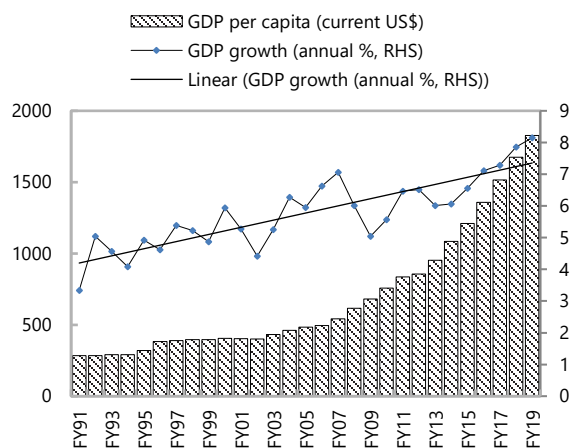


Bangladesh: Selected Indicators

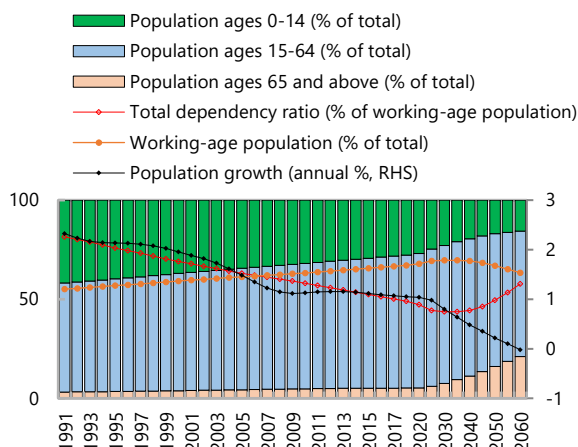
Bangladesh economy maintained an average annual growth rate of close to 7 percent over the last decade, with 8.15% outturn and per capita GDP of USD 1828 in FY19

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



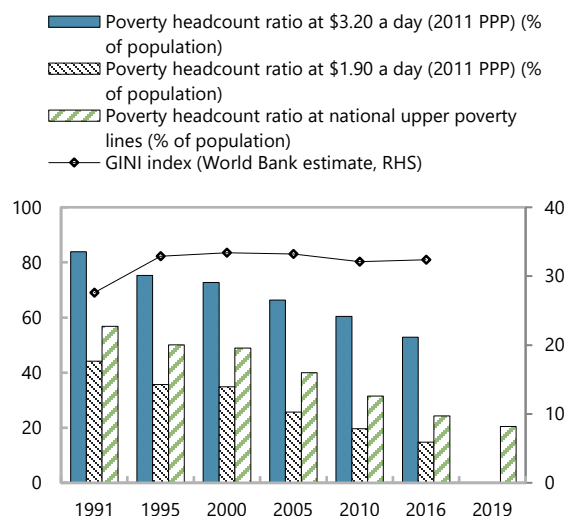
Trend of Demographic Indicators 2/
1991-2060



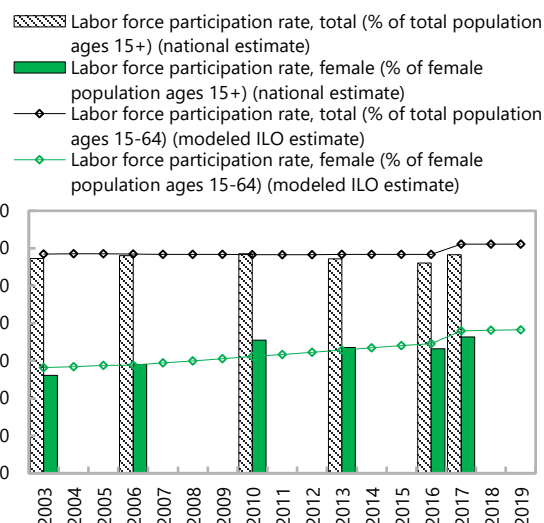
Income poverty incidence (national measure-upper poverty line) came down from 57% in 1991 to an estimated 20.5% at end-June 2019

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

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



Trend of Labor Force Participation 5/
2003-2019



1/ July-June 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.

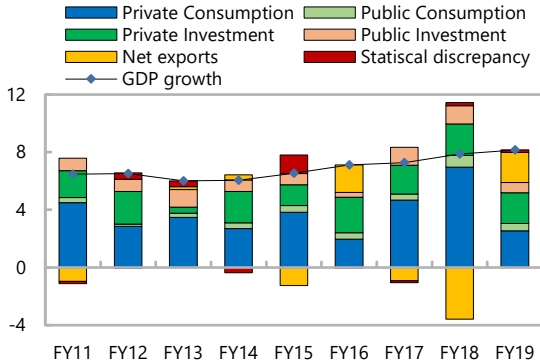
Sources: Bangladesh Bureau of Statistics (BBS); World Development Indicators (WDI); United Nations, Department of Economic and Social Affairs, Population Division (2017); and IMF staff calculations

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

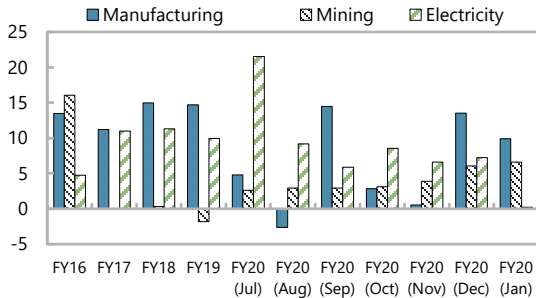
FY11-FY19 (y/y, in percentage points)



In FY20 Jan, the y/y growth of the quantum index of manufacturing was 9.9%, mining 6.6%, and electricity 0.2%

Quantum Index of Medium and Large-Scale Manufacturing Industries, Mining and Electricity 1/

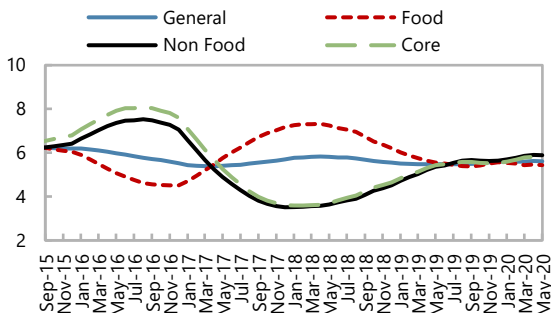
FY16-FY20 (Jan) (y/y growth, in percentage points)



Annual average headline inflation had been 5.6% since Nov 2019, with food inflation edging down, and non-food and core inflation edging up

Twelve Month Average Inflation

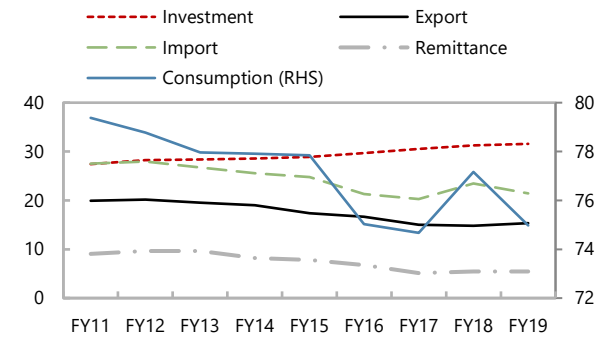
Sep 15-May 20 (y/y, in percentage points)



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

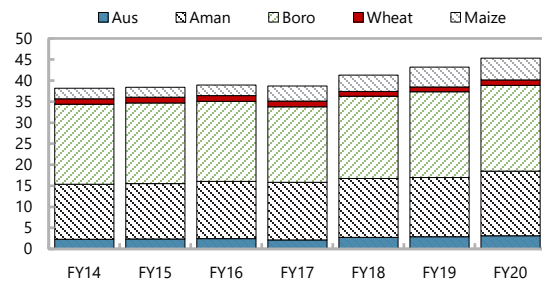
FY11-FY19 (in percentage points)



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/

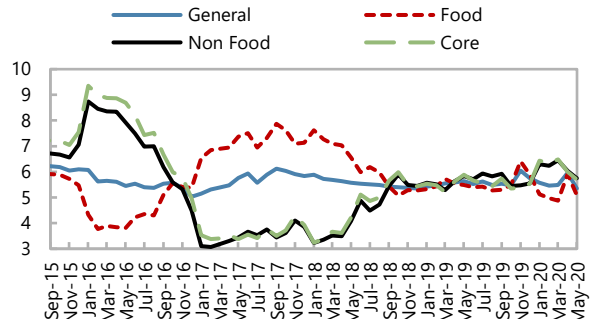
FY14-FY20 (Million Metric Tons (MMT))



In May 2020, all measures of inflation came down. Y/y food inflation decreased to 5.1%, non-food inflation to 5.8%, and core inflation to 5.7%, headline inflation reaching 5.4% against 6% in Apr 2020

Point-to-Point Inflation

Sep 15-May 20 (y/y, in percentage points)



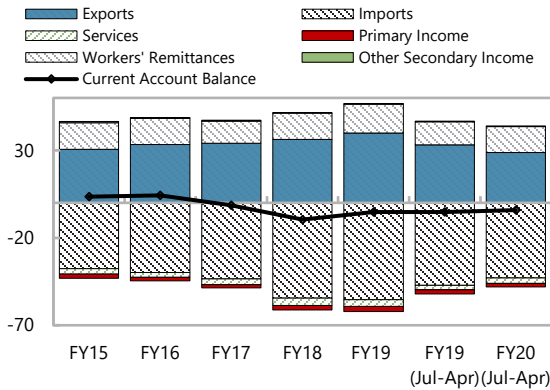
1/ FY20 data are provisional. 2/ FY20 data are production targets, except for Aus production, which is actual.

Sources: Bangladesh Bureau of Statistics (BBS); Department of Agriculture Extension, Ministry of Agriculture; Bangladesh Bank; and IMF staff calculations

Bangladesh: External Sector Developments

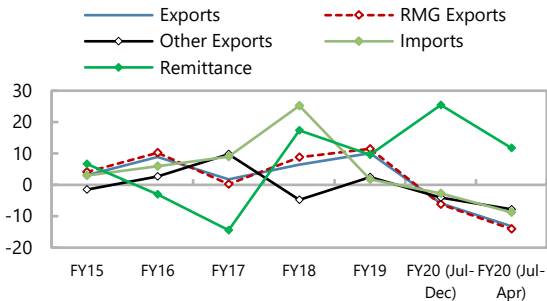
The current account balance yielded a USD 4.1 billion deficit in FY20 (Jul-Apr), compared to a USD 5.3 billion deficit in FY19 (Jul-Apr)

Current Account Balance Components 1/
FY15-FY20 (Jul-Apr) (in billion USD)



In FY20 (Jul-Apr), remittances-USD 14.9 billion increased by 11.7%, and exports-USD 28.8 billion decreased by 13.2%, while imports-USD 43 billion decreased by 8.8%

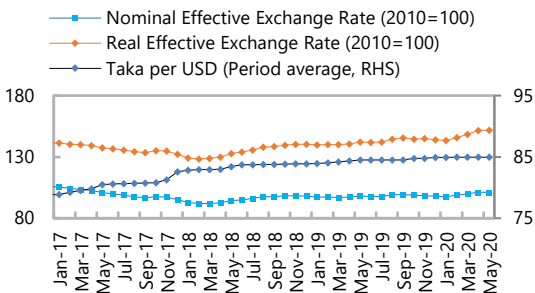
Major Balance of Payments Components 3/
FY15-FY20 (Jul-Apr) (y/y growth, in percentage points)



There is an upward trend of the REER since Mar 2018. During this period, the Taka/USD nominal exchange rate depreciated slightly from 83 to 85

Exchange Rates

Jan 2017-May 2020

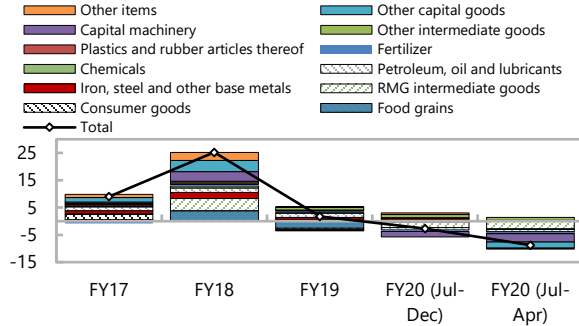


1/ FY20 (Jul-Apr) data are provisional. 2/ Data are recorded by customs. 3/ Exports and imports are f.o.b. data. 4/ April 2020 data are provisional. Net international reserve (NIR) is gross international reserves (excluding investment on bonds below the grade BBB, Silver Acquisition A/C, deposit with 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

Capital goods and oil-related products, respectively, contributed negative 5.3% and negative 0.8% to import growth of negative 8.8% in FY20 (Jul-Apr), while contribution from food grains and consumer goods was negative 0.4%

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

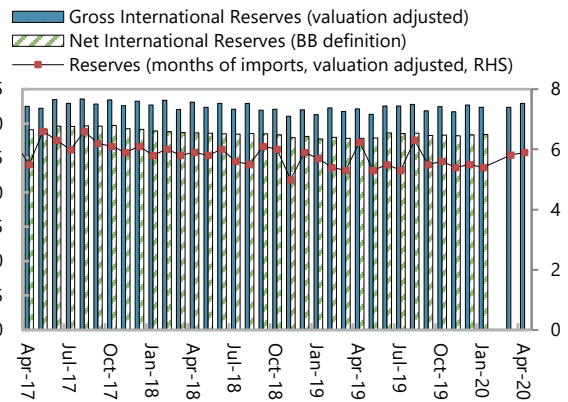


Import months' coverage increased from 5.8 months in Mar 2020 to 5.9 months in Apr 2020

International Reserves 4/

Apr 2017-Apr 2020

(In billion USD, unless otherwise indicated)

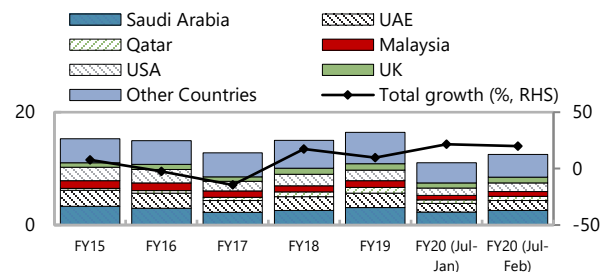


In FY20 (Jul-Feb), y/y remittance inflows increased by 20.1%, amounting to USD 12.5 billion. GCC countries contributed 57.4% of the inflows

Contributions to Workers' Remittances

FY15-FY20 (Jul-Feb)

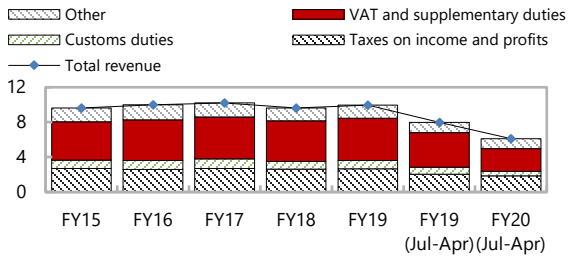
(in billion USD, unless otherwise indicated)



Bangladesh: Fiscal Sector Developments

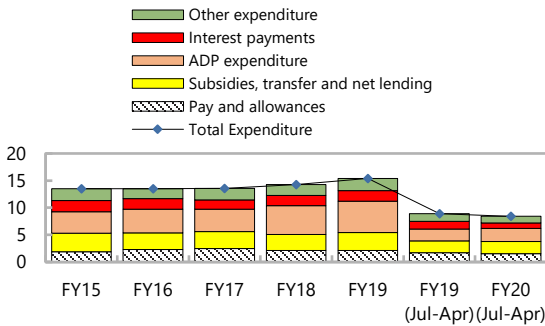
Total revenue-GDP ratio reached 10% in FY19 against 9.6% in FY18. In FY20 (Jul-Apr), total revenue-GDP ratio was 6.1%, against 8% in FY19 (Jul-Apr). During this period, the VAT and supplementary duties-GDP ratio came down from 4% to 2.6%

Central Government Revenue 1/
FY15-FY20 (Jul-Apr) (In percent of GDP)



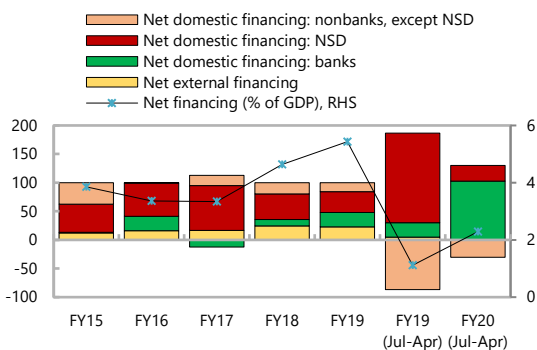
Total expenditure-GDP ratio reached 15.4% in FY19, against 14.3% in FY18. In FY20 (Jul-Apr), total expenditure-GDP ratio decreased from 8.9% in FY19 (Jul-Apr) to 8.4%. During this period, ADP execution increased from 2.2% to 2.4% of GDP

Central Government Expenditure 1/
FY15-FY20 (Jul-Apr) (In percent of GDP)



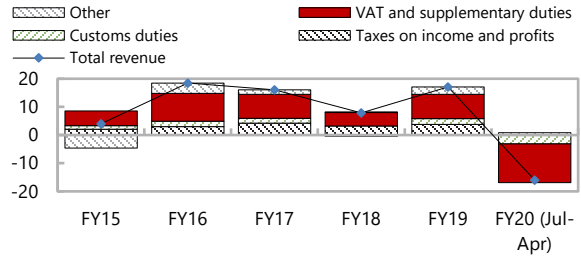
In FY19, net financing was 5.4% of GDP. In FY20 (Jul-Apr), domestic sources financed 100.5% of net financing TK. 625.8 billion. During this period, net financing from the banking sector reached 102.5%, while net NSD sales accounted for 27.8% of net financing

Fiscal Balance and Sources of Financing 1/
FY15-FY20 (Jul-Apr)
(Percent of net financing, unless otherwise indicated)



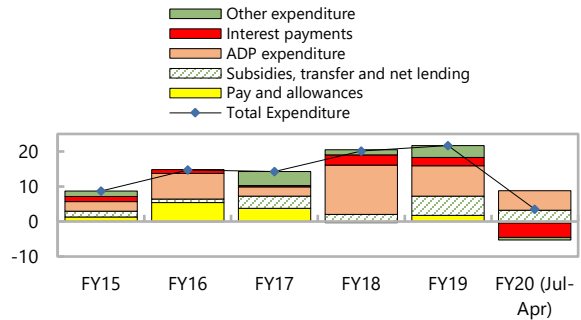
In FY19, y/y growth of total revenue was 17.1%, where VAT and supplementary duties accounted for 8.6%. In FY20 (Jul-Apr), revenue mobilization declined by 16%, where VAT and supplementary duties contributed negative 13.7% and customs duties negative 3.1%

Contributions to Total Revenue Generation 1/
FY15-FY20 (Jul-Apr) (y/y, in percentage points)



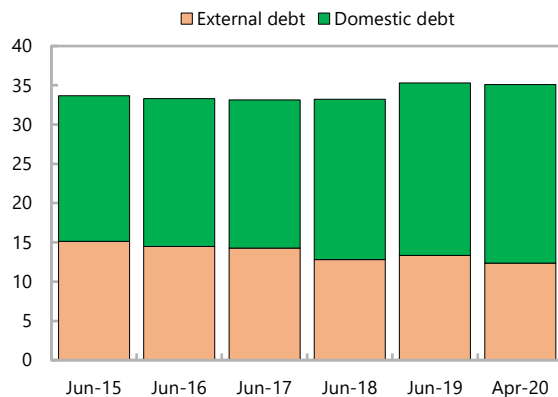
In FY19, y/y growth of central government expenditure was 21.7%, where ADP expenditure contributed 8.6%. In FY20 (Jul-Apr), central government expenditure growth was 3.5%, where ADP expenditure contributed 5.5%

Contributions to central government's expenditure growth 1/
FY15-FY20 (Jul-Apr) (y/y, in percentage points)



At end-Jun 2019, central government debt in percent of GDP reached 35.3% against 33.2% in Jun 2018. It reached 35.1% at end-Apr 2020, where domestic debt accounted for 22.7%

Central Government Debt 1/
Jun 2015-Apr 2020
(In percent of GDP)



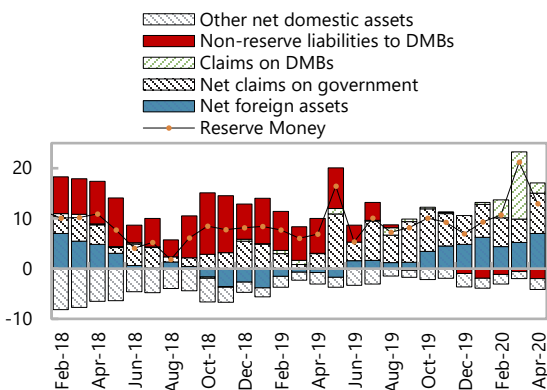
1/ FY20 GDP and fiscal data are provisional. FY20 (Jul-Apr) GDP data is annualized using actual GDP for FY19, and IMF staff projected GDP for FY20, considering projected real GDP growth of 3.8% in FY20.

Sources: Office of the Controller General of Accounts (CGA), Ministry of Finance; and IMF Staff calculations

Bangladesh: Monetary and Financial Market Developments

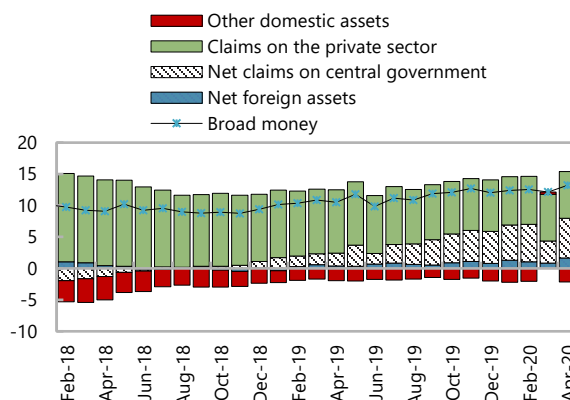
In Apr 2020, y/y reserve money growth was 12.9%, against 21.3% in Mar 2020, with, respectively, 8% and 7% contributions from net claims on government and net foreign assets

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



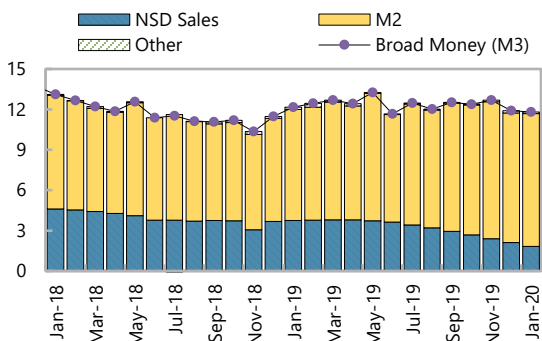
Annual broad money (M2) growth in Apr 2020 was 13.2%, against 12.2% in Mar 2020, with, respectively, 7.4% and 6.3% contributions from private sector credit and net claims on central government

Contributions to Broad Money (M2) Growth
Feb 2018-Apr 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%

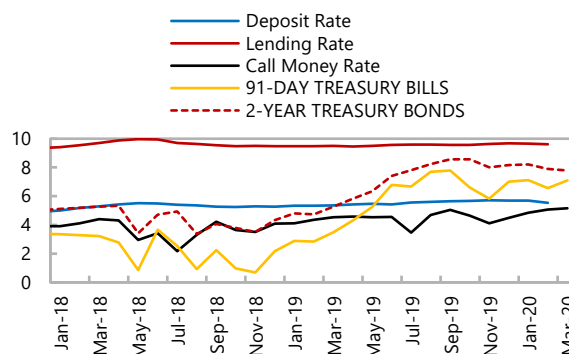
Contributions to Broad Money (M3) Growth
Jan 2018-Jan 2020 (y/y, in percentage points)



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

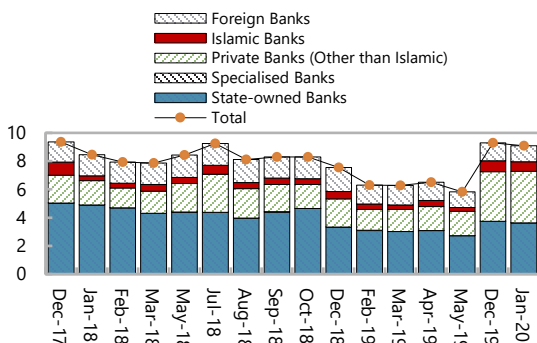
Interest Rates 1/

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

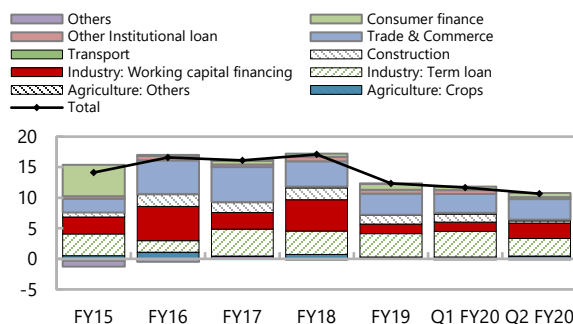
Excess Liquid Assets (as percent of total time and demand liabilities) 2/, Dec 2017-Jan 2020



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)

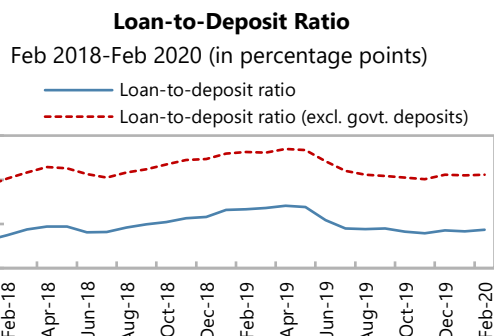


1/ Call money rate, 91-Day Treasury Bills rate, and 2-Year Treasury Bonds rate are as on March 23rd, 2020. 2/ Excess Liquidity is statutory liquidity eligible liquid assets of banks minus statutory liquidity (excluding cash reserve). Excess Reserve is balance with Bangladesh Bank in local currency minus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

Sources: Bangladesh Bank; and IMF Staff calculations

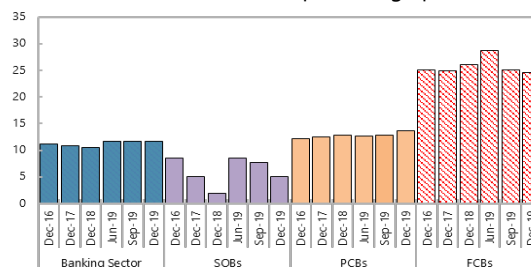
Bangladesh: Monetary and Financial Market Developments... Contd.

The loan-to-deposit ratio increased to 84.3% in Feb 2020 from 84% in Nov 2019. During the period, the ratio excluding government deposits increased from 90.1% to 90.6%



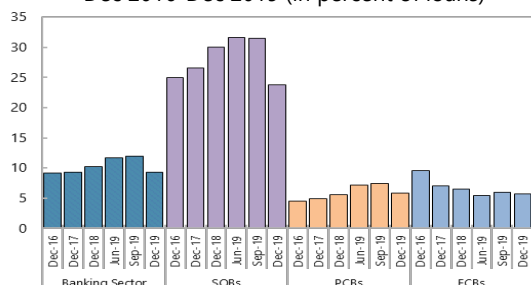
At Dec 2019, CAR of the banking industry reached 11.6 percent. CAR of the state-owned banks (SOBs) decreased to 5% in Dec 2019 from 8.5% in Jun 2019, remaining below the regulatory requirement of 10%

Capital Adequacy Ratio (CAR)
Dec 2016-Dec 2019 (in percentage points)



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

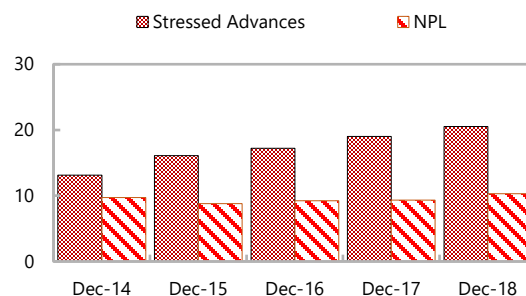
Non-Performing Loan (NPL) Ratio
Dec 2016-Dec 2019 (in percent of loans)



Stressed advances in the banking industry-the sum of NPLs, rescheduled and restructured loans- accounted for 20.5% of outstanding loans in Dec 2018

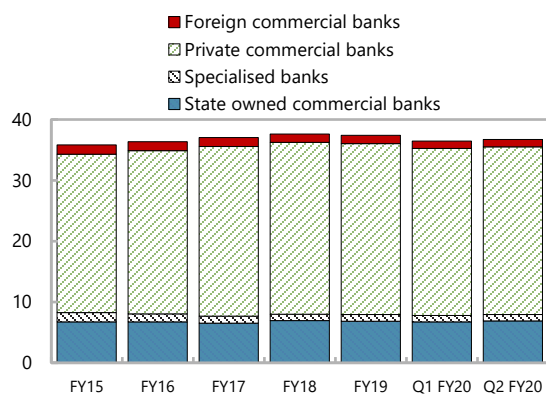
Stressed Advances

Dec 2014-Dec 2018 (in percent of loans)



Banking sector's advance-GDP ratio reached 37.4% at end-FY19 against 37.6% at end-FY18, which came down to 36.7% at end-Q2 FY20

Banking Sector Advance-GDP ratio 1/
FY15- Q2 FY20 (in percent of GDP)

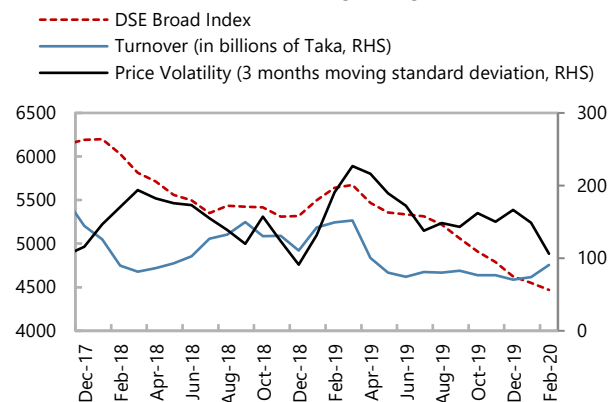


The 3-mma DSE Broad index has been falling since Apr 2019, reaching the lowest in Feb 2020

Dhaka Stock Market Performance

Dec 2017-Feb 2020

(3-month moving average)



1/ Q2 FY20 data are provisional. Two of the four specialised banks became state-owned commercial banks in FY15.

Sources: Bangladesh Bank; and IMF Staff calculations