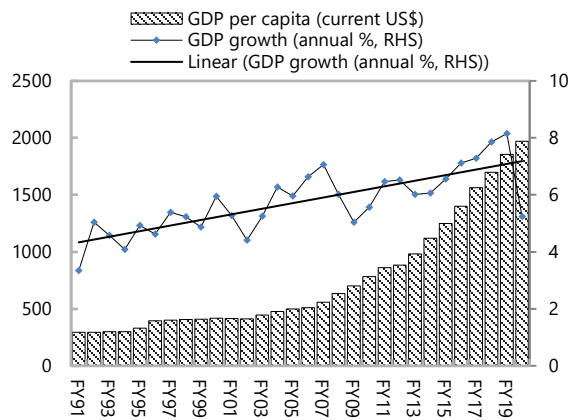


Bangladesh: Selected Indicators

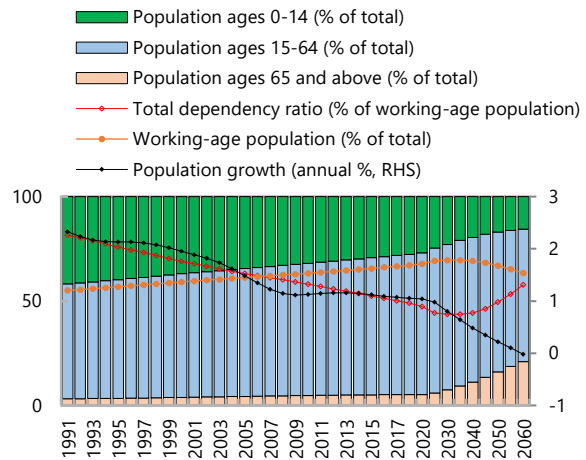
The COVID-19 pandemic adversely affected Bangladesh economy, with official preliminary estimate showing a decline of GDP growth to 5.2 percent in FY20, from over 8 percent in FY19. In FY20, GDP per capita grew, albeit at a slower rate of 6.2 percent, to USD 1970 from USD 1856 in 2019

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-FY20 (y/y, in percent)



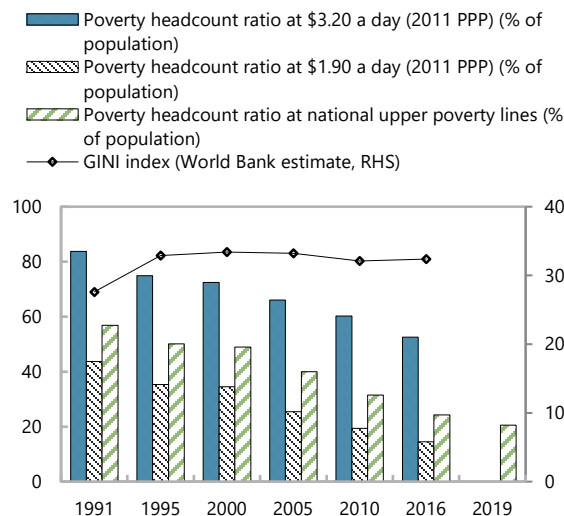
Trend of Demographic Indicators 2/
1991-2060



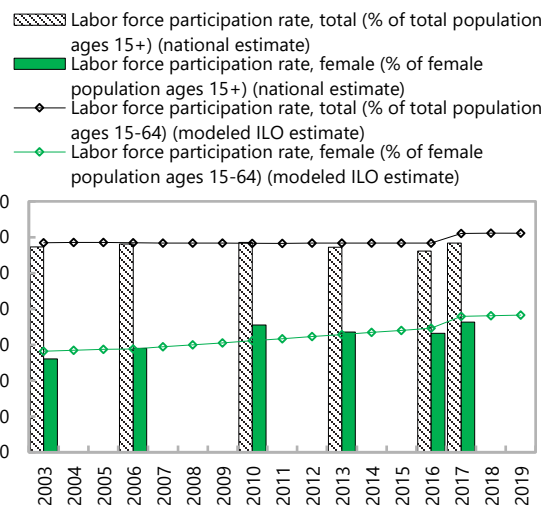
Income poverty incidence (national measure-upper poverty line) came down from 57% in 1991 to an estimated 20.5% at end-June 2019

ILO estimates 61.1% of the working-age population are in the 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/ The fiscal year (FY) in Bangladesh covers July-Jun. GDP per capita data are based on calendar year, taken from the WDI. 2020 GDP per capita is the national estimate for FY20. 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.

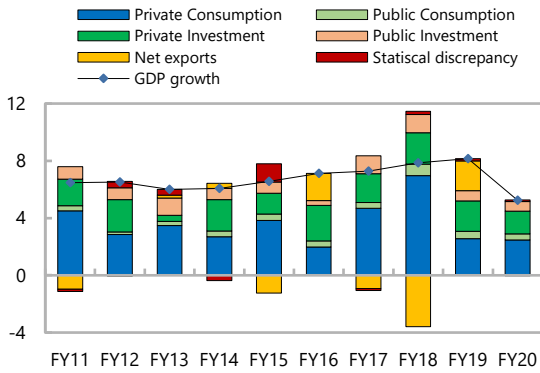
Sources: Bangladesh Bureau of Statistics (BBS); World Development Indicators (WDI); United Nations, Department of Economic and Social Affairs, Population Division (2017); and IMF staff calculations

Bangladesh: Real Sector Developments

Private consumption and investment, respectively, contributed 2.5 and 1.6 percentage points to 5.2 percent GDP growth in FY20, while public consumption and investment, respectively, contributed 0.4 and 0.7 percentage points

Contributions to Real GDP Growth

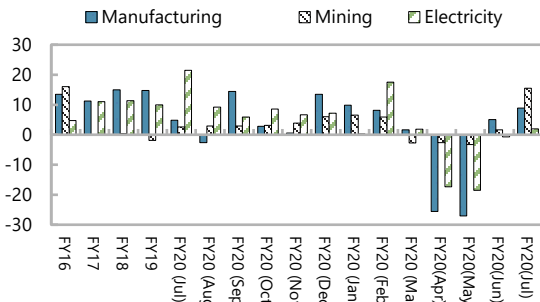
FY11-FY20 (y/y, in percentage points)



In FY21 Jul, the y/y growth of the quantum index of manufacturing was 8.9%, mining 15.5%, and electricity 2%

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

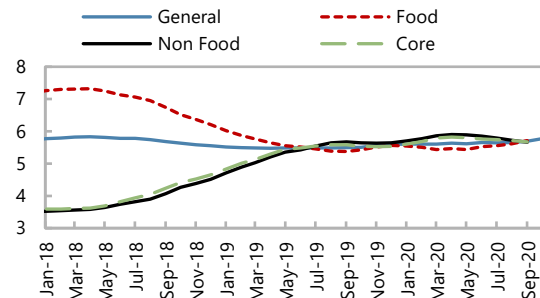
FY16-FY21 (Jul) (y/y growth, in percent)



Annual average headline inflation edged up to 5.8% in Oct 2020 from 5.7% in Sep 2020

Twelve Month Average Inflation

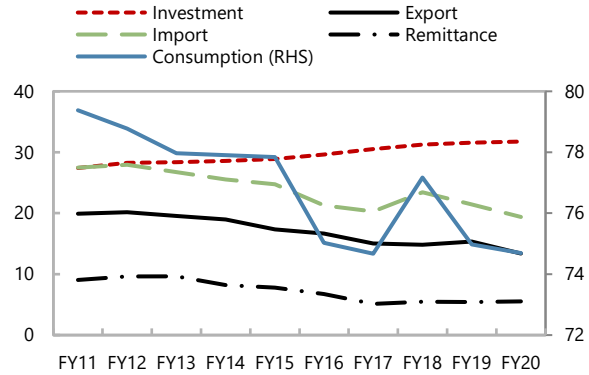
Jan 2018-Oct 2020 (y/y, in percent)



Consumption-GDP ratio fell slightly to 74.7% in FY20 from 75% in FY19, while investment-GDP ratio edged up from 31.6% to 31.8%

Selected indicators' Share in Nominal GDP

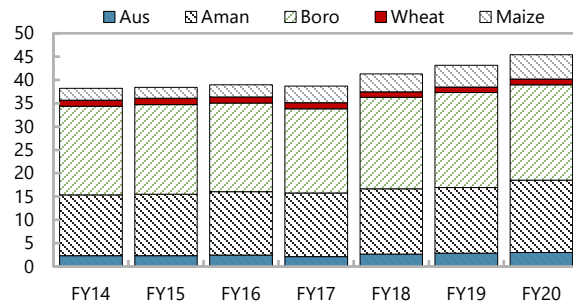
FY11-FY20 (in percent)



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/

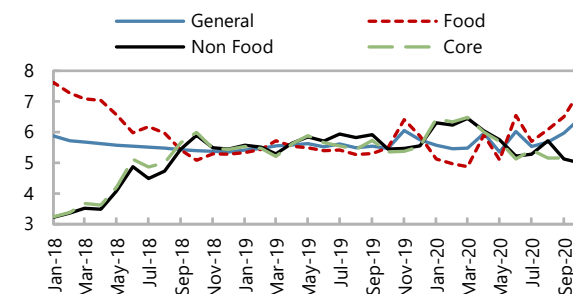
FY14-FY20 (Million Metric Tons (MMT))



In Oct 2020, headline inflation increased to 6.4% from 6% in Sep 2020. During this period, food inflation increased to 7.3% from 6.5%, while non-food inflation decreased to 5% from 5.1%

Point-to-Point Inflation

Jan 2018-Oct 2020 (y/y, in percent)



1/ FY20 data are provisional. 2/ FY20 Aus, Aman and wheat data are actual, while Boro and Maize data are the production targets.

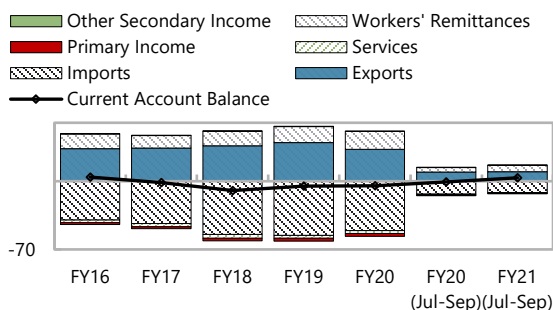
Sources: Bangladesh Bureau of Statistics (BBS); Department of Agriculture Extension, Ministry of Agriculture; Bangladesh Bank; and IMF staff calculations

Bangladesh: External Sector Developments

The FY21(Jul-Sep) current account surplus amounted to USD 3.5 billion, against a USD 0.7 billion deficit in FY20 (Jul-Sep)

Current Account Balance Components 1/

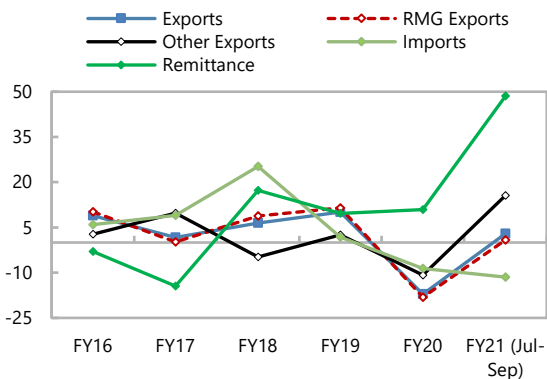
FY16-FY21(Jul-Sep) (in billion USD)



In FY21(Jul-Sep), y/y remittances rose by 48.6% to USD 6.7 billion, exports increased by 3% to USD 9.7 billion, while imports decreased by 11.5% to USD 11.7 billion

Major Balance of Payments Components 3/

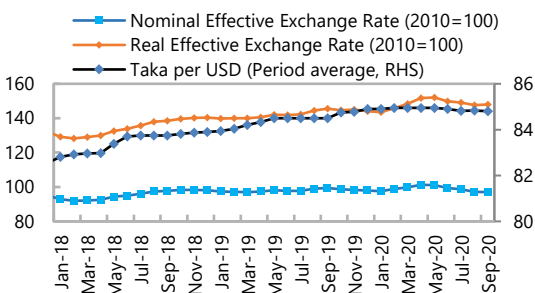
FY16-FY21(Jul-Sep) (y/y growth, in percent)



Following an upward trend since early 2018, REER edged down from 152.1 in May 2020 to 148.1 in Sep 2020. During Jan 2018-Sep 2020, the Taka/USD nominal exchange rate depreciated from 82.8 to 84.8

Exchange Rates

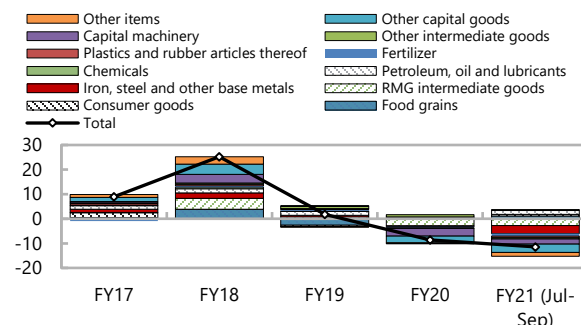
Jan 2018-Sep 2020



Capital goods and oil-related products, respectively, contributed negative 5.6, and 1.6 percentage points to import decline of 11.4% in FY21(Jul-Sep), while contribution from food grains and consumer goods was 1.7 percentage points

Item-wise Contributions to Import Growth 2/

FY17-FY21(Jul-Sep), (y/y growth, in percentage points)

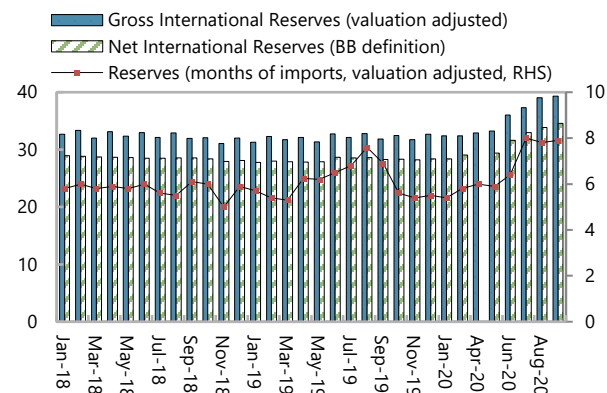


International reserves and reserve coverage continued to increase, with gross reserves reaching 7.9 months of prospective imports in Sep 2020

International Reserves 4/

Jan 2018-Sep 2020

(In billion USD, unless otherwise indicated)

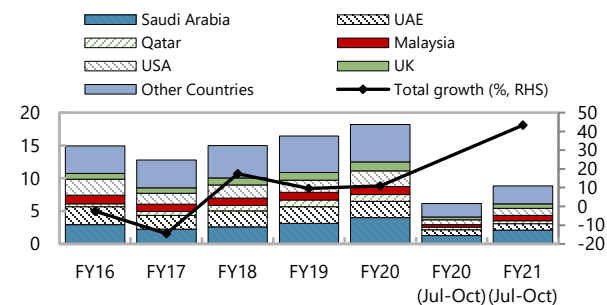


In FY21 (Jul-Oct), GCC countries contributed 56.7% of USD 8.8 billion remittance inflows, with total share of 34.9% from KSA and UAE

Contributions to Workers' Remittances

FY16-FY21(Jul-Oct)

(in billion USD, unless otherwise indicated)



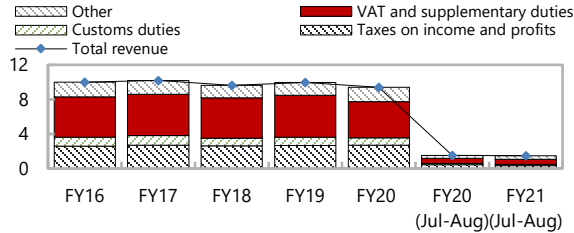
1/ FY21(Jul-Sep) data are provisional. 2/ Data are recorded by customs. 3/ Exports and imports are f.o.b. data. 4/ Sep 2020 data are provisional. Net international reserve (NIR) is gross international reserves (excluding investment on bonds below the grade BBB, Silver Acquisition A/C, deposit with Rupali 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 1/

Total revenue-GDP ratio reached 9.4% in FY20, against 10% in FY19. In FY21 (Jul-Aug), total revenue-GDP ratio was at 1.5% of FY20 (Jul-Aug). During this period, VAT and supplementary duties-GDP ratio also remained the same at 0.6%

Central Government Revenue

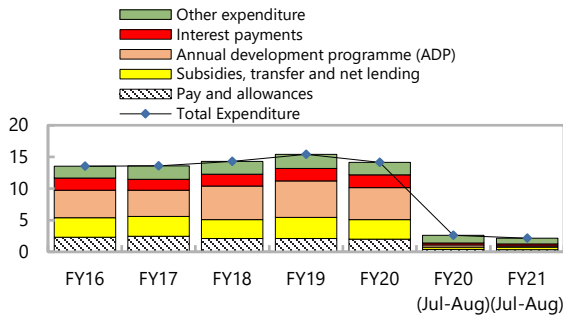
FY16-FY21 (Jul-Aug) (In percent of GDP)



Total expenditure-GDP ratio was 14.2% in FY20, against 15.4% in FY19. In FY21 (Jul-Aug), total expenditure-GDP ratio decreased to 2.2% from 2.6% in FY20 (Jul-Aug). During this period, ADP execution decreased from 0.4% to 0.2% of GDP

Central Government Expenditure

FY16-FY21 (Jul-Aug) (In percent of GDP)

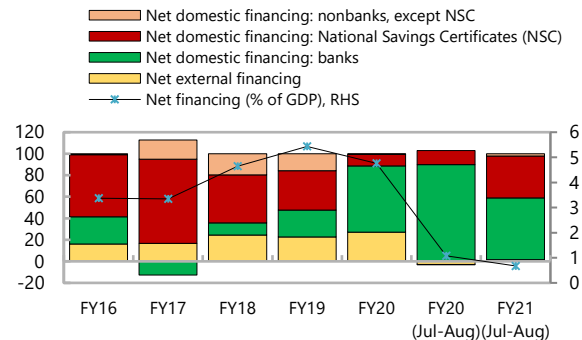


In FY20, preliminary data show that net deficit financing accounted for 4.8% of GDP. In FY21 (Jul-Aug), domestic sources financed 98.3% of net financing TK.191.9 billion. During this period, net NSC sales accounted for 38.8% of total net financing, while net financing from banking sector was 57.3%

Fiscal Balance and Sources of Financing

FY16-FY21 (Jul-Aug)

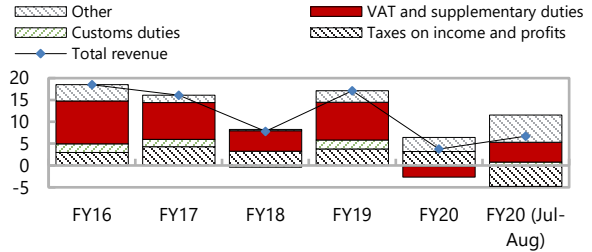
(Percent of net financing, unless otherwise indicated)



In FY20, y/y growth of total revenue was 3.8%, where VAT and supplementary duties accounted for negative 2.4 percentage points. In FY21 (Jul-Aug), total revenue growth was 6.7%, where VAT and supplementary duties contributed 4.5%

Contributions to Total Revenue Generation

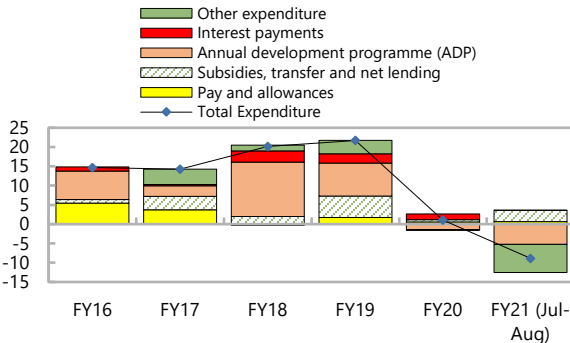
FY16-FY21 (Jul-Aug) (y/y, in percentage points)



In FY20, total expenditure increased by 1.1% (y/y), with ADP expenditure contributing negative 1.4 percentage points. In FY21 (Jul-Aug), central government expenditure growth was negative 8.9%, where ADP expenditure contributed negative 5.3%

Contributions to central government's expenditure growth

FY16-FY21 (Jul-Aug) (y/y, in percentage points)

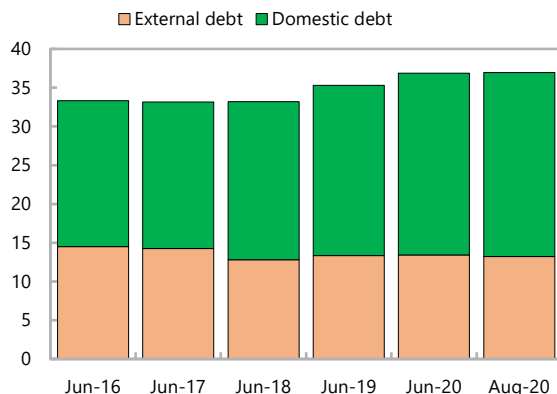


At end-Jun 2020, central government debt reached 36.9 percent of GDP, above from 35.3 percent of GDP at end-Jun 2019. It was 36.9% at end-Aug 2020, where domestic debt-GDP ratio accounted for 23.7%

Central Government Debt

Jun 2016-Aug 2020

(In percent of GDP)

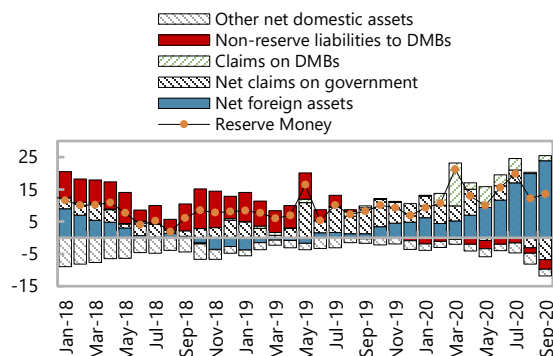


1/ FY20 and FY21 fiscal data are provisional. FY21 (Jul-Aug) GDP data is annualized using provisional GDP of FY20, and IMF staff projected GDP for FY21. Sources: Office of the Controller General of Accounts (CGA), Ministry of Finance, and IMF Staff calculations

Bangladesh: Monetary and Financial Market Developments

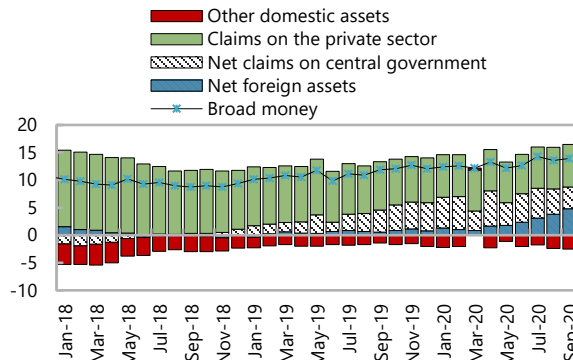
In Sep 2020, y/y reserve money growth was 13.6%, against 12.2% in Aug 2020, driven mainly by increasing net foreign assets

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



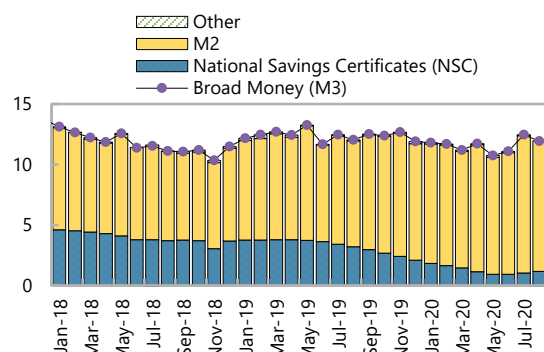
Broad money (M2) growth in Sep 2020 accelerated to 13.9% from 13.6% in Aug 2020, with, respectively, 7.7 and 4 percentage points contributions from private sector credit and net claims on central government

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



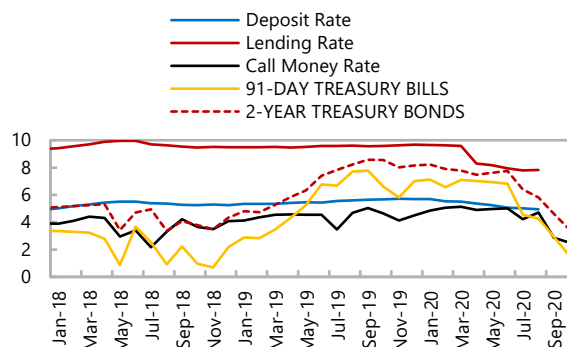
In Aug 2020, broad money (M3) growth reached 11.9%, with M2 and NSC sales, respectively, accounting for 10.8 and 1.2 percentage points

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



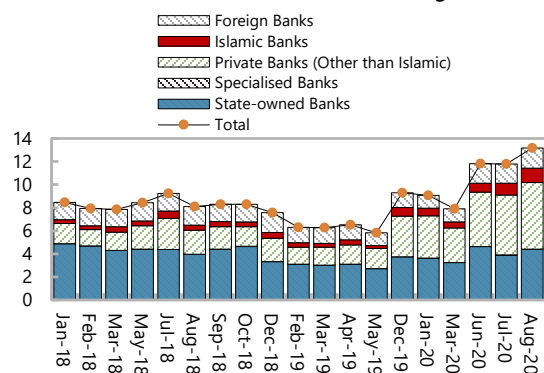
Interest rates have been declining in recent months, reflecting easing in the money market

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



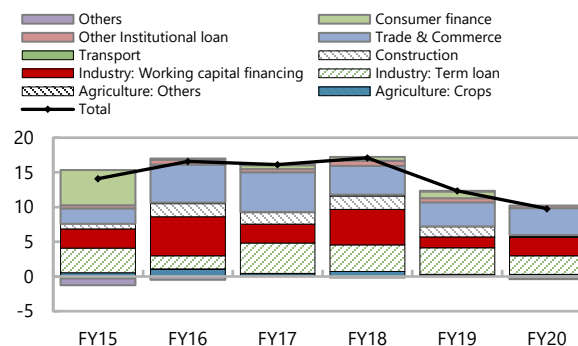
In Aug 2020, excess liquid assets (as percent of total demand and time liabilities in the industry) reached 13.2%, compared with 7.9% in March 2020

Excess Liquid Assets (as percent of total time and demand liabilities) 2/, Jan 2018-Aug 2020



Growth of bank advances to the private sector came down from 12.4% at end-FY19 to 9.8% at end-FY20

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

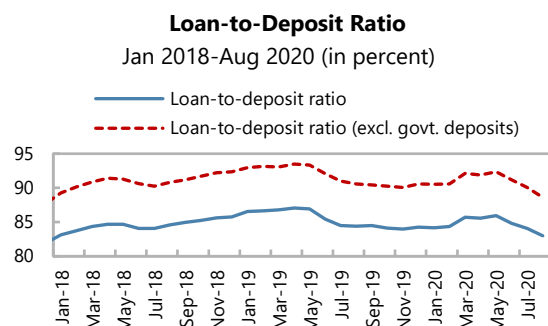


1/ Call money rate, 91-Day Treasury Bills rate, and 2-Year Treasury Bonds rate are as on October 12th, 2020. 2/ Excess Liquidity is statutory liquidity eligible liquid assets of banks minus statutory liquidity (excluding cash reserve). Excess Reserve is balance with Bangladesh Bank in local currency minus required cash reserve. These are provisional data taken from Bangladesh Bank's Department of Off-Site Supervision.

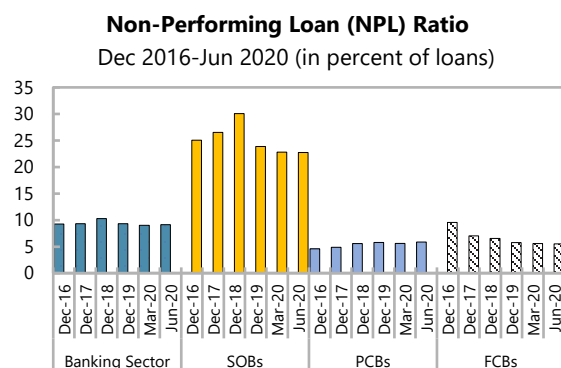
Sources: Bangladesh Bank; and IMF Staff calculations

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

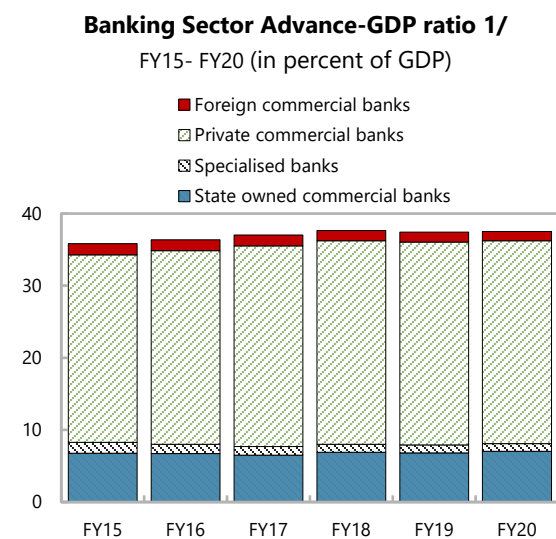
The loan-to-deposit ratio declined from 85.9% in May 2020 to 83% in Aug 2020. During the period, the ratio excluding government deposits decreased from 92.3% to 88.6%



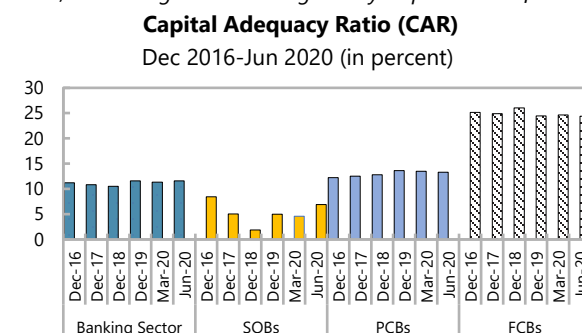
In Jun 2020, banking sector's NPL ratio increased to 9.2% from 9% in Mar 2020. In SOBs, the ratio came down from 22.8% to 22.7%, and in private commercial banks (PCBs) from 5.6% to 5.9%



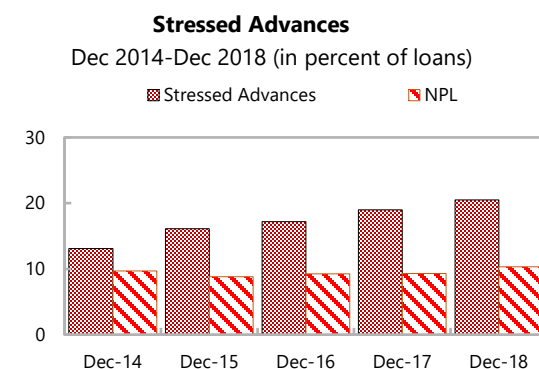
Banking sector advance-GDP ratio reached 37.5% at end-FY20, slightly above 37.4% at end-FY19



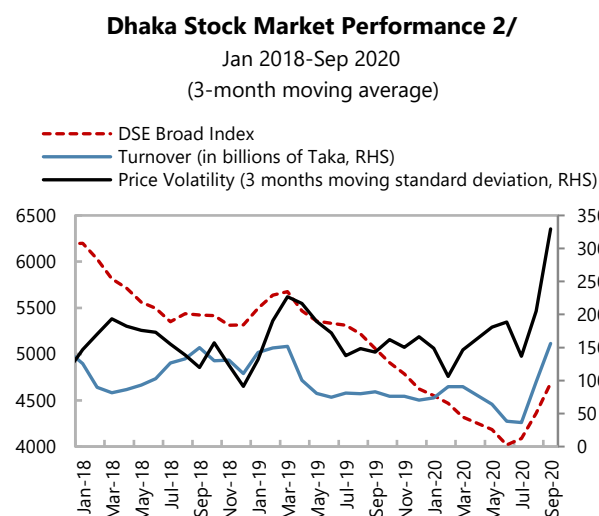
At Jun 2020, CAR of the banking industry reached 11.6%- at the same level of Dec 2019. CAR of the state-owned banks (SOBs) increased to 6.9% in Jun 2020 from 5% in December 2019, remaining below the regulatory requirement of 10%



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



Following a steady decline since Mar 2019, the 3-mma DSE Broad index has been picking up since Jun 2020



1/ Two of the four specialised banks became state-owned commercial banks in FY15. 2/ Due to the COVID-19 pandemic, in Apr 2020 there was no stock market transaction.

Sources: Bangladesh Bank; and IMF Staff calculations