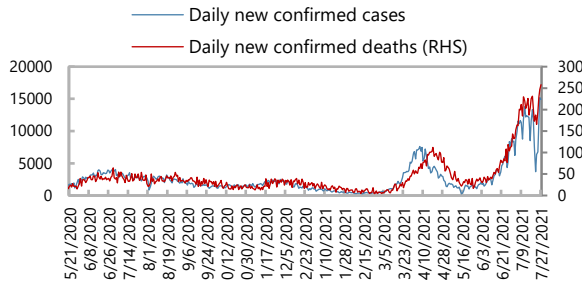


Bangladesh: Selected Indicators

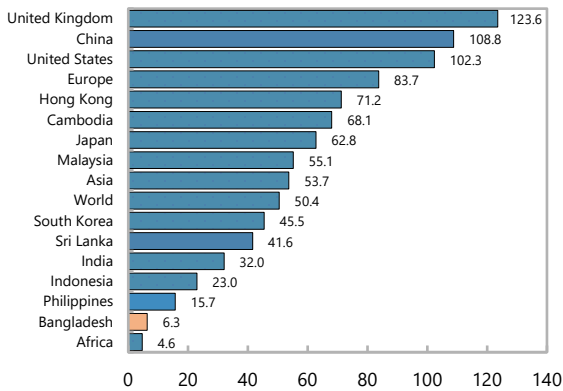
Both infections of and deaths due to COVID-19 had been picking up since end-May.

New confirmed cases of and deaths due to COVID-19
(May 21, 2020- Jul 27, 2021)



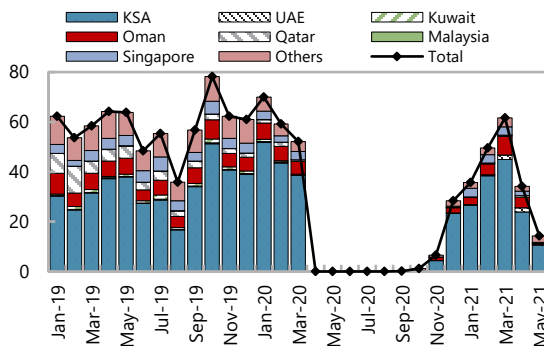
Bangladesh continues to fall below the Asian average for vaccine doses administered (per 100 people).

COVID-19 vaccine doses administered per 100 people as on July 26, 2021 unless otherwise mentioned 2/



Migrant outflows to remittance-heavy countries dropped in the last two months reflecting the domestic lockdown and international travel bans.

Overseas employment: country-wise migrant outflows
Jan 2019- May 2021 (in thousands)

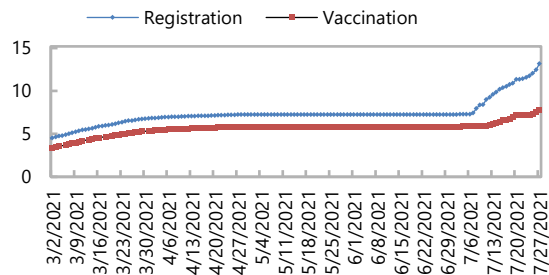


1/ Vaccination data takes into account only the first-dose receivers. As on July 27, 2021, 4,310,443 people received the second dose. 2/ For vaccines that require multiple doses, each individual dose is counted. As the same person may receive more than one dose, the number of doses per 100 people can be higher than 100. Sri Lanka and United Kingdom data are as on July 25th, 2021. 3/ The baseline is the median value, for the corresponding day of the week, during the five-week period 3 Jan-6 Feb 2020. July 2021 data is as on July 23rd, 2021.

Sources: Directorate General of Health Services, Ministry of Health and Family Welfare, Bangladesh; Our World in Data; Google's COVID-19 Community Mobility Reports; Bureau of Manpower Employment and Training (BEMT), Bangladesh; and IMF staff calculations

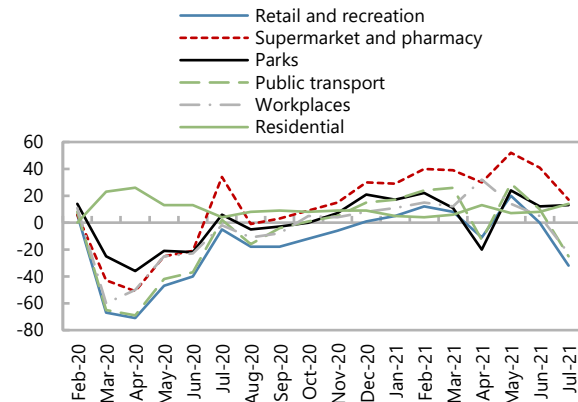
The vaccination rollout has been slower than expected, reflecting supply delays, with approximately 7.8 million persons having received vaccinations thus far.

Number of registration and people who received vaccination 1/
Mar 2, 2021- Jul 27, 2021 (in Million)



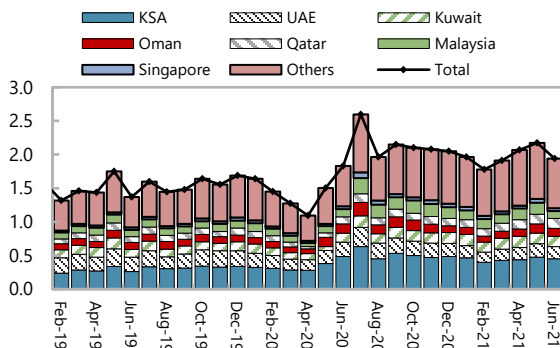
Mobility which increased in May, reflecting a pick-up of economic activity, has been declining since June.

Community mobility changes 3/
Feb 2020-Jul 2021
(percent change from baseline)



Monthly remittance inflows, which trended up from end-February 2021 to May 2021, declined in Jun 2021.

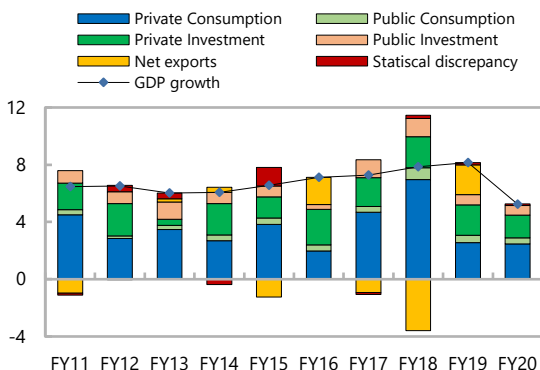
Wage earners' remittance inflows: country wise
Feb 2019- Jun 2021 (in Billion USD)



Bangladesh: Real Sector Developments

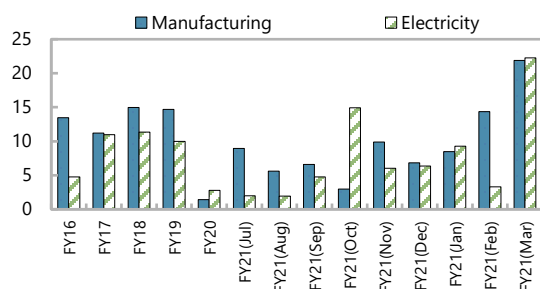
Private consumption and investment have been driving economic activity in recent years.

Contributions to Real GDP Growth 1/
FY11-FY20 (y/y, in percentage points)



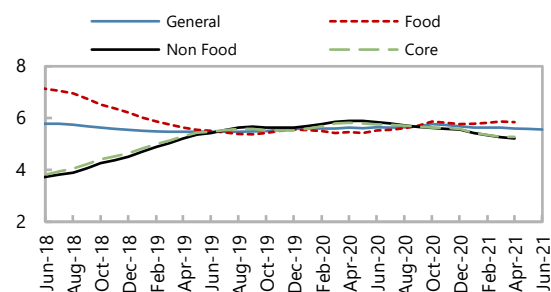
Compared with FY20, the y/y growth of the quantum indices highlight a pickup in the activity in the first nine months of FY21.

Quantum Index of Medium and Large-Scale Manufacturing Industries and Electricity 1/
FY16-FY21(Mar) (y/y growth, in percent)



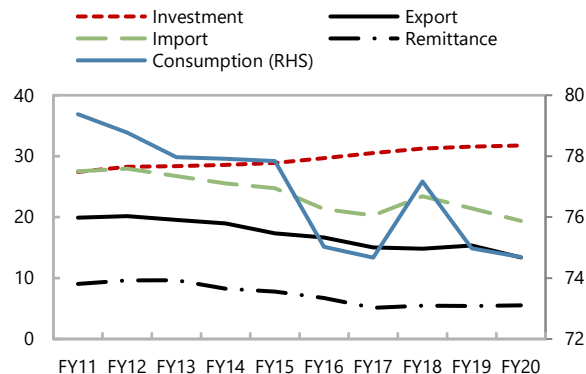
The twelve-month average headline inflation, in Jun 2021, remained same at 5.6 percent in May 2021.

Twelve Month Average Inflation
June 2018-June 2021 (y/y, in percent)



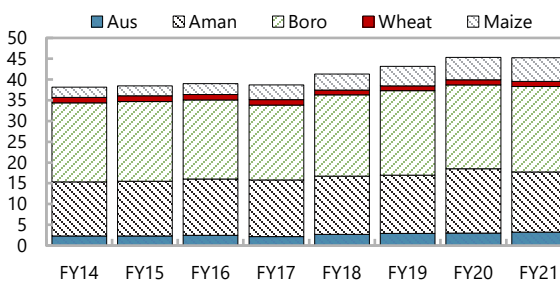
The consumption to GDP ratio in FY20 fell slightly to 74.7 percent from 75 percent in FY19, while the investment to GDP ratio edged up from 31.6 percent to 31.8 percent.

Selected indicators' Share in Nominal GDP 1/
FY11-FY20 (in percent)



Rice production target, in FY21, was set at 38.3 MMT reflecting the actual production in FY20 (38.7 MMT). Total target for wheat and maize, in FY21, was set at 6.9 MMT reflecting the outturn of 6.7 MMT in FY20.

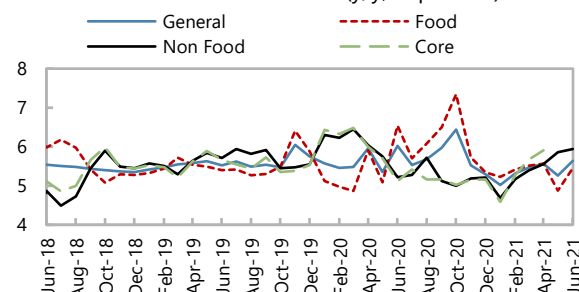
Major Food Grains Production 2/
FY14-FY21 (Million Metric Tons (MMT))



Headline inflation, in Jun 2021, increased to 5.6 percent from 5.3 percent in May 2021. During the same period, food inflation increased to 5.5 percent from 4.9 percent, while non-food inflation remained at 5.9 percent.

Point-to-Point Inflation

June 2018-June 2021 (y/y, in percent)

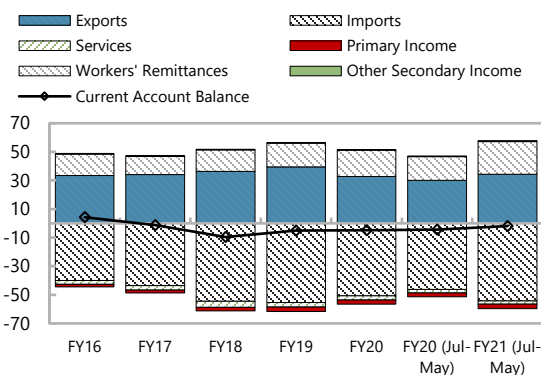


1/ FY20 and FY21 data are provisional. 2/ FY21 Aus, Aman and wheat data are actual, while Boro and Maize data are the production targets.
Sources: Bangladesh Bureau of Statistics (BBS); Department of Agriculture Extension, Ministry of Agriculture; Bangladesh Bank; and IMF staff calculations

Bangladesh: External Sector Developments

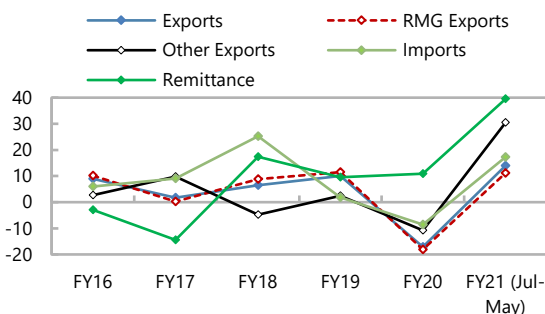
The current account balance, in FY21(Jul-May), reached a USD 1.8 billion deficit, compared with the USD 4.4 billion deficit in FY20 (Jul-May).

Current Account Balance Components 1/ FY16-FY21(Jul-May) (in billion USD)



Remittances grew by 39.5 percent y/y in FY21(Jul-May). Export growth was 14 percent, while imports witnessed 17.3 percent growth over the same period.

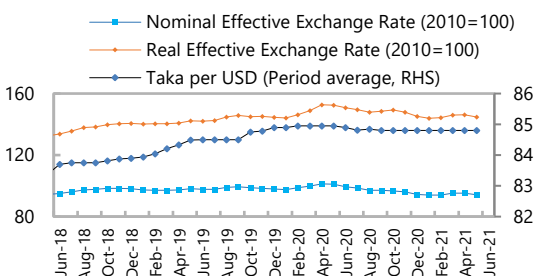
Major Balance of Payments Components 3/ FY16-FY21(Jul-May) (y/y growth, in percent)



Trade competitiveness has somewhat improved in recent months, mostly reflecting the depreciation of the Taka relative to the currency basket of Bangladesh's trading partners.

Exchange Rates

Jun 2018-Jun 2021

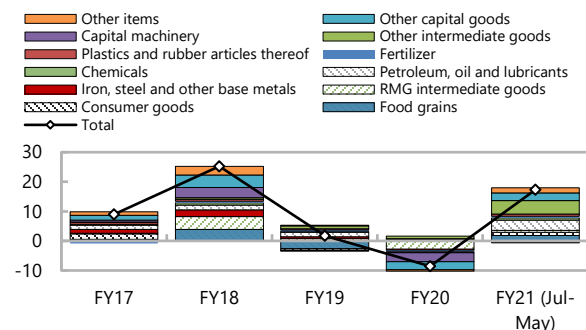


1/ FY21(Jul-May) data are provisional. 2/ Data are recorded by customs. 3/ Exports and imports are f.o.b. data. 4/ Net international reserve (NIR) is gross international reserves (excluding investment on bonds below the grade BBB, Silver Acquisition A/C, deposit with Rupali Bank, Pakistan & deposit with 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 contributed positively (2.3 percentage points), oil-related products, and food grains and consumer goods also contributed positively (3.4 and 2.9 percentage points respectively) to the overall growth in imports (17.3 percent) in FY21(Jul-May).

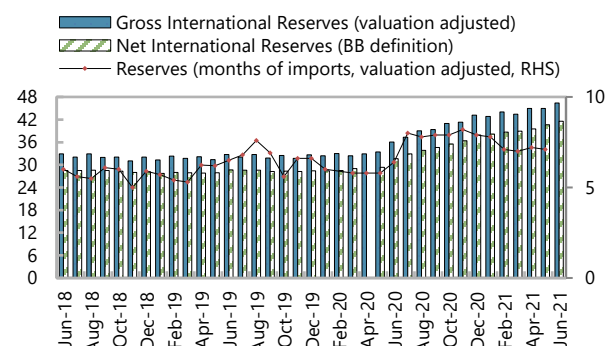
Item-wise Contributions to Import Growth 2/ FY17-FY21(Jul-May), (y/y growth, in percentage points)



Reflecting the pick-up in import payments, international reserve coverage has recently started to decline and is currently at about 7 months of import coverage.

International Reserves 4/ Jun 2018-Jun 2021

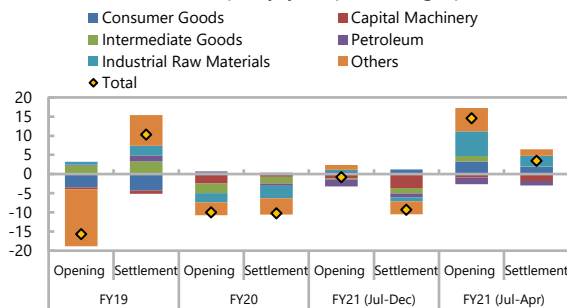
(In billion USD, unless otherwise indicated)



Both letters of credit (LC) opening and settlement have been picking up in FY21.

Sector-wise contributions to total LC opening and settlement

FY19-FY21 (Jul-Apr) (y/y, in percentage points)

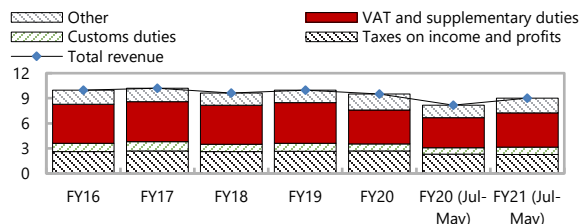


Bangladesh: Fiscal Sector Developments 1/

Total revenue-GDP ratio, in FY20, declined to 9.5 percent from 10 percent in FY19. Total revenue-GDP ratio, in FY21 (Jul-May), was at 9 percent compared with 8.2 percent in FY20 (Jul-May). VAT and the supplementary duties-GDP ratio, during the same period, increased from 3.6 percent to 4.1 percent.

Central Government Revenue

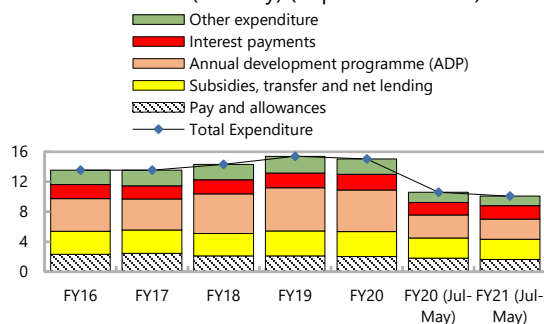
FY16-FY21 (Jul-May) (In percent of GDP)



Total expenditure-GDP ratio, in FY20, marginally declined to 15 percent from 15.4 percent in FY19. Total expenditure-GDP ratio, in FY21 (Jul-May), decreased to 10.1 percent from 10.6 percent. During the same period, ADP execution decreased from 3.1 percent to 2.7 percent of GDP.

Central Government Expenditure

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

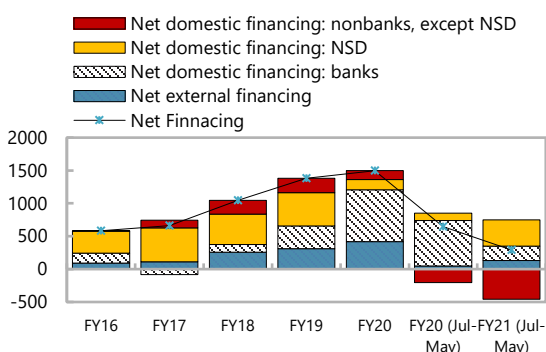


Compared to the same period in the previous FY, the budget deficit in FY21 (Jul – May) has been primarily financed by issuing NSCs.

Fiscal Balance and Sources of Financing

FY16-FY21 (Jul-May)

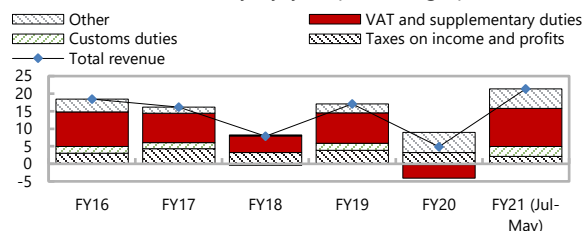
(Billion Taka)



Total revenue, in FY20, grew by 4.9 percent (y/y) where VAT and supplementary duties contributed negatively (3.9 percentage points). Preliminary data available as of July 4th, suggest that total revenue, in FY21 (Jul-May), has increased by 21.4 percent (y/y) and the increase in the growth in VAT and supplementary taxes has had the largest impact (by 10.8 percentage points).

Contributions to Total Revenue Generation

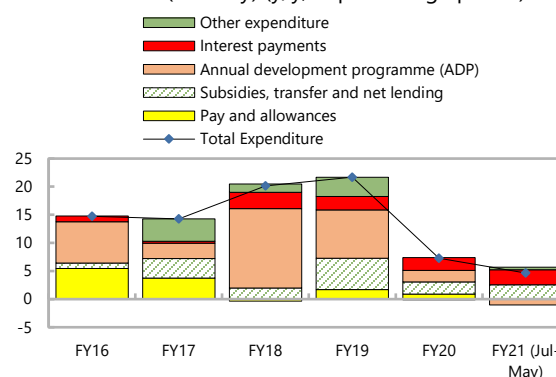
FY16-FY21 (Jul-May) (y/y, in percentage points)



Total expenditure, in FY20, increased by 7.3 percent (y/y), with ADP expenditure contributing 2.1 percentage points. Total expenditure, in FY21 (Jul-May), increased by 4.6 percent (y/y), where interest payments contributed 2.7 percentage points.

Contributions to central government's expenditure growth

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

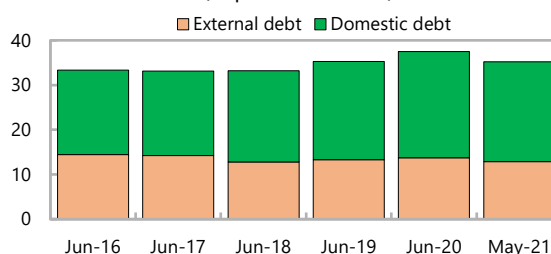


Total central government debt, at end-Jun 2020, reached 37.5 percent of GDP from 35.3 percent of GDP at end-Jun 2019. It reached 35.2 percent at end-May 2021, where domestic debt accounted for roughly two thirds of the total central government debt.

Central Government Debt

Jun 2016-May 2021

(In percent of GDP)



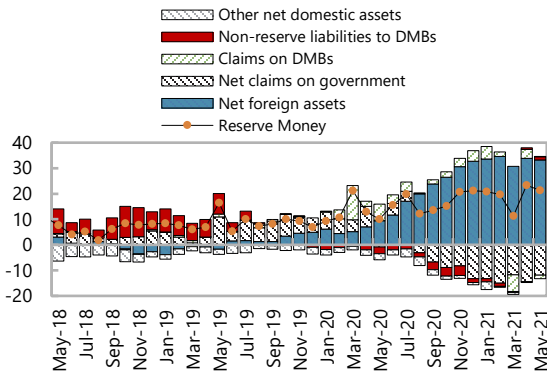
1/ FY20 and FY21 fiscal data are provisional. FY21 (Jul-May) GDP data is annualized using provisional GDP of FY20, and IMF staff projected GDP for FY21. Sources: Office of the Controller General of Accounts (CGA), Ministry of Finance; and IMF Staff calculations

Bangladesh: Monetary and Financial Market Developments

Reserve money, at end-May 2021, grew by 21.3 percent (y/y) compared with 23.3 percent (y/y) in Apr 2021, mainly driven by net foreign assets.

Contributions to Reserve Money Growth

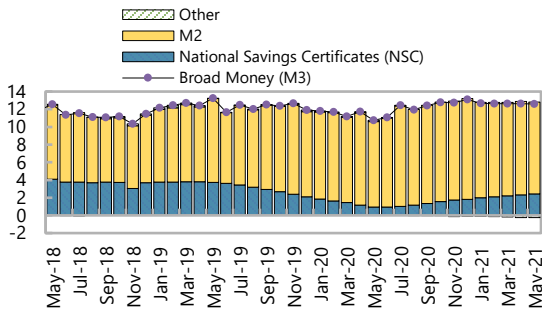
May 2018-May 2021 (y/y, in percentage points)



Broad money (M3) growth reached 12.6 percent, in May 2021, with M2 and NSC sales accounting for 10.4 and 2.4 percentage points respectively.

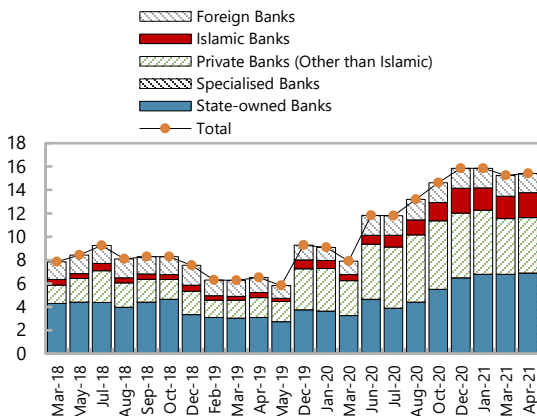
Contributions to Broad Money (M3) Growth

May 2018-May 2021 (y/y, in percentage points)



Excess liquid assets (as percent of total demand and time liabilities in the industry), in April 2021, reached 15.4 percent compared with 7.9 percent in Mar 2020.

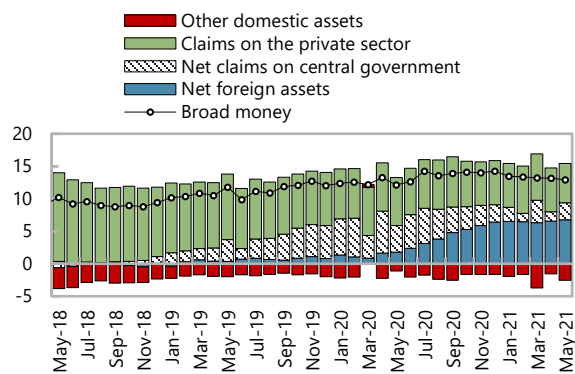
Excess Liquid Assets (as percent of total time and demand liabilities) 2/, Mar 2018-Apr 2021



Broad money (M2), at end-May 2021, grew by 12.9 percent with private sector credit and net foreign assets contributing 6.1 and 6.8 percentage points, respectively, to this growth.

Contributions to Broad Money (M2) Growth

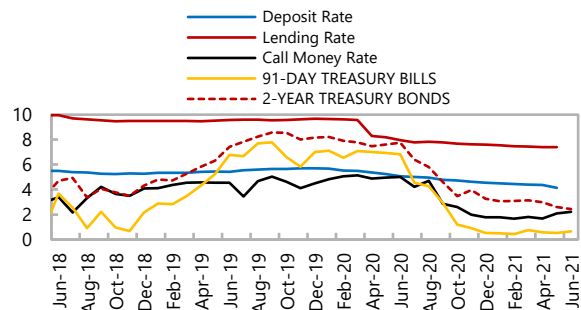
May 2018-May 2021 (y/y, in percentage points)



Interest rates, which have been declining since April 2020-reflect an easing in the money market.

Interest Rates 1/

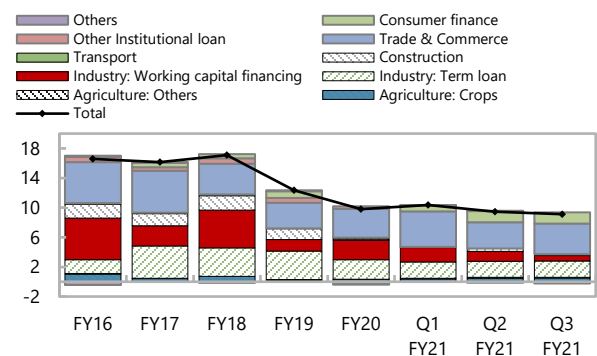
Jun 2018-Jun 2021 (in percentage points)



The growth of bank advances to the private sector edged down to 9.1 percent in Q3 FY21. This was mostly driven by lower advances to trade and commerce, and industrial term loan

Economic Purpose-wise Contributions to Bank Advances' Growth (Private Sector)

FY16-Q3 FY21 (y/y, in percentage point)

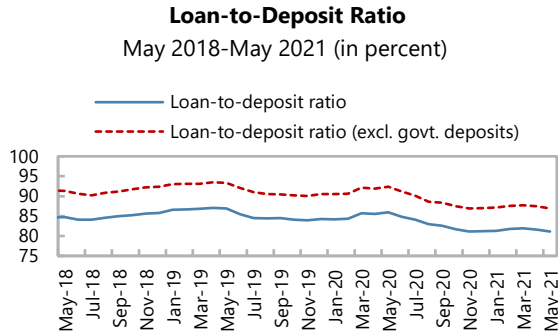


1/ Call money rate, 91-Day Treasury Bills rate, and 2-Year Treasury Bonds rate are as on Jun 14th, 2021.

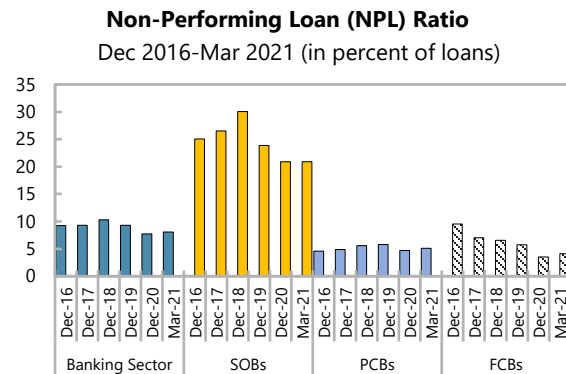
2/ Excess Liquidity is statutory liquidity eligible liquid assets of banks minus statutory liquidity (excluding cash reserve). Excess Reserve is balance with Bangladesh Bank in local currency minus required cash reserve. These are provisional data taken from Bangladesh Bank's Department of Off-Site Supervision. Sources: Bangladesh Bank; and IMF Staff calculations

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

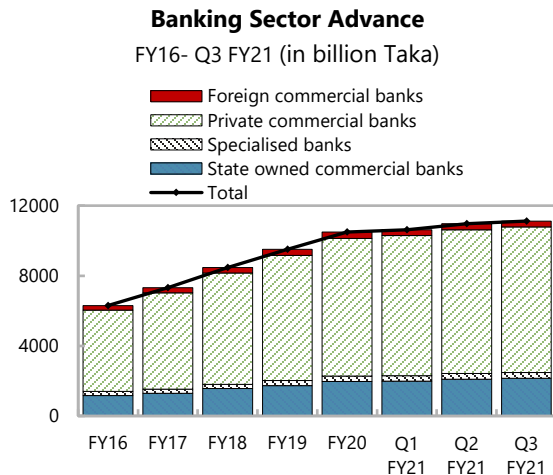
The loan-to-deposit ratio, in May 2021, reached 81.1 percent from 81.6 percent in Apr 2021. During the period, the ratio (excluding government deposits) decreased from 87.4 percent to 86.9 percent.



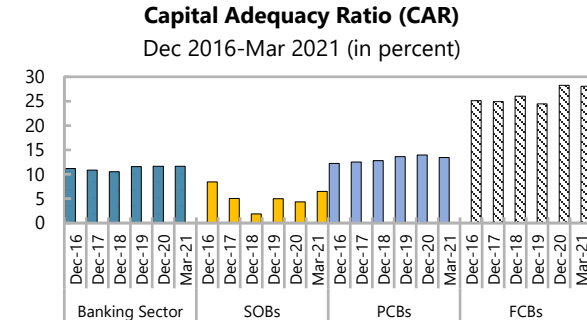
The banking sector's NPL ratio, in Mar 2021, increased to 8.1 percent from 7.7 percent in Dec 2020. In SOBs, the ratio remained at 20.9 percent, and in the case of private commercial banks (PCBs), increased to 5.1 percent (from 4.7 percent).



Banking sector advances, at end-Q3 FY21, reached Tk.11119.4 billion, where private commercial banks and state-owned commercial banks, respectively, comprise 74.8 percent and 19.3 percent.

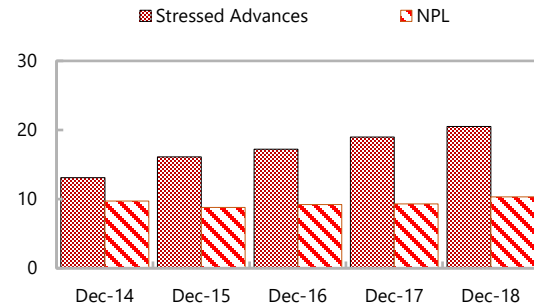


The CAR of the banking industry, in Mar 2021, reached 11.7 percent from 11.6 percent in Dec 2020. CAR of the state-owned banks (SOBs), in Mar 2021, increased to 6.5 percent from 4.3 percent in Dec 2020 remaining below the regulatory requirement of 10 percent.



Stressed advances in the banking industry (sum of NPLs, rescheduled and restructured loans), at end-Dec 2018, accounted for 20.5 percent of outstanding loans.

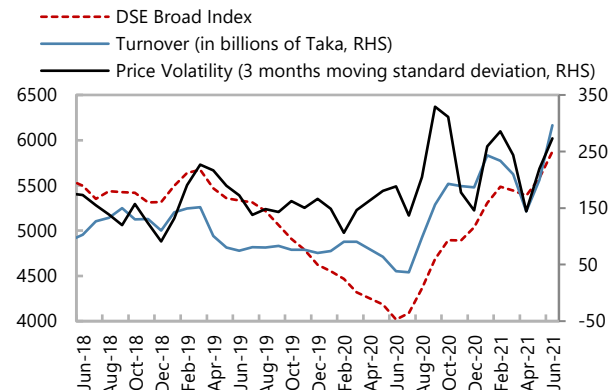
Stressed Advances
Dec 2014-Dec 2018 (in percent of loans)



The 3-mma DSE broad index, turnover, and price volatility have been picking up since end-April 2021.

Dhaka Stock Market Performance 1/

Jun 2018-Jun 2021
(3-month moving average)



1/ Due to the COVID-19 pandemic, in Apr 2020 there was no stock market transaction.

Sources: Bangladesh Bank; and IMF Staff calculations