in the first four months of 2019-20.
- The ongoing declining trend of imports has helped reduce the deficit in the current account.



Source: Bangladesh Bank Website.

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