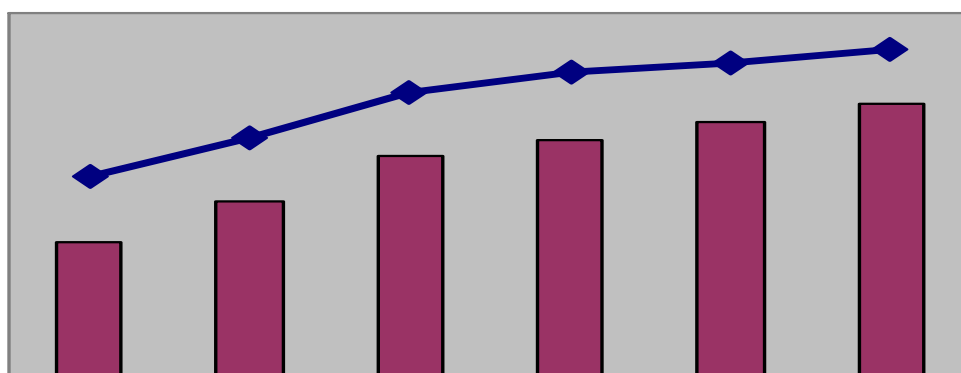


MONTHLY FISCAL-MACRO UPDATE

AUGUST, 2009



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Issue-8, Year: 2009

As on October 25, 2009

A. FISCAL SECTOR

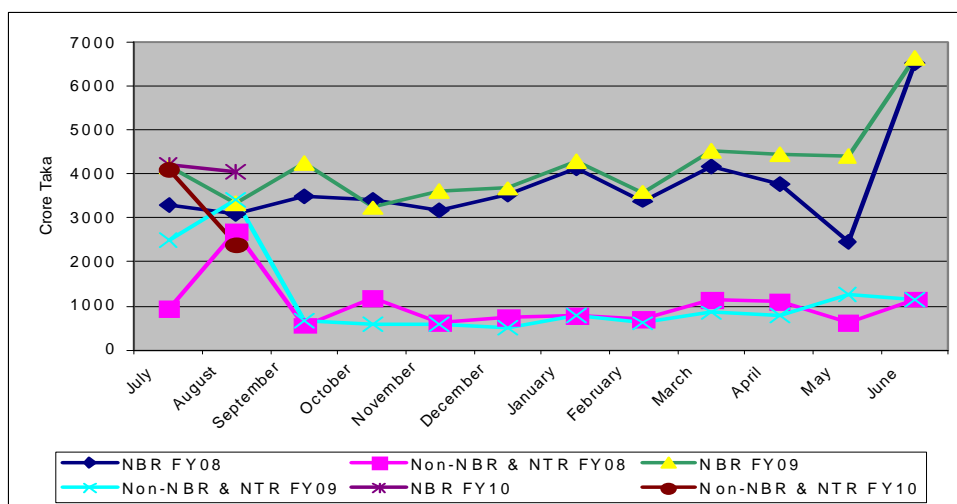
a.1 Revenue Earnings

(in crore Tk.)

Fiscal Year	Tax Revenue		Non-Tax Revenue	Total Revenue
	NBR	Non-NBR		
2007-08	45777.0	2313.0	10080.0	58170.0
2008-09	50205.1	2652.9	10989.3	63847.3
Growth (%)	9.6	14.7	9.0	9.7
2009-10				
August	4068.9	224.4	2175.0	6467.9
July-August	8263.3	493.4	6009.2	14765.9
(Growth over July-Aug. FY 09)	(10.3%)	(7.8%)	(10.1%)	(10.1%)

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division.

Chart 1: Monthly Trend of Revenue earnings (FY08-FY10)



- Up to August, FY10 growth in revenue (10.1%) continues.
- NBR Tax revenue growth up to August FY 10 is 10.3 percent.
- Non-NBR Tax revenue growth up to August FY 10 is 7.8 percent.
- Interest, fees, tolls mainly contributes growth (10.1%) in Non-Tax revenue.

a.2 Grants

(in crore Tk.)

2007-08	2008-09	Growth (%)	2009-10	
			August	July-August (Growth over July-August FY 09)
2007.4	1273.5	-36.56	14.2	15.3 (-34.9%)

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division.

a.3 Government Expenditure

(in crore Tk.)

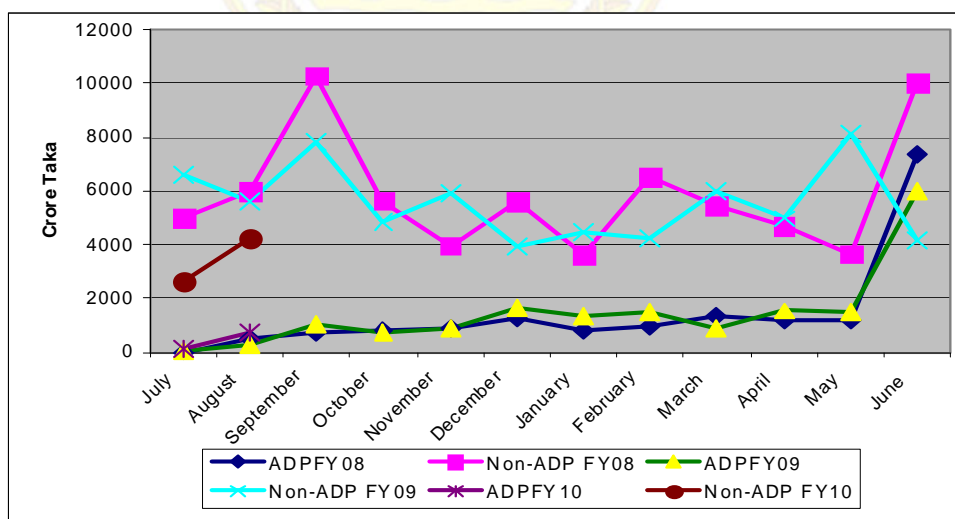
	2007-08	2008-09	Growth (%)	2009-10	
				August	July-August
1. Non-Development	61965.7	64955.1	9.10	3986.9	6780.7 (7.9%)
Interest	8072.2	10317.4	27.81	1072.9	2201.1 (-2.7%)
Domestic	6910.5	9188.1	54.73	996.1	1976.1 (-3.1%)
Foreign	1161.7	1129.3	-2.78	76.8	225.0 (1.6%)
Subsidies & Current Transfer	17760.6	20097.1	13.2	921.0	1446.0 (9.0%)
2. ADP	18282.7	17559.9	-0.42	708.4	831.8 (138.9%)
3. Non-ADP FFW	449.7	145.1	-68.19	0.00	--
4. Net Outlay on Food A/C	1416.8	4912.9	124.52	756.5	801.9 (70.0%)
5. Loans & Advances	10970.1	1832.6	-82.98	262.0	138.4 (-85.6%)
Total	89858.5	84236.5	-3.15	4961.8	7744.6 (3.8%)

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. Figures in parentheses indicate growth over July-August, FY 08

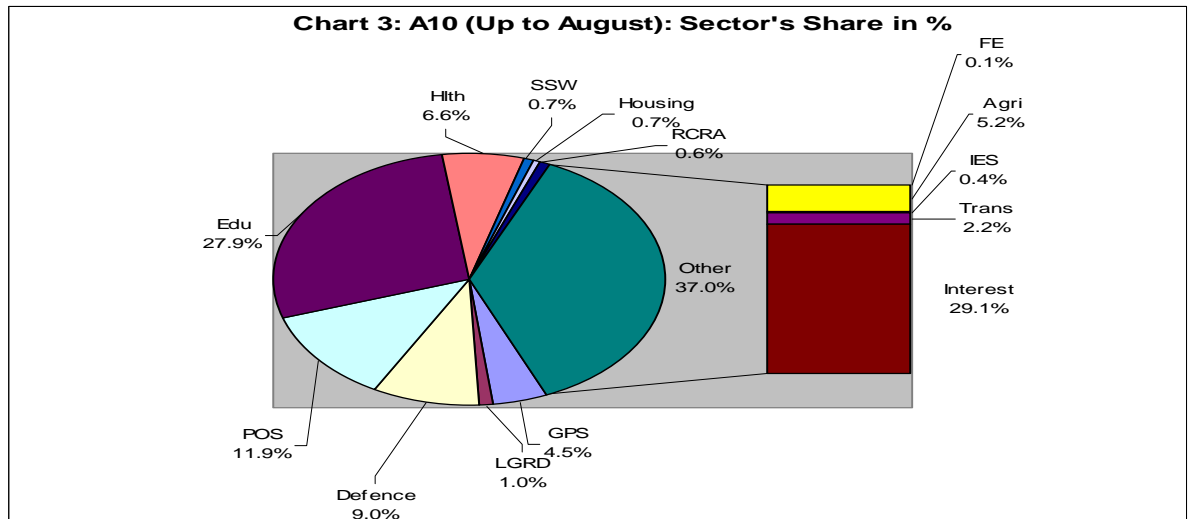
Up to August, FY 10,

- Non Development expenditure records a growth (growth: 7.9%), of which
 - Subsidies and transfer (growth: 9.0%)
 - Interest payments (growth: -2.7%).

Chart 2: Monthly Trend of ADP and Non-ADP Expenditure (FY 08-FY10)



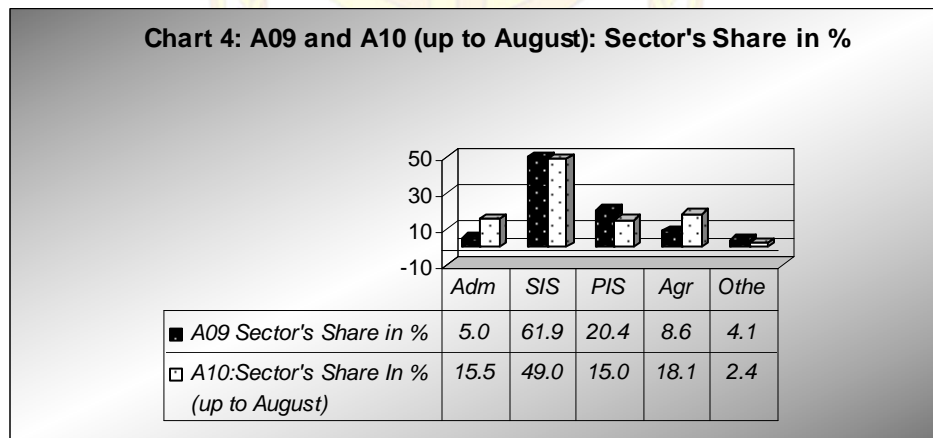
a.3.1 Structure of Revenue Expenditure



GPS = General Public Services, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, HiIth = Health, SSW = Social Security and Welfare, RCRA = Recreation, Culture and Religious Affairs, Agri = Agriculture, Fisheries and Livestock, Land, Water Resources and Food, FE = Fuel and Energy, IES = Industries, Jute, Textiles, Commerce, Labor & Overseas, Trans = Transport and Communication

- Sector wise revenue expenditure shows that highest expenditure is in Interest payment (29.1%), Education (27.9%), and POS (11.9%).

a.3.2 Structure of ADP Expenditure



Admn = General Public Services, Defence, and Public Order and Safety, SIS = Social Infrastructure, covers Edu, health, Housing and SSW & LGRD. PIS = Physical Infrastructure, covers FE and Trans; and Others include RCRA and IES

- Sector wise ADP expenditure shows that, in FY 2009-10 highest share are in SIS (49.0%) and next highest expenditure is in Agriculture (18.1%).

a.4 Budget Balance

(in crore Tk.)

	Overall Balance	Overall Balance as % of GDP
2007-08	-26650.9 (including BPC) -19328.4 (excluding BPC)	-4.9(including BPC) -3.5(excluding BPC)
2008-09	-16364.3	-2.38
2009-10		
August	-1325.3	-0.19
Up to August	279.0	0.04

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division.

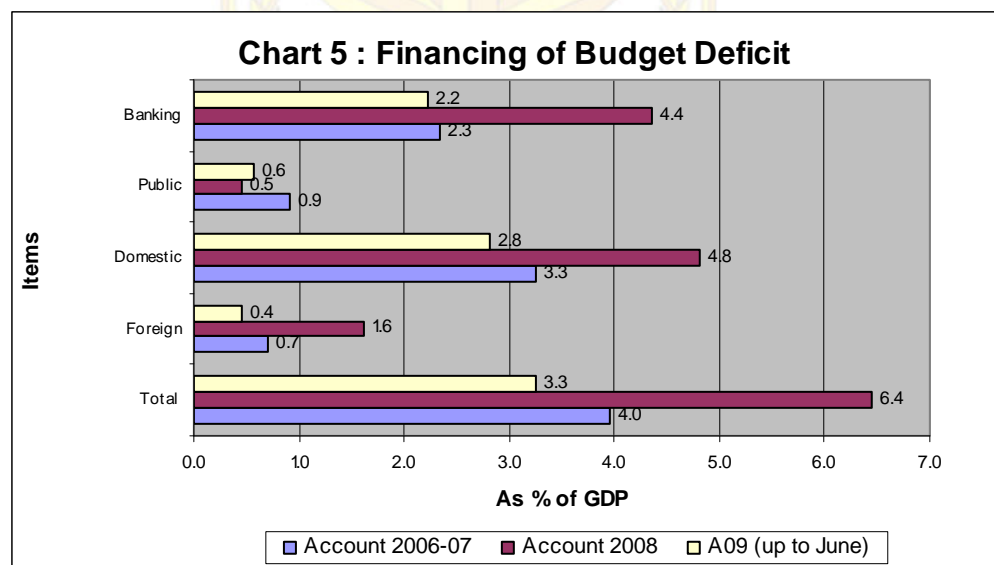
a.5 Deficit Financing

(in crore Tk.)

	External (net)	Domestic		Total Financing	Financing as % of GDP
		Bank	Non-Bank		
2007-08	7775.5	16349.3* 9026.7**	2526.1	26650.9* 19328.4**	4.9* 3.5**
2008-09	2757.9	9856.9	3749.5	16364.3	2.38
2009-10					
August	117.5	1615.7	-407.8	1325.3	0.19
Up to August	-231.6	2788.2	-2835.6	-279.0	-0.04

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division.

*including BPC ** excluding BPC



MONTHLY FISCAL-MACRO UPDATE

a.5 Net Sales of NSD Certificates

(in crore Tk.)

	Sales	Repayment	Net Sale	Outstanding at the end of period
2007-08	14105.79	11587.50	2518.29	46157.47
2008-09	16035.28	12401.96	3633.32	49790.79
Growth	13.68%	7.03%	44.28%	7.87%
2009-10				
August	2006.10	1242.04	764.06	51469.43
Up to August	4004.38	2325.74	1678.64	51469.43
Growth over July-Aug. FY09	(59.19%)	(19.88%)	(191.76%)	(10.14%)

Source: National Savings Directorate.

- Up to August FY10, the growth rate in net sale is 191.76 percent compared to the same month of the previous fiscal year.

A. MONETARY SECTOR

b.1 Monetary and credit development

(in crore Tk.)

	Outstanding Stock at the end of period				
	2007-08	2008-09	Growth (%)	2009-10 (August ^p)	Growth(%) over August, FY09
Net Foreign Asset	37845.40	47964.50	26.74	58500.80	59.35
Net Domestic Asset	210949.50	248535.40	17.82	245105.60	12.36
Domestic credit	248767.80	288552.30	15.99	290483.20	14.71
Public Sector	58632.00	70624.90	20.45	67600.60	16.22
Govt. (net)	46999.60	58185.20	23.80	54771.40	18.39
Other Public Sector	11632.40	12439.70	6.94	12829.20	7.78
Private Sector	190135.80	217927.40	14.62	222882.60	14.26
Broad Money	248794.90	296499.90	19.17	303606.40	19.13

Source: Bangladesh Bank. p. Provisional

- At the end of August, 2009 broad money growth stands to 19.13 percent.
- Growth in Net Foreign Asset is 59.35 percent.
- Share of Net Foreign Asset in M₂ is 19.27 percent.
- There has been higher growth in Govt. (net) (18.39%).
- Growth in private sector credit is 14.26 percent.

b.2 Reserve money and money multiplier

	Outstanding Stock at the end of period				
	2007-08	2008-09	Change	2009-10 (August)	Change over August FY09
Reserve money	52789.60	69390.10	31.45%	68530.60	29.71%
Reserve Money multiplier	4.71	4.27	-0.44	4.43	-0.39

Source: Bangladesh Bank.

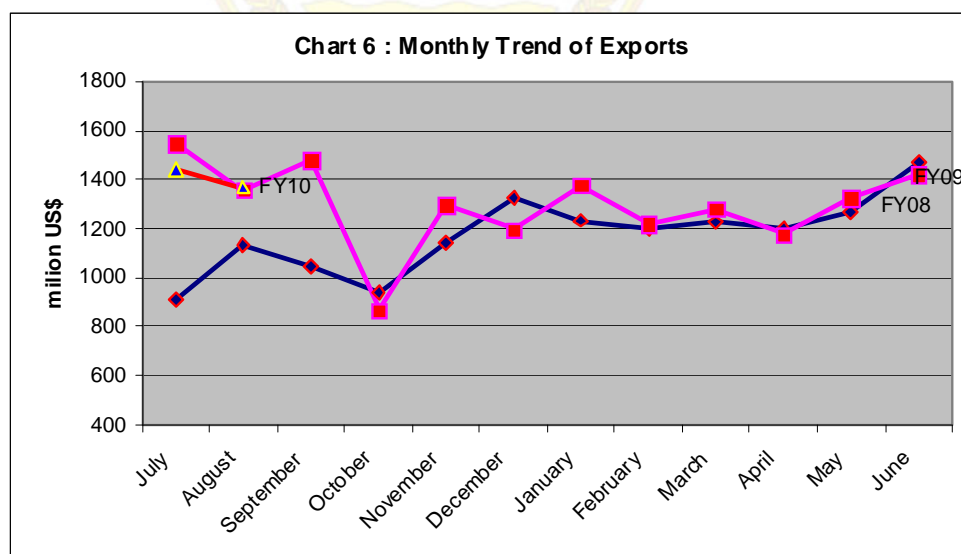
B. EXTERNAL SECTOR

c.1 Export

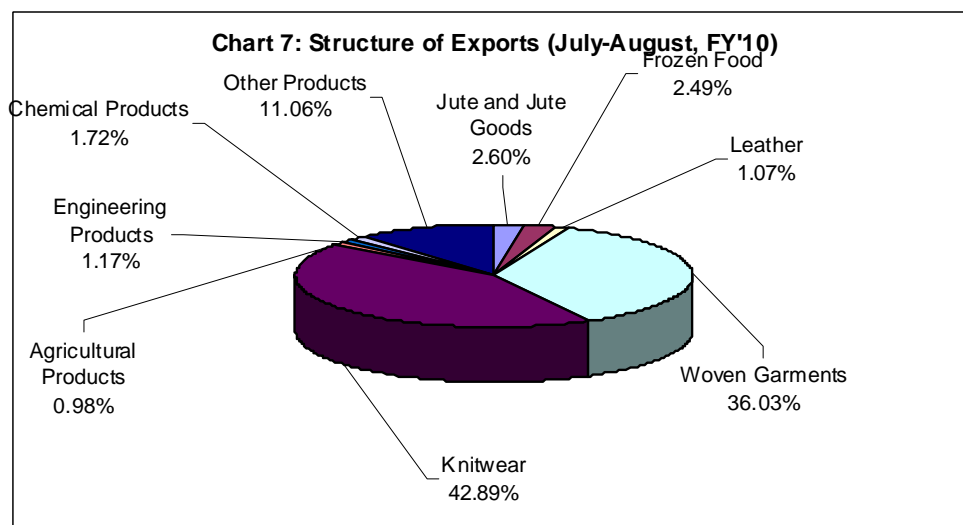
(in million US\$)

	2007-08	2008-09	2009-10	
			August	July-August
Export	14110.80	15565.19	1367.9	2808.15
Growth (%)	15.87	10.31	0.71	-3.29

Source: Export Promotion Bureau. *Growth over the same period of the previous fiscal year.



c.1.1 Structure of Exports



- In the first two months of FY10, export earnings slightly increased (0.71%).
- Exports of Jute goods, other primary commodities and other manufacturing goods increased by 0.46 percent, 51.64 percent and 41.78 percent respectively.
- Decrease in export earnings of Knitwear (0.48%) Woven Garments (2.06%), Engineering products (6.41%), Frozen food (32.95%), Leather (22.33%) and Chemical products (37.15%).

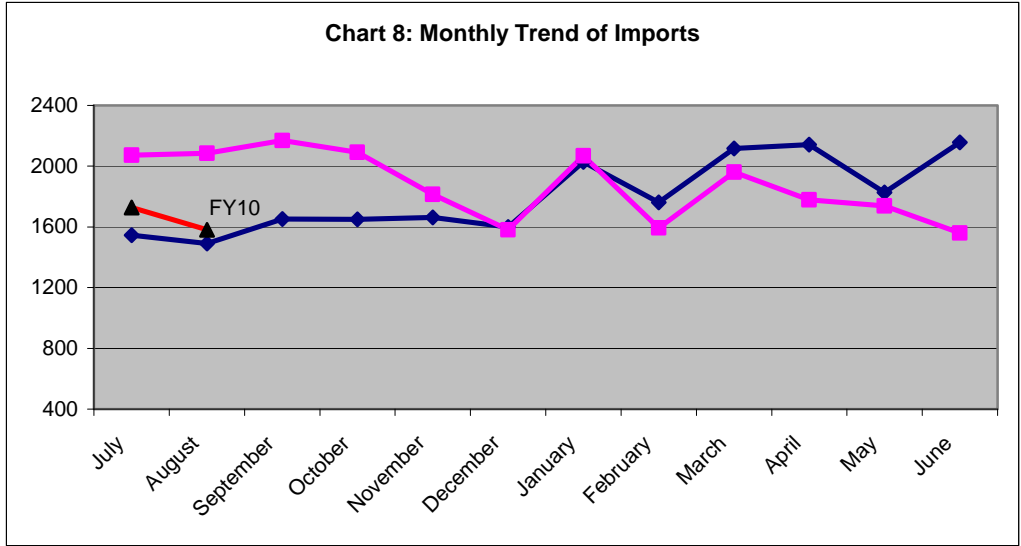
c.2 Imports (c&f)

(in million US\$)

	2007-08	2008-09 ^P	2009-10	
			August	July-August
Import payments	21629.00	22507.10	1581.50	3308.50
Growth (%)	26.07	4.06	-24.11	-20.38
LCs Opened	24435.61	21802.74	2289.71	4416.30
Growth (%)	40.02	-10.77	17.81	3.29
LCs Settled	20372.60	21444.35	1576.10	1894.64
Growth (%)	27.56	5.26	-16.81	-15.56

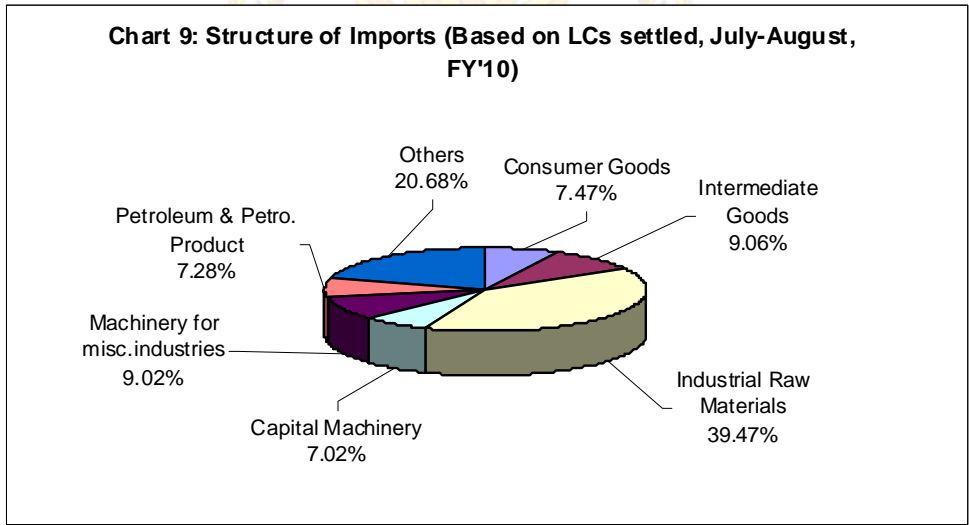
Source: Bangladesh Bank.

p-provisional ; Growth rate (in percent) over the same period of the previous fiscal year.



- In the fiscal year 2008-09, import payments increased by 4.06 percent compared to the previous fiscal year.
- Up to August, FY10 import payment decreased by 20.38 percent compared to July-August FY09.

C.2.1 Structure of Imports (Based on LCs settled)



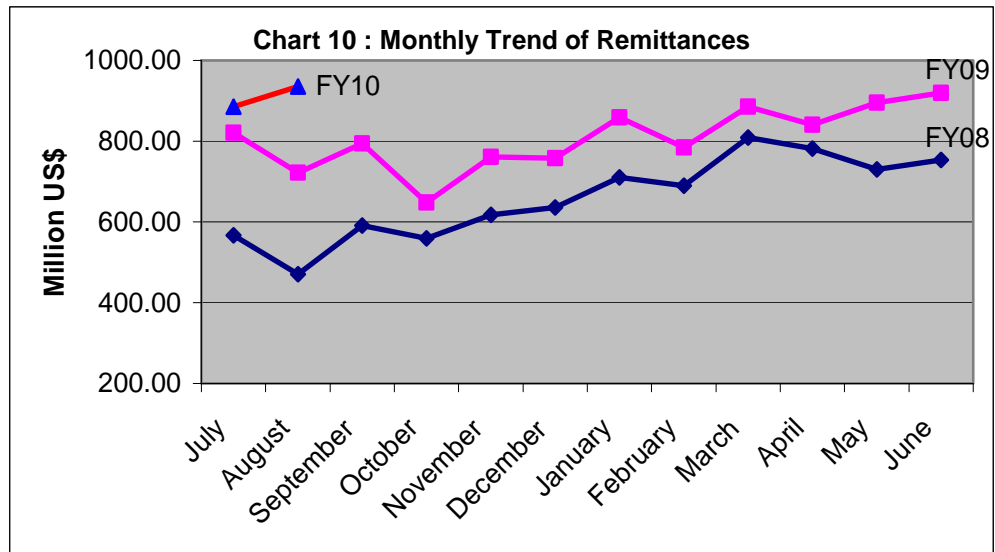
- Up to August, FY 10 import of consumer goods recorded a decrease of 12.47 percent.
- Import of intermediate goods increased by 16.95 percent.
- Import growth of industrial raw materials is -20.81 percent.
- Growth in capital machinery and machinery for misc. industry decreased by 9.47 percent.

c.3 Remittances

(in million US\$)

	2007-08	2008-09	2009-10	
			August	July-August
Remittances	7914.78	9689.26	935.15	1820.53
Growth ^a (%)	32.39	22.42	29.54	18.01
As % of GDP	10.02	10.82	-	-
As % of Export	56.09	62.25	68.37	64.83

Source: Bangladesh Bank. p. provisional, - indicates data are not available

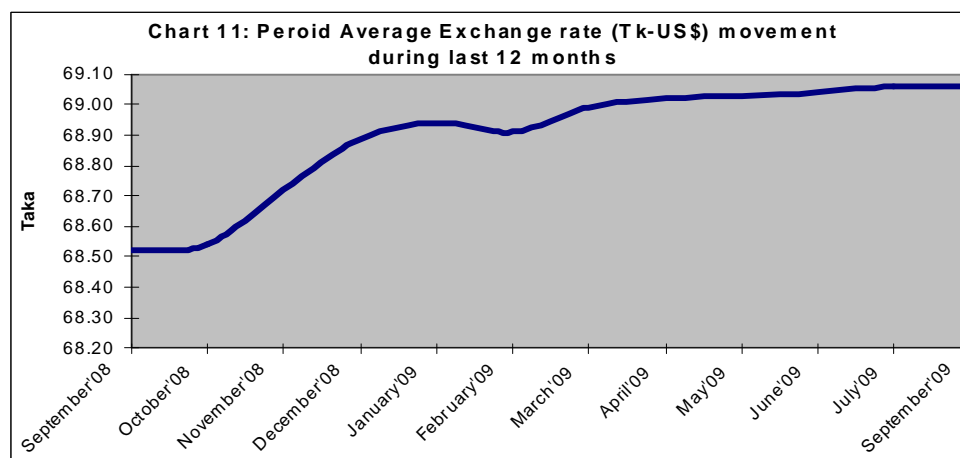


- In FY 09 remittances inflow records a robust growth of 22.42 percent.
- In FY09 remittances as percent of GDP and Export were 10.82 percent and 62.25 percent respectively which are relatively higher than previous fiscal year.
- Up to August FY10 remittances inflow records a growth of 18.01 percent.

c.4 Exchange Rate Movement

	Average	End of the period
2006-07	69.03	68.80
2007-08	68.60	68.52
2008-09	68.80	69.06
2009-10		
July	69.0602	69.0600
August	69.0600	69.0600

Source: Bangladesh Bank.



- Slight depreciation of taka at August, 2009 against US dollar compared to the same period of the previous year.

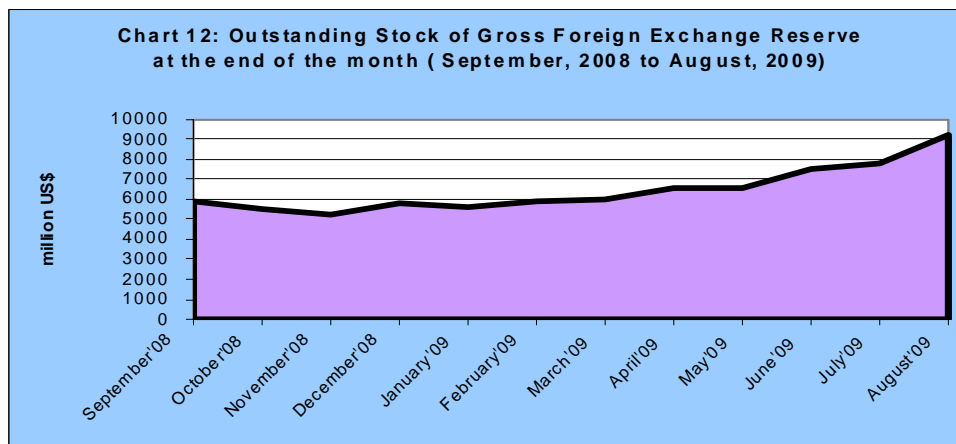
c.5 Foreign Exchange Reserve

(in million US\$)

	2007-08	2008-09	As on end of August, 2009
Reserve	6148.82	7470.96	9155.74
in month of import payment	3.41	3.98	5.53

Source: Bangladesh Bank.

- On the basis of import payment of July-August FY 10 the foreign exchange reserve (end August) is equivalent to 5.53 months import payments.

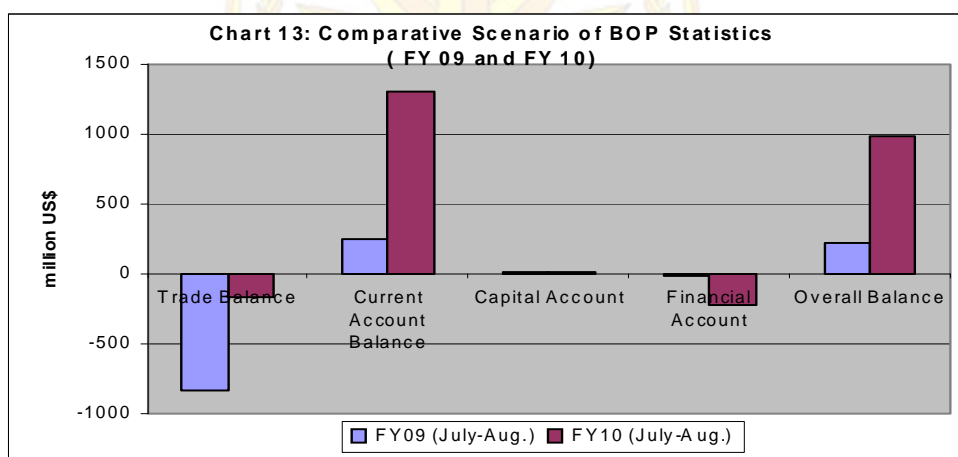


c.6 Balance of Payments

(in million US\$)

	2007-08	2008-09 ^p	2008-09 (July-Aug.)	2009-10 (July-Aug.)
Trade Balance	-5330	-4708	-840	-166
Current Account Balance	680	2536	244	1304
Capital Account	576	451	4	7
Financial Account	-457	-808	-17	-221
Overall Balance	331	2058	219	976

Source: Bangladesh Bank. p- provisional



- Current account balance records a surplus of US\$ 2536 million in FY 09, which was a surplus of US\$ 680 million in the same period of the previous fiscal year.
- In the first two months of FY10, Current account balance records a surplus of US\$ 1304 million, which was a surplus of US\$ 244 million in the same period of the previous fiscal year.

A. REAL SECTOR

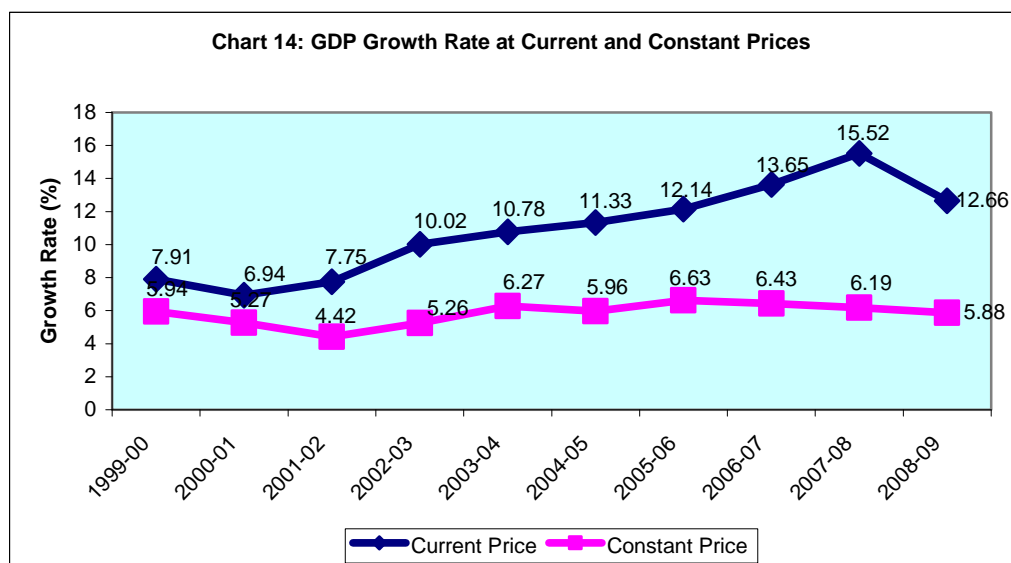
d.1 Gross Domestic Product

(Crore Taka)

	2005-06	2006-07	2007-08	2008-09 ^P
GDP at constant prices	284673	302971	321726	340652
Growth (%)	6.63	6.43	6.19	5.88
Agriculture	4.94	4.56	3.20	4.63
Industry	9.74	8.38	6.78	5.93
Service	6.40	6.92	6.49	6.25
GDP at current prices	415728	472477	545822	614943
Growth (%)	12.14	13.65	15.52	12.66
GNI at current prices	442935	507752	594212	683231
Per capita GDP (Tk.)	29955	33607	38330	42638
Per capita GNI (Tk.)	31915	36116	41728	47373
Per capita GDP (US\$)	447	487	559	621
Per capita GNI (US\$)	476	523	608	690

Source: Bangladesh Bureau of Statistics. P- Provisional.

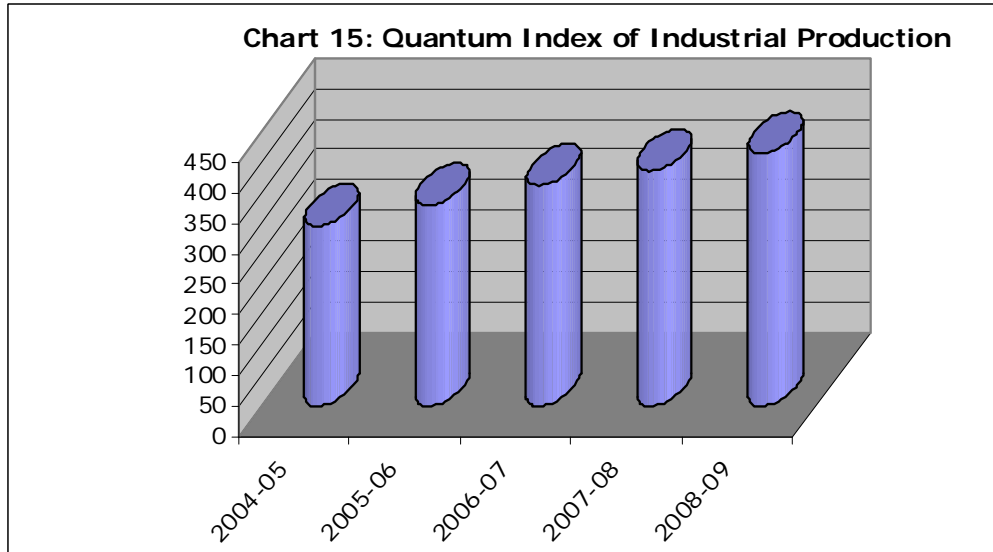
- Real GDP growth in FY 09 provisionally estimated to be 5.88 percent of which
 - Growth in Agriculture has been estimated at 4.63 percent
 - Growth in Industry is estimated 5.93 percent
 - Service sector growth is estimated at 6.25 percent.
- Per capita GDP in FY 09 exceeded US\$ 600 mark and reached to US\$ 621.



d.2 Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry, Base: 1988-89=100)

FY	Index	Growth Rate
2005-06	328.35	11.41%
2006-07	360.33	9.74%
2007-08	384.82	6.80%
2008-09 ^P		
June	445.12	4.00%
July- June (Average)	413.40	7.43%

Source: BBS

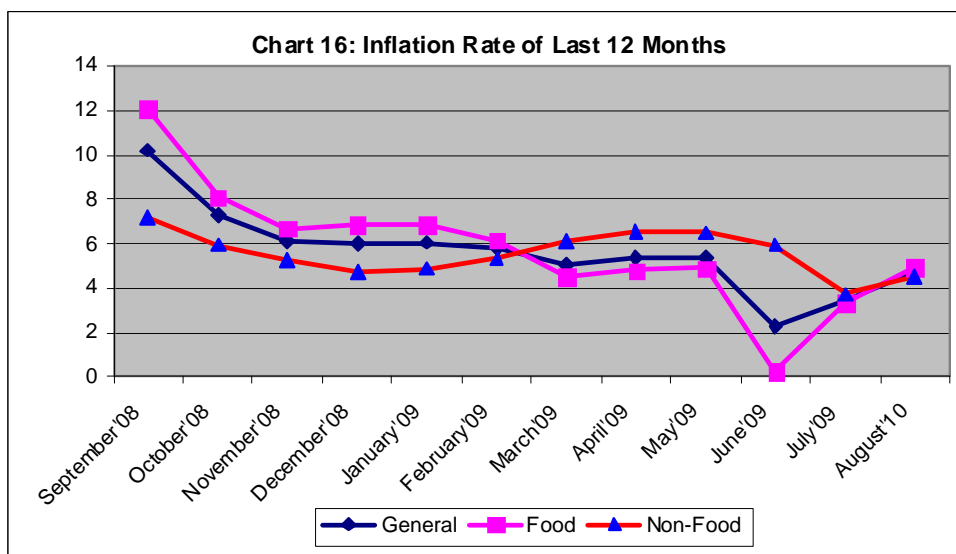


- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) is 9.74 percent in FY 07 which was 11.41 percent in FY 06.
- In FY 08, the average index is 384.82 which is 6.80 percent higher compared to the same period of FY 07.
- In FY 09, the average index is 413.40 which is 7.43 percent higher compared to the same period of FY 08.

d.3 Consumer Price Index and Inflation (National)

FY	CPI (General)	Point to Point Inflation		
		General	Food	Non-Food
2005-06	164.21	7.17	7.76	6.40
2006-07	176.06	7.22	8.12	5.90
2007-08	193.54	9.93	12.28	6.32
2008-09	206.43	6.66	9.82	4.16
2009-10				
July	214.01	3.46	3.34	3.74
August	216.99	4.69	4.93	4.54

Source: Bangladesh Bureau of Statistics.



- In FY08 the average rate of inflation recorded at 9.93 percent.
- There has been a decreasing trend since the second quarter of the FY 09. In June, 2009 the rate of inflation was 2.25 percent.
- In FY09 the average rate of inflation recorded at 6.66 percent. The food and non-food inflation were 9.82 percent and 4.16 percent respectively.
- In August FY10 the rate of inflation was 4.93 percent. The food and non-food inflation were 4.93 percent and 4.54 percent respectively.