## Bangladesh: Selected Indicators

Bangladesh economy maintained an average annual growth rate of close to 7 percent over the last decade, with 8.15% outturn and per capita GDP of USD 1828 in FY19

Trend of Real GDP Growth and GDP per capita 1/
FY91-FY19 (y/y, in percentage points)

At end-June 2019, annual population growth rate was 1.2%, with population reaching 165.6 million. In 2018, the working-age population (ages 15-64) was 67.1%, while total dependency ratio (population ages below-15 and 65+ per 100 working-age population) was 49%
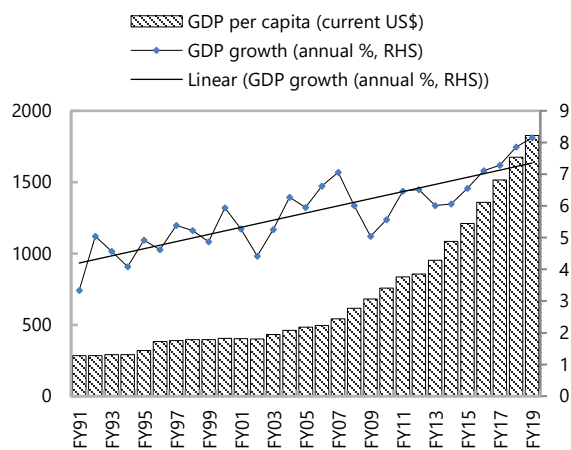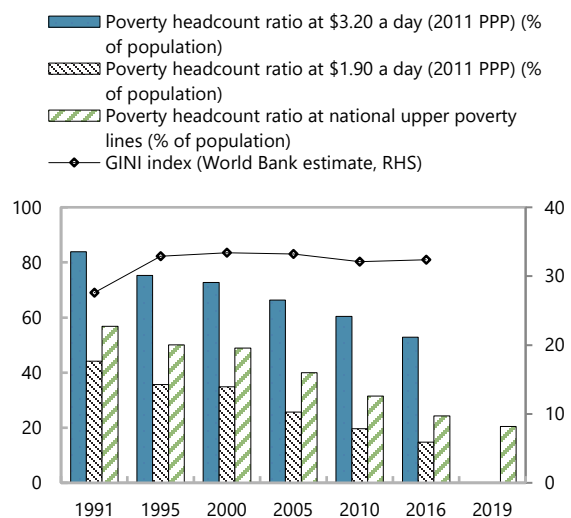
Trend of Demographic Indicators 2/
1991-2060
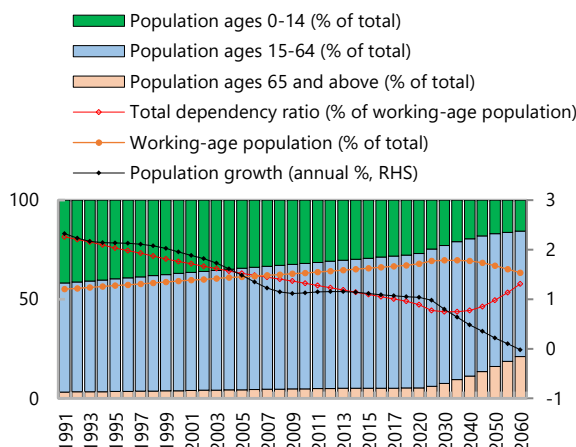
Income poverty incidence (national measure-upper poverty line) came down from 57% in 1991 to an estimated 20.5% at end-June 2019

Trend of Poverty Reduction and Gini Index 3, 4/
1991-2019

ILO estimates 61.1% of working-age population are in labor force in 2019; the female participation rate is only 38.3%

Trend of Labor Force Participation 5/
2003-2019
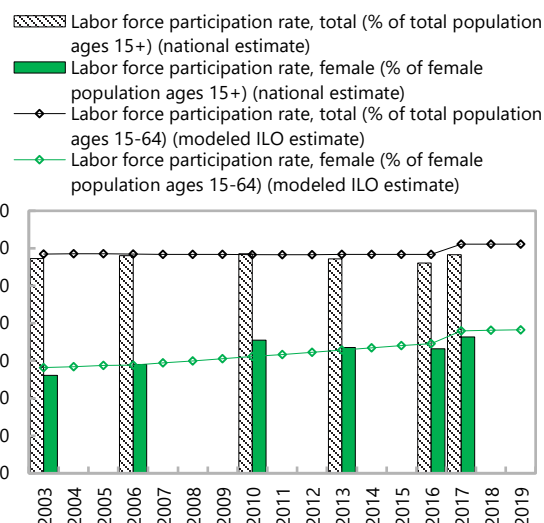
1/ July-Jun period is considered as fiscal year (FY) in Bangladesh. For FY91- FY17, GDP per capita data are taken from WDI, and for FY18 and FY19, national measures are used. 2/ Projection data from year 2020 are taken from United Nations, Department of Economic and Social Affairs, Population Division (2017). The population growth rates from year 2020 are five-year average growth projections, e.g. year 2020 data indicates average growth rate in 2015-2020. 3/ National measures of poverty for year 1991 and 1995 are taken, respectively, from Household Expenditure Survey 1991-1992 and Household Expenditure Survey 1995-1996. In national measure, up to 1991 a person having an intake of less than 2,122 kilo-calories daily was considered as absolute poor (upper poverty line), and one having an intake of below 1,805 kilo-calories was considered as hard-core poor. Since 1995, the 'Cost of Basic Needs (CBN)' method has been used. 2019 data is as on end of June 2019. 4/ Gini Index ranges from 0 to 100, higher value shows higher inequality. Gini index of 0 means perfect equality. 5/ National estimates of labor force participation rate for 2016 and 2017 are respectively of FY2016 and FY2017.

Sources: Bangladesh Bureau of Statistics (BBS); World Development Indicators (WDI); United Nations, Department of Economic and Social Affairs, Population Division (2017); and IMF staff calculations

Bangladesh: Real Sector Developments

Private consumption and investment, respectively, contributed 2.6 and 2.1 percent to 8.15 percent GDP growth in FY19, while public consumption and investment, respectively, contributed 0.5 and 0.7 percent. In FY19, contribution of net exports was 2.1 percent against negative 3.6 percent in FY18
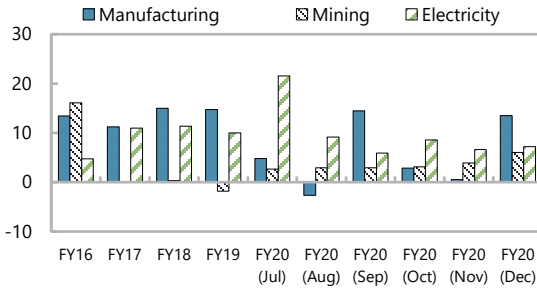
Contributions to Real GDP Growth
FY11-FY19 (y/y, in percentage points)
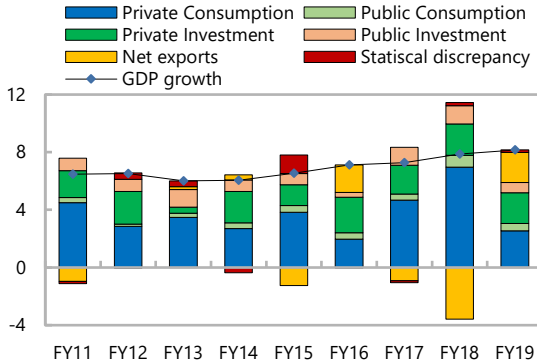
In FY20 Dec, the y/y growth of quantum index of manufacturing was 13.5%, mining 6%, and electricity 7.2%

Quantum Index of Medium and Large-Scale Manufacturing Industries, Mining and Electricity 1/
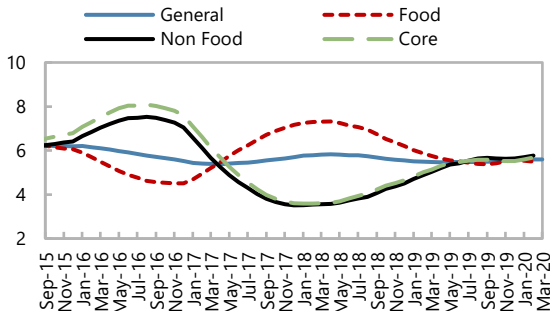FY16-FY20 (Dec) (y/y growth, in percentage points)

Annual average headline inflation had been 5.6% since Jan 2020, with food inflation edging down, and non-food edging up

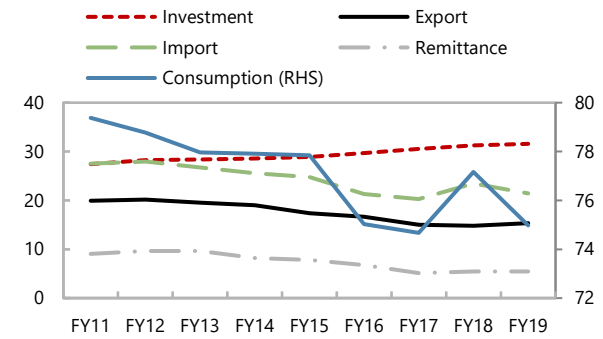### Twelve Month Average Inflation
Sep 15-Mar 20 (y/y, in percentage points)

Consumption-GDP ratio edged down at 75% in FY19 from 77.2% in FY18, while investment-GDP ratio edged up from 31.2% to 31.6%

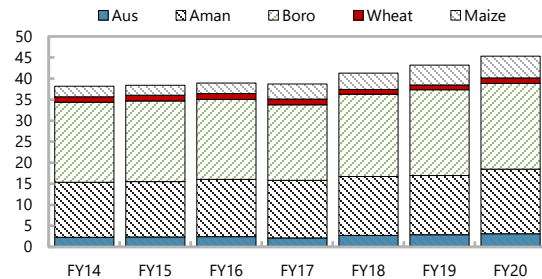### Selected indicators' share in Nominal GDP
FY11-FY19 (in percentage points)

Rice production target-the sum of Aus, Aman and Boro, is 38.9 MMT for FY20 compared with actual production of 37.3 MMT in FY19. Total target for wheat and maize is 6.5 MMT for FY20 against actual outturn of 5.9 MMT in FY19
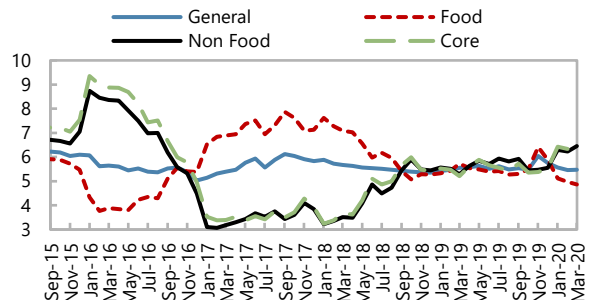
Major Food Grains Production 2/
FY14-FY20 (Million Metric Tons (MMT))

In Mar 2020, y/y food inflation decreased to 4.9%. Non-food inflation increased to 6.5%, settling headline measure at 5.5%

Point-to-Point Inflation
Sep 15-Mar 20 (y/y, in percentage points)

1/ FY20 data are provisional. 2/ FY20 data are production targets, except for Aus production, which is actual.
Sources: Bangladesh Bureau of Statistics (BBS); Department of Agriculture Extension, Ministry of Agriculture; Bangladesh Bank; and IMF staff calculations

Bangladesh: External Sector Developments

Current account balance yielded a USD 1.5 billion deficit in FY20 (Jul-Jan), compared to a USD 4 billion deficit in FY19 (Jul-Jan)

Current Account Balance Components 1/
FY15-FY20 (Jul-Jan) (in billion USD)
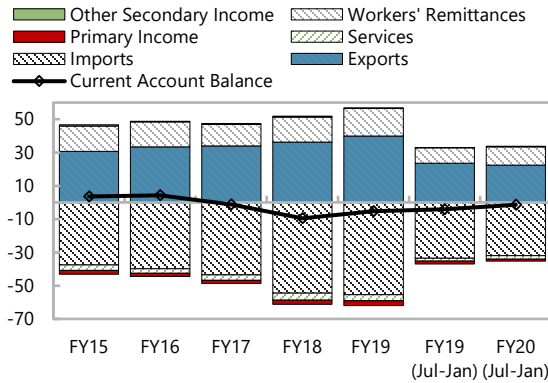
In FY20 (Jul-Jan), remittances-USD 11 billion increased by 21.5%, and exports-USD 22.4 billion decreased by 5.3%, while imports-USD 32 billion decreased by 4.4%
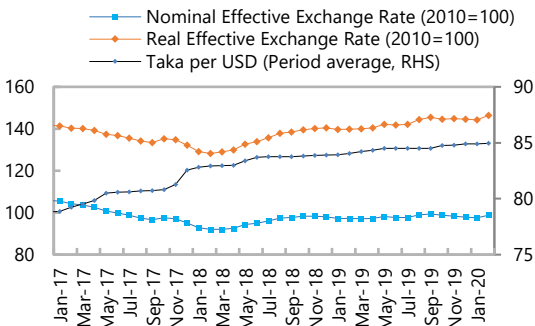
Major Balance of Payments Components 3/
FY15-FY20 (Jul-Jan) (y/y growth, in percentage points)
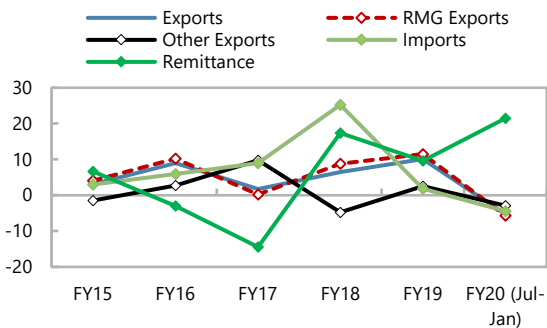
Apart from slight depreciation in Jan 2019, there is an upward trend of REER since Mar 2018. During this period, Taka/USD nominal exchange rate depreciated slightly from 83 to 85

Exchange Rates
Jan 2017-Feb 2020

Capital goods and oil-related products, respectively, contributed negative 3.2% and negative 1.1% to import growth of negative 4.4% in FY20 (Jul-Jan), while contribution from food grains and consumer goods was 0.1%

Item-wise Contributions to Import Growth 2/
FY17-FY20 (Jul-Jan), (y/y growth, in percentage points)

Import months' coverage decreased from 5.5 months in Dec 2019 to 5.4 months in Jan 2020

International Reserves 4/
Mar 2017-Jan 2020
(In billion USD, unless otherwise indicated)

In FY20 (Jul-Feb), y/y remittance inflows increased by 20.1%, amounting to USD 12.5 billion. GCC countries contributed 57.4% of the inflows

Contributions to Workers' Remittances
FY15-FY20 (Jul-Feb)
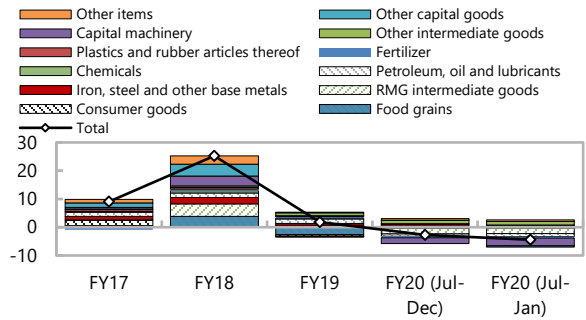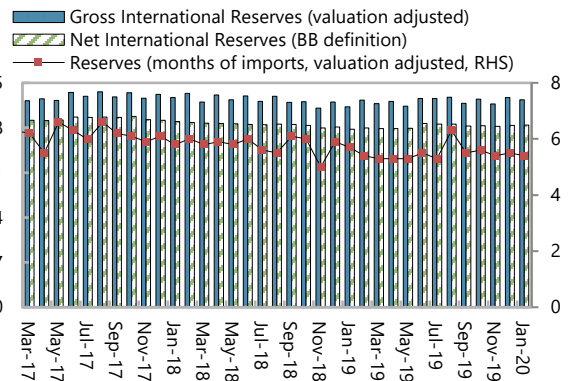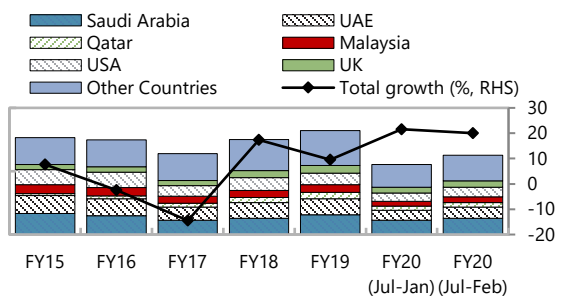(in billion USD, unless otherwise indicated)

1/ FY20 (Jul-Jan) data are provisional. 2/ Data are recorded by customs. 3/ Exports and imports are f.o.b. data. 4/ Jan 2020 data are provisional. Net international reserve (NIR) is gross international reserves (excluding investment on bonds below the grade BBB, Silver Acquisition A/C, deposit with Rupali Bank, Pakistan & deposit with Sonali Bank, UK) minus total liabilities. Total liabilities comprise reserve liabilities in ACU, IMF Trust Fund Account (ECF) and other foreign currency clearing accounts, and deposits of IBRD/IDA, and SDR allocation.

Sources: Bangladesh Bank; Export Promotion Bureau (EPB); and IMF staff calculations

Bangladesh: Fiscal Sector Developments

Total revenue-GDP ratio reached 9.9% in FY19 against 9.6% in FY18. In FY20 (Jul-Jan), total revenue-GDP ratio was 5.1% against 5.7% in FY19 (Jul-Jan). During this period, VAT and supplementary duties-GDP ratio came down from 2.9% to 2.3%

Central Government Revenue 1/
FY14-FY20 (Jul-Jan) (In percent of GDP)
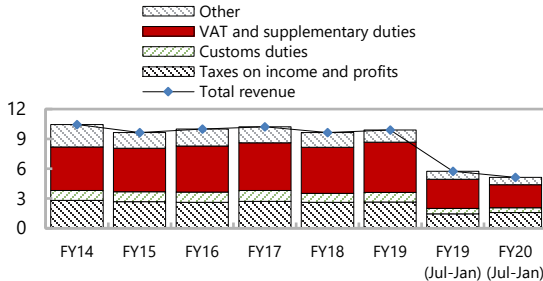
In FY19, y/y growth of total revenue was 16.3%, where VAT and supplementary duties accounted for 11.1%. In FY20 (Jul-Jan), total revenue growth was 1.7%, where taxes on income and profits contributed 6.5%, and VAT and supplementary duties contributed negative 4.7%

Contributions to Total Revenue Generation 1/
FY14-FY20 (Jul-Jan) (y/y, in percentage points)
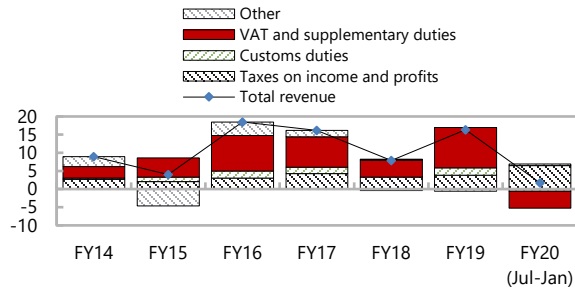
Total expenditure-GDP ratio reached 15.4% in FY19, against 14.3% in FY18. In FY20 (Jul-Jan), total expenditure-GDP ratio increased to 7.5% from 7.2% in FY19 (Jul-Jan). During this period, ADP execution increased from 1.5% to 1.7% of GDP

Central Government Expenditure 1/
FY14-FY20 (Jul-Jan) (In percent of GDP)
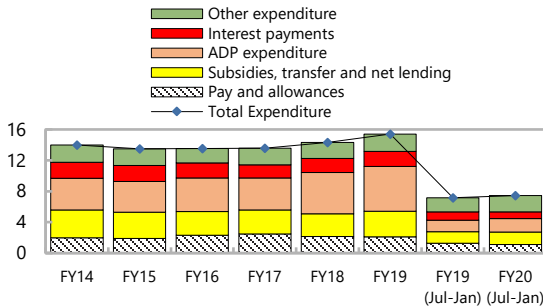
In FY19, y/y growth of central government expenditure was 21.7%, where ADP expenditure contributed 8.7%. In FY20 (Jul-Jan), central government expenditure growth was 18.8%, where ADP expenditure contributed 6.2%

Contributions to central government's expenditure growth 1/
FY14-FY20 (Jul-Jan) (y/y, in percentage points)
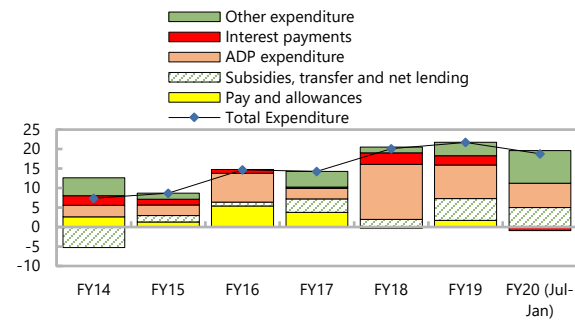
In FY19, net financing was 5.2% of GDP- while the officially estimated fiscal deficit is 5.4% of GDP. In FY20 (Jul-Jan), domestic sources financed 101.3% of net financing TK. 650.3 billion. During this period, net NSD sales accounted for 10% of total net financing, while net financing from banking sector was 79.5%, and net external financing was negative 1.3%

Fiscal Balance and Sources of Financing 1/
FY14-FY20 (Jul-Jan)
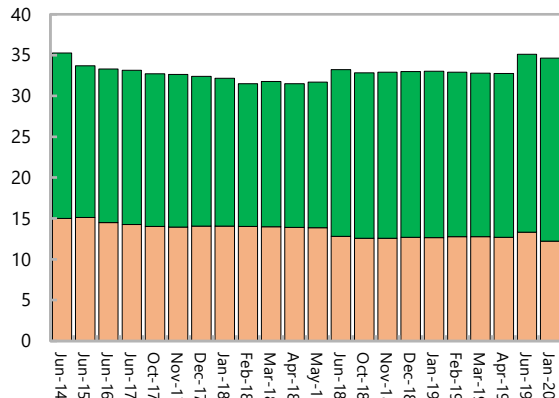(Percent of net financing, unless otherwise indicated)
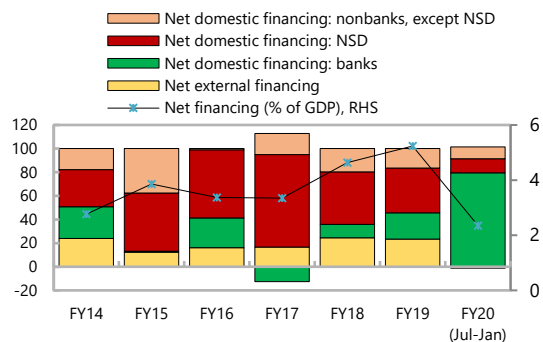
At end-Jun 2019, central government debt in percent of GDP reached 35.1% against 33.2% in Jun 2018. It reached 34.7% at end-Jan 2020, where domestic debt accounted for 22.4%

Central Government Debt 2
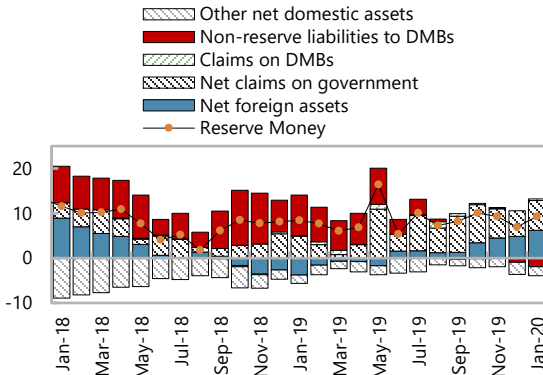Jun 2014-Jan 2020
(In percent of GDP)

1/ FY20 GDP and fiscal data are provisional. FY20 (Jul-Jan) GDP data is annualized using actual GDP for FY19, and IMF staff projected GDP for FY20.
Sources: Office of the Controller General of Accounts (CGA), Ministry of Finance; and IMF Staff calculations

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Bangladesh: Monetary and Financial Market Developments

In Jan 2020, y/y reserve money growth was 9.3%, against 6.9% in Dec 2019, with 6.6% and 6.2% contributions, respectively, from net claims on government and net foreign assets

Contributions to Reserve Money Growth
Jan 2018-Jan 2020 (y/y, in percentage points)

Annual broad money (M2) growth in Jan 2020 was 12.4%, compared with 12% in Dec 2019, with 7.7% and 5.6% contributions, respectively, from private sector credit and net claims on central government

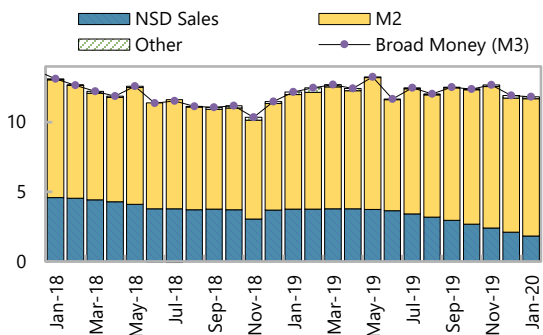### Contributions to Broad Money (M2) Growth
Jan 2018-Jan 2020 (y/y, in percentage points)

In Jan 2020, broad money (M3) growth reached 11.8%, with M2 and NSD sales, respectively, accounting for 9.9% and 1.8%
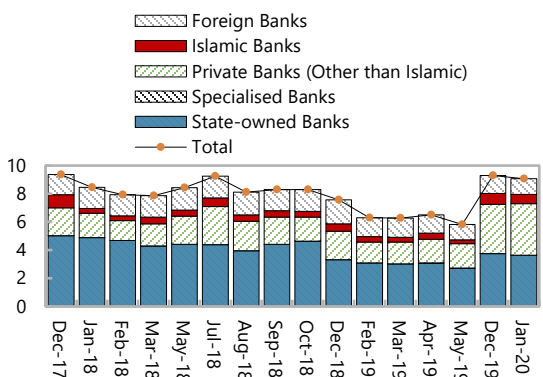
Contributions to Broad Money (M3) Growth
Jan 2018-Jan 2020 (y/y, in percentage points)

Increasing rates of T-Bills/Bonds, and inter-bank call money rate reflect some tightening in the money market

Interest Rates 1/
Jan 2018-Mar 2020 (in percentage points)

In Jan 2020, excess liquid assets (as percent of total demand and time liabilities in the industry) reached 9.1%, compared with 9.3% in Dec 2019
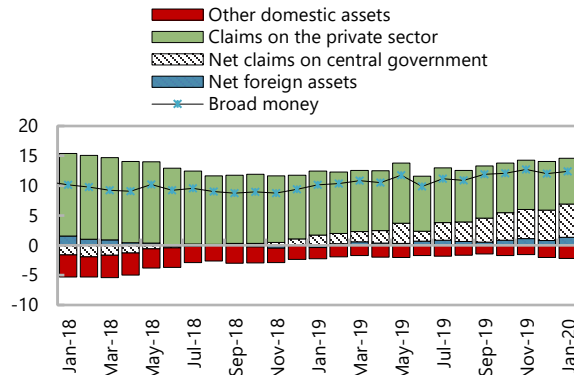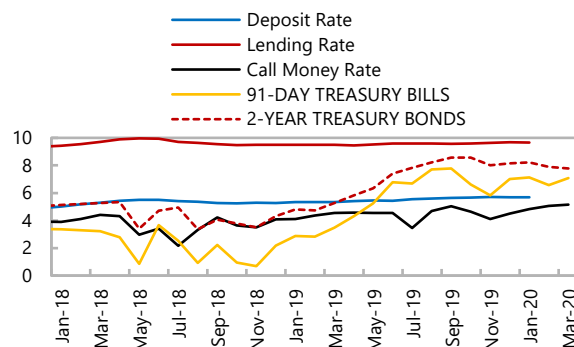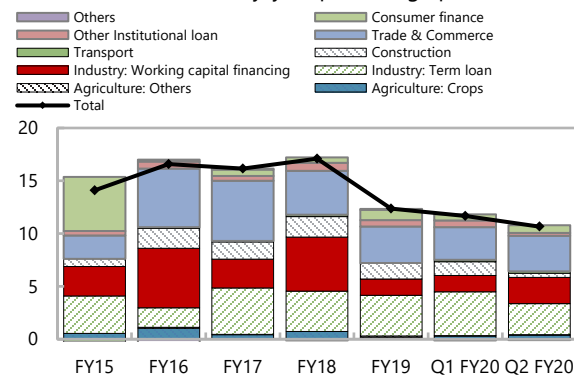
Excess Liquid Assets (as percent of total time and demand liabilities) 2/, Dec 2017-Jan 2020

Growth of bank advances to the private sector came down from 12.4% in FY19 to 10.7% at end- Q2 FY20

Economic Purpose-wise Contributions to Bank Advances' Growth (Private Sector)
FY15-Q2 FY20 (y/y, in percentage point)

1/ Call money rate, 91-Day Treasury Bills rate, and 2-Year Treasury Bonds rate are as on March 23rd, 2020. 2/ Excess Liquidity is statutory liquidity eligible liquid assets of banks minus statutory liquidity (excluding cash reserve). Excess Reserve is balance with Bangladesh Bank in local currency minus required cash reserve. These are provisional data taken from Bangladesh Bank's Department of Off-Site Supervision.
Sources: Bangladesh Bank; and IMF Staff calculations

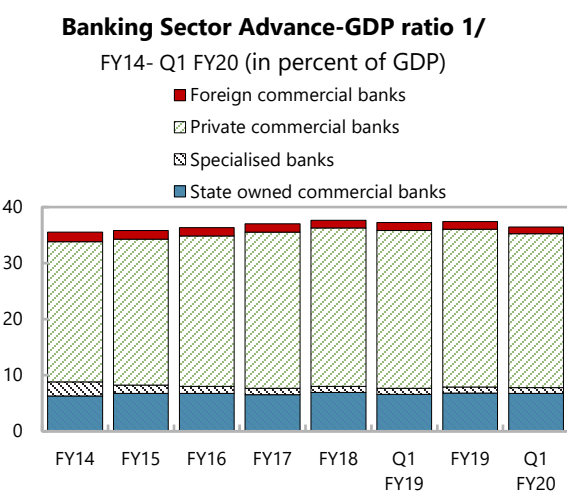# Bangladesh: Monetary and Financial Market Developments... Contd.

Loan-to deposit ratio decreased to 84.2% in Jan 2020 from 87.1% in Apr 2019. During the period, the ratio excluding government deposits came down from 93.5% to 90.5%

Loan-to-Deposit Ratio

Jan 2018-Jan 2020 (in percentage points)
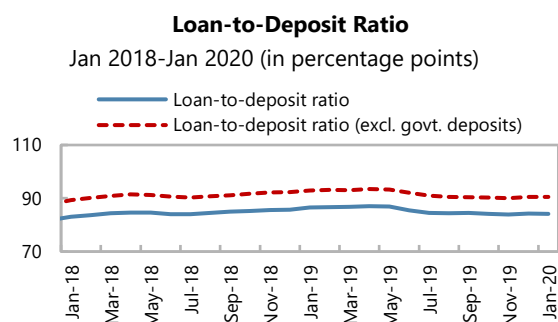
In Dec 2019, banking sector's NPL ratio reached 9.3% from 12% in Sep 2019. In the case of SOBs, the ratio edged down from 31.5% to 23.9%, and for private commercial banks (PCBs), it decreased from 7.4% to 5.8%

Non-Performing Loan (NPL) Ratio

Dec 2016-Dec 2019 (in percent of loans)
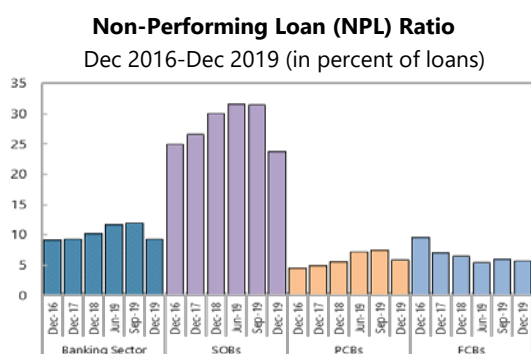
Banking sector's advance-GDP ratio reached 37.4% at end-FY19 against 37.6% at end-FY18, and came down to 36.4% at end-Q1 FY20

Banking Sector Advance-GDP ratio 1/

FY14- Q1 FY20 (in percent of GDP)

At Dec 2019, CAR of the banking industry reached 11.6 percent. CAR of the state-owned banks (SOBs) decreased to 5% in Dec 2019 from 8.5% in Jun 2019, remaining below the regulatory requirement of 10%

Capital Adequacy Ratio (CAR)

Dec 2016-Dec 2019 (in percentage points)
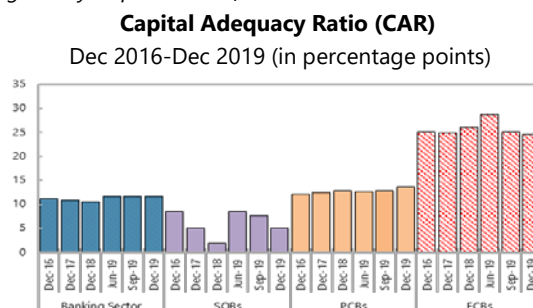
Stressed advances in the banking industry-the sum of NPLs, rescheduled and restructured loans- accounted for 20.5% of outstanding loans in Dec 2018

Stressed Advances

Dec 2014-Dec 2018 (in percent of loans)

The 3-mma DSE Broad index has been falling since Apr 2019

Dhaka Stock Market Performance
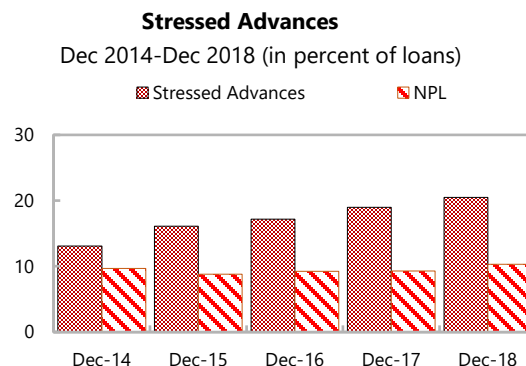
Dec 2017-Feb 2020

(3-month moving average)

1/ Q1 FY20 data are provisional. Two of the four specialised banks became state-owned commercial banks in FY15. s

Sources: Bangladesh Bank; and IMF Staff calculations