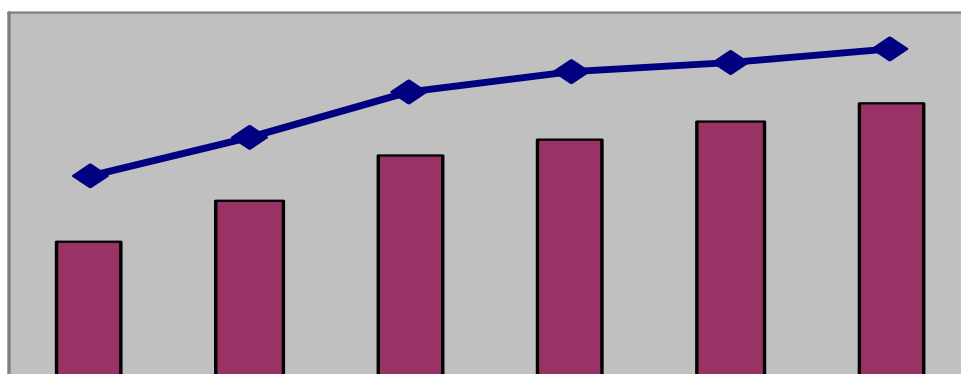


MONTHLY FISCAL-MACRO UPDATE

December, 2010



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Ministry of Finance

Issue-12, Year: 2010

As on March 16, 2011

A. FISCAL SECTOR

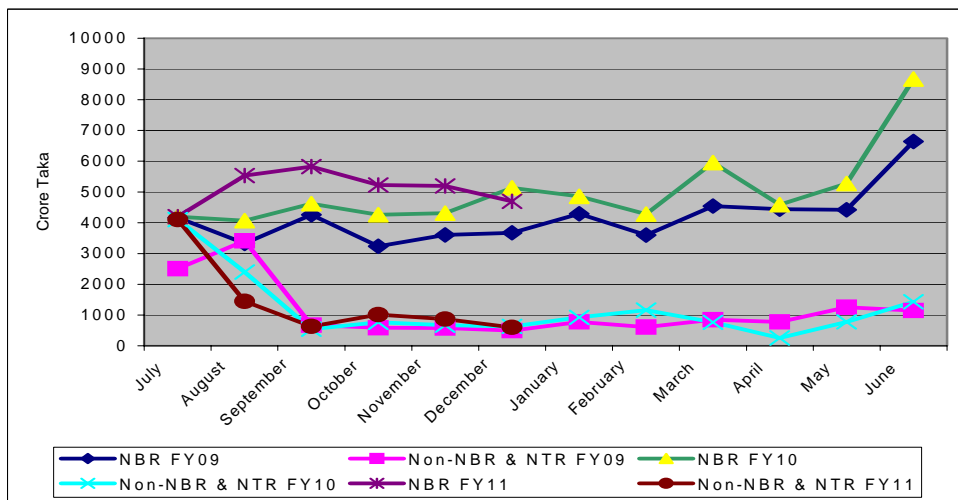
a.1 Revenue Earnings

(Taka in crore)

Fiscal Year	Tax Revenue		Non-Tax Revenue	Total Revenue
	NBR	Non-NBR		
2008-09	50205.1	2652.9	10989.3	63847.3
2009-10	59741.6	2742.7	13184.8	75669.3
Growth (%)	19.0	3.4	12.7	17.2
2010-11				
December	6746.2	261.1	584.3	7591.7
July-December	33397.4	1472.0	6409.8	41279.1
(Growth over July-Decem. FY '10)	(28.1%)	(19.7%)	(-18.0%)	(17.5%)

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

Chart 1: Monthly Trend of Revenue earnings (FY09-FY11)



- Up to December FY11 growth of total revenue was 17.5 percent.
- NBR Tax revenue growth was 28.1 percent.
- Non-NBR Tax revenue increased by 19.7 percent
- Dividend, Interest and fees are the main components of Non-Tax revenue which decreased by 18 percent due to fall in these items.

a.2 Grants

(Taka in crore)

2008-09	2009-10	Growth (%)	2010-11		
			December	July- December	Growth over July- Dec. FY 10 (%)
2131.3	3647.3	85.2	28.2	153.4	-82.9

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

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a.3 Government Expenditure

(Taka in crore)

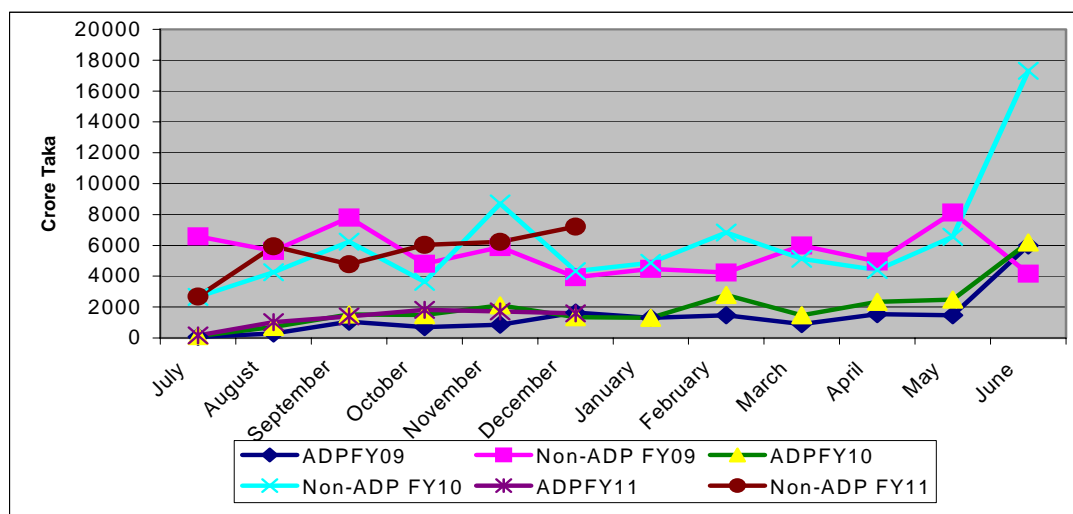
	2008-09	2009-10 ^P	Growth (%)	2010-11 ^P	
				December	July-December
1. Non-Development	64955.1	66073.5	9.10	5069.2	29063.0 (21.1%)
Interest	10317.4	13204.4	27.81	1198.4	6449.5(-4.6%)
Domestic	9188.1	1963.5	54.73	1026.8	5856.8 (-3.9%)
Foreign	1129.3	1240.9	-2.78	171.6	592.7(-10.2%)
Subsidies & Current Transfer	20097.1	22792.2	13.2	1708.9	9806.6 (39.6%)
2. ADP	17559.9	24060.9	-0.42	1587.4	7697.5 (4.1%)
3. Development Program Financed from Rev. Budget	378.35	727.4	-2.57	30.5	144.0(27.7%)
4. Non-ADP FFW	145.1	72.8	-68.19	-	-
5. Net Outlay on Food A/C	4912.9	2707.9	124.52	31.7	1649.6 (-1.0%)
6. Loans & Advances	1832.6	941.9	-82.98	-63.0	155.0 (271.8%)
Total**	84236.5	95276.7	-3.15	6674.8	38884.0 (16.6%)

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. Figures in parentheses indicate growth over July, FY 10. ** excludes non-ADP projects, structural adjustment

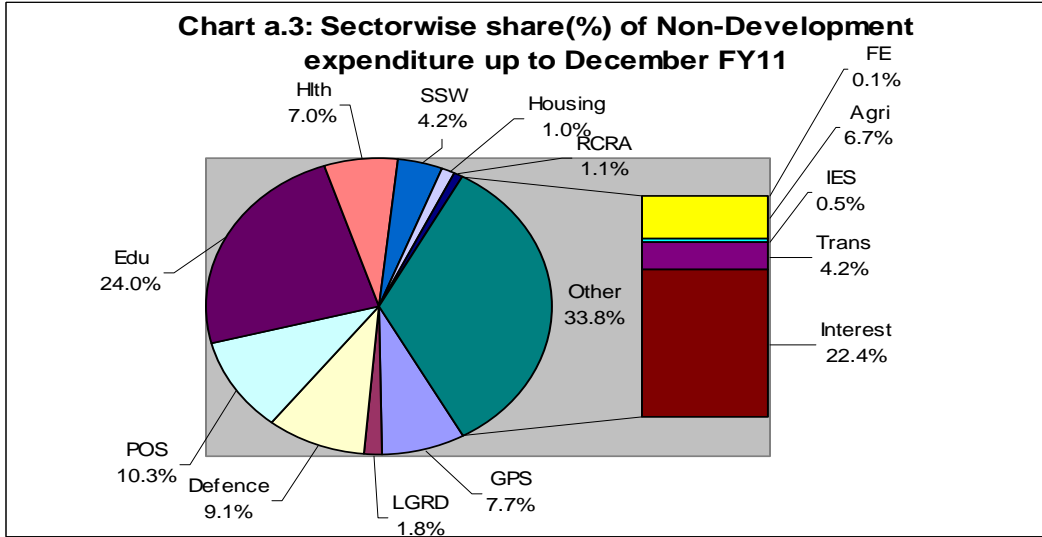
Up to December FY 11,

- Current expenditure records a growth (growth: 21.1%), of which
 - Subsidies and transfer (growth: 39.6%)
 - Interest payments (growth: -4.6%).

Chart 2: Monthly Trend of ADP and Non-ADP Expenditure (FY 09-FY11)



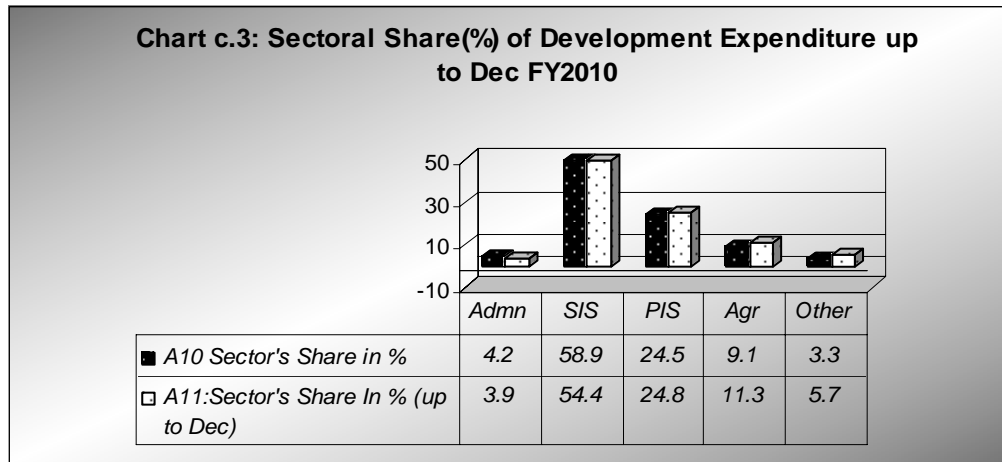
a.3.1 Structure of Revenue Expenditure



GPS = General Public Services, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, Hlth = 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 Education (24%) followed by Interest payment (22.4%), Public order & safety (10.3%).

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, up to December highest shares are in Social Infrastructure (54.4%) and next highest expenditure is in Physical Infrastructure (24.8%).

a.4 Budget Balance

(Taka in crore)

	Overall Balance	Overall Balance as % of GDP
2008-09	-16364.3	-2.38
2009-10	-20750.9	-3.02
December*	-916.9	-0.12
Up to December*	-2395.1	-0.31

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

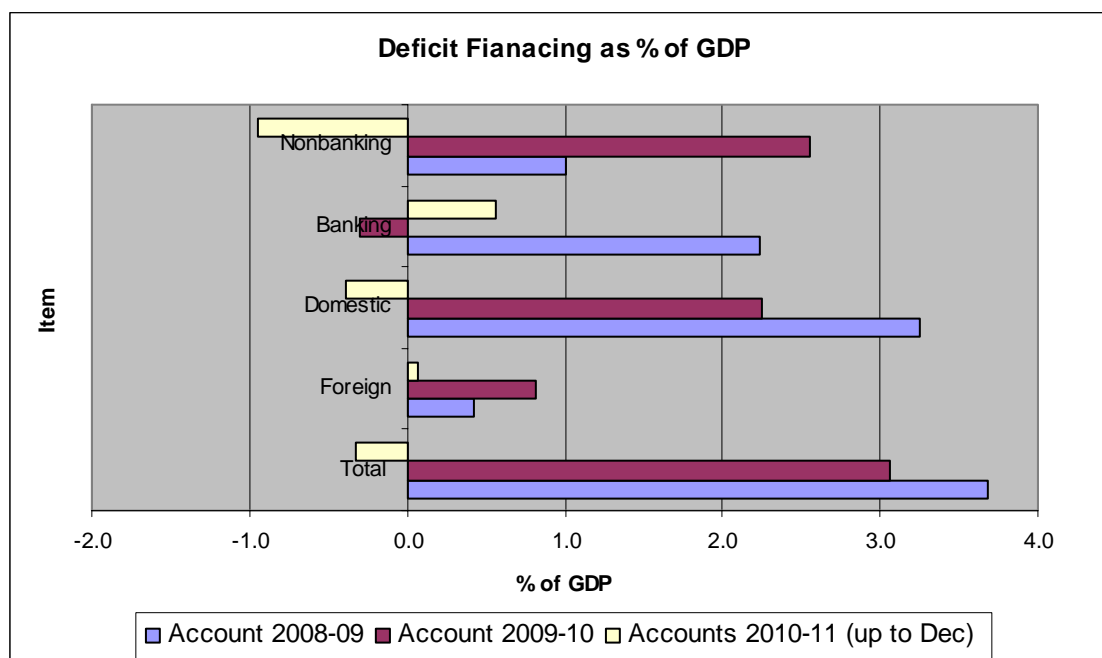
a.5 Deficit Financing

(Taka in crore)

	External (net)	Domestic		Total Financing	Financing as % of GDP
		Bank	Non-Bank		
2008-09	2757.9	9856.9	3749.5	16364.3	2.38
2009-10	5594.4	-2092.5	17669.3	23760.4	3.3
2010-11					
December*	542.1	751.6	-2238.3	-944.6	0.09
Up to December*	479.1	4361.1	-7378.5	-2538.3	0.21

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

*including BPC ** excluding BPC



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a.5 Net Sales of NSD Certificates

(Taka in crore)

	Sales	Repayment	Net Sale	Outstanding at the end of period
2008-09	16035.28	12401.96	3633.32	49790.79
2009-10 ^P	25553.69	13963.05	11590.64	61381.42
Growth	-6.73%	+5.83%	-39.68%	+5.77%
2010-11				
December	1407.92	1506.59	-98.67	63351.15
July-December	9138.41	7169.69	1969.72	63351.15
Growth over July-Dec. FY10	(-23.52%)	(6.73%)	(-62.36%)	(15.14%)

Source: National Savings Directorate.

- Up to December of FY11, the growth rate in net sale is 15.14 percent compared to the same period of the previous fiscal year.

A. MONETARY SECTOR

b.1 Monetary and credit development

(Taka in crore)

	Outstanding Stock at the end of period				
	2008-09	2009-10 ^P	Growth (%)	2010-11 December ^P	Growth(%) over December, FY10
Net Foreign Asset	47964.50	67066.90	41.31	70638.70	14.16
Net Domestic Asset	248535.40	295964.30	18.84	328640.30	23.40
Domestic credit	288552.30	340176.00	17.89	382362.90	24.36
Public Sector	70624.90	69415.30	-1.71	71439.20	12.02
Govt. (net)	58185.20	54392.30	-6.52	52459.30	7.50
Other Public Sector	12439.70	15023.00	20.77	18979.90	26.78
Private Sector	217927.40	270760.70	24.24	310923.70	27.58
Broad Money	296499.90	363031.20	22.44	399279.00	21.66

Source: Bangladesh Bank. p. Provisional

- At the end of December FY11, broad money growth stands to 21.66 percent.
- Growth in Net Foreign Asset is 14.16 percent.
- Share of Net Foreign Asset in M₂ is 17.69 percent.
- Growth in Govt. (net) (7.50%)
- Growth in private sector credit is 27.58 percent.

b.2 Reserve money and money multiplier

	Outstanding Stock at the end of period				
	2008-09	2009-10	Change	2010-11 (December ^P)	Change over December '09
Reserve money	69390.10	80510.30	41.53%	85903.30	1176.30 (1.76%)
Reserve Money multiplier	4.27	4.51	0.24	4.65	0.38

Source: Bangladesh Bank.

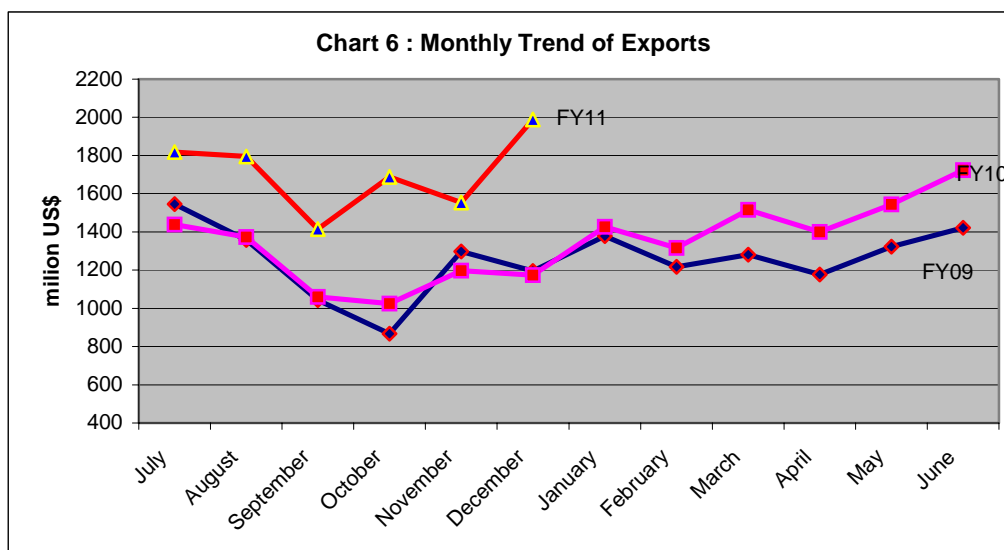
B. EXTERNAL SECTOR

c.1 Export

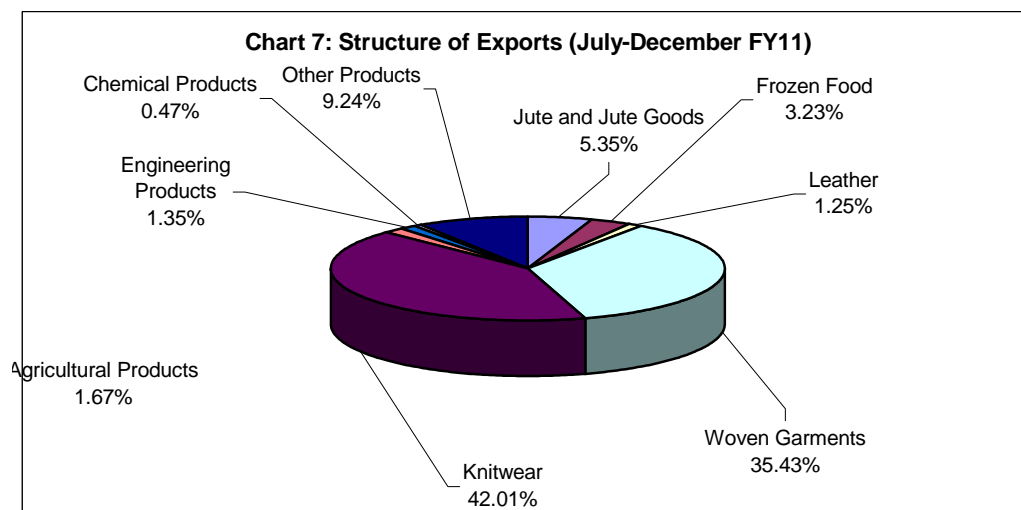
(In million US\$)

	2008-09	2009-10	2010-11 ^P	
			December	July-December
Export	15565.19	16204.65	1988.35	10263.64
Growth (%)	10.31	4.11	67.76	41.0

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



c.1.1 Structure of Exports



- Up to December of FY11, export earnings increased by 41 percent. This growth mainly contributed by Knitwear (43.39%), Woven Garments (40.79%), Frozen food (52.92%), Leather (31.27%), Raw Jute & Jute goods (58.33%), Footwear (49.29%) and other manufacturing goods (29.58%).
- While exports of Engineering Products (-8.73%), chemical Products (-19.6%), Tea (-68.41%) have declined significantly comparing the same period of FY10.

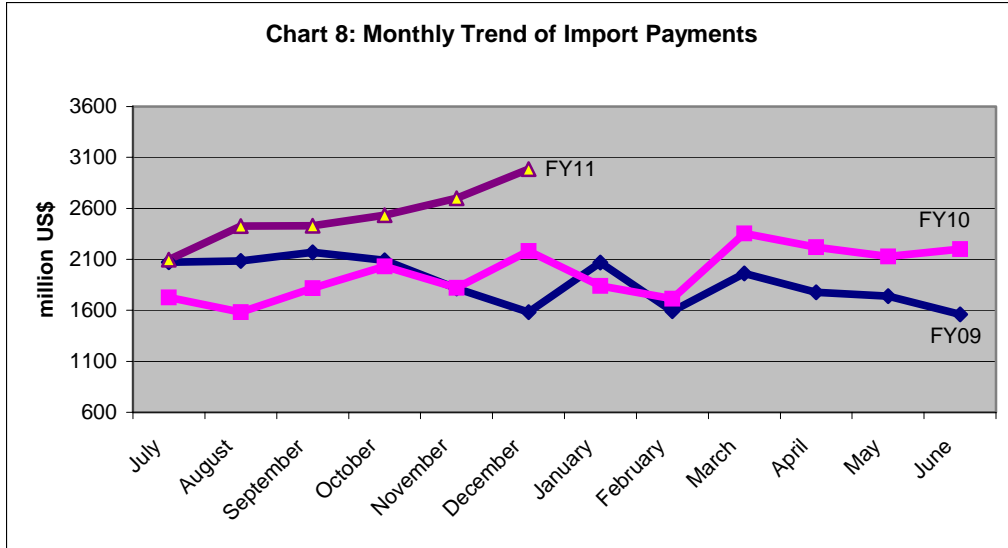
c.2 Imports (c&f)

(In million US\$)

	2008-09	2009-10	2010-11 ^P	
			December	July-December
Import payments	22507.10	23738.40	2984.50	15238.20
Growth (%)	4.06	5.47	36.87	36.57
LCs Opened	21802.74	28656.96	3310.96	19323.57
Growth (%)	-10.77	31.44	62.79	46.45
LCs Settled	21444.35	22969.10	2849.61	15001.20
Growth (%)	5.26	7.11	33.07	39.97

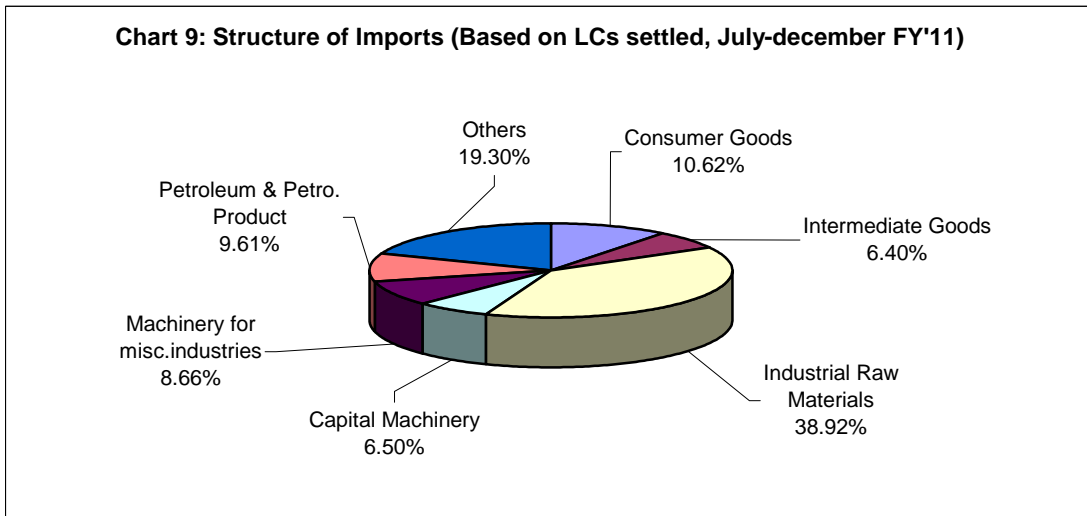
Source: Bangladesh Bank.

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



- In 2009-10, import payments increased by 5.5 percent compared to the previous fiscal year.
- However, up to December FY11, import payment increased by 36.57 percent compared to same period of FY10.

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



Up to December FY11, import of consumer goods recorded an increase of 26 percent over the same period of previous fiscal. In the similar period-

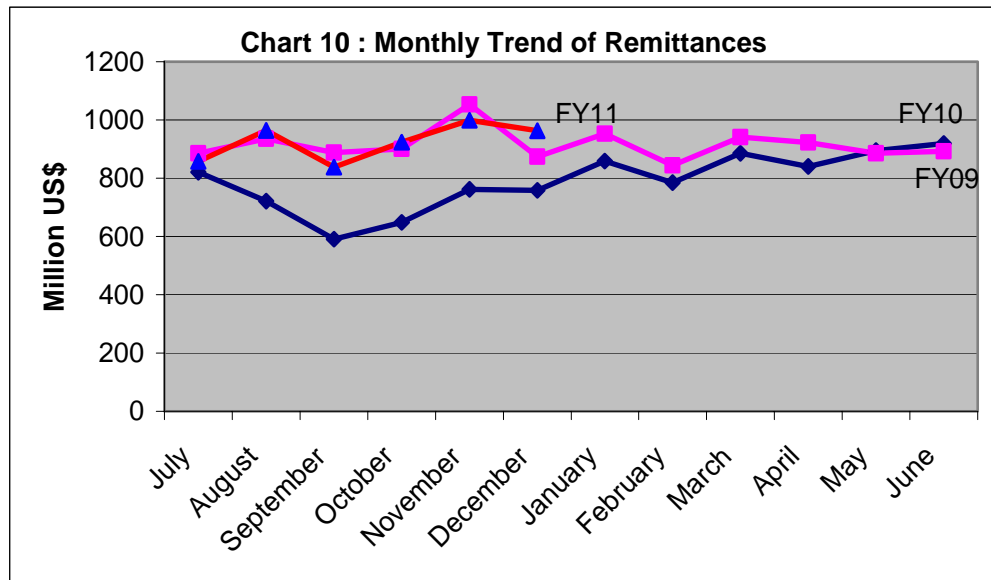
- ✓ Import of intermediate goods increased by 0.03 percent.
- ✓ Import of industrial raw materials increased by 45.6 percent.
- ✓ Import of capital machinery increased by 34.9 percent and machinery for misc. industry increased by 30.6 percent.

c.3 Remittances

(In million US\$)

	2008-09	2009-10	2010-11 ^P	
			December	July- December
Remittances	9689.26	10987.40	963.53	5544.96
Growth (%)	22.42	13.40	10.3	0.21
As % of GDP	10.82	11.06	-	-
As % of Export	62.25	67.65	48.5	54.0

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

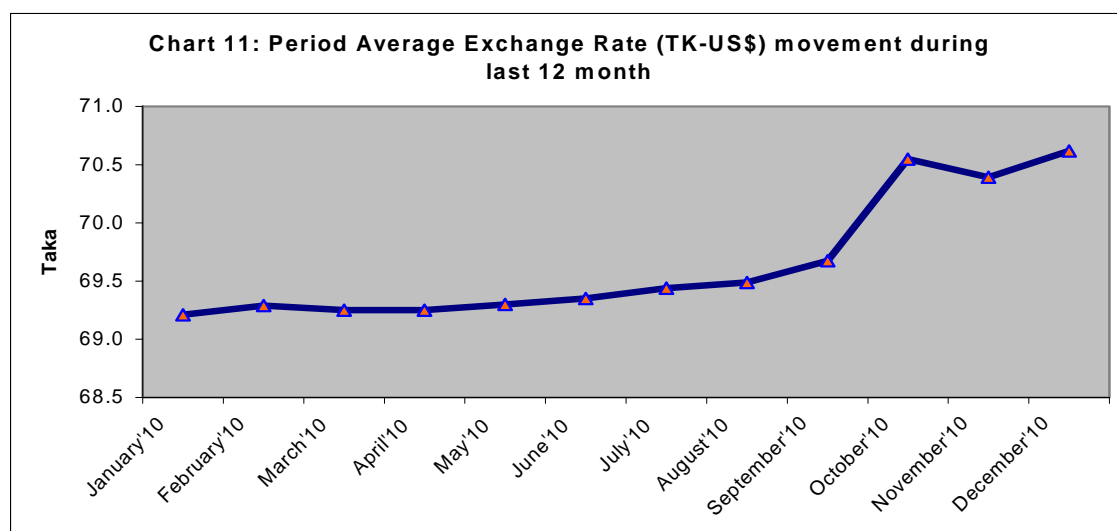


- In FY10 remittances inflow records a moderate growth of 13.4 percent.
- In FY10 remittances as percent of GDP and Export were 11.06 percent and 67.65 percent respectively which are relatively higher than previous fiscal year.
- Up to December FY11, remittances inflow recorded a growth of 0.21 percent compared to the same period of FY10. However, it is lower by 3.5 percent in December in comparison to November '10.

c.4 Exchange Rate Movement

	Average	End of the period
2007-08	68.60	68.52
2008-09	68.80	69.06
2009-10	69.18	69.445
2010-11		
July	69.4370	69.4100
August	69.4886	69.5850
September	69.6744	70.2150
October	70.5474	70.7850
November	70.3913	70.3670
December	70.6170	70.7450

Source: Bangladesh Bank



- Taka depreciated by 1.84 percent as of end December FY11 against US dollar over end of June FY'10.

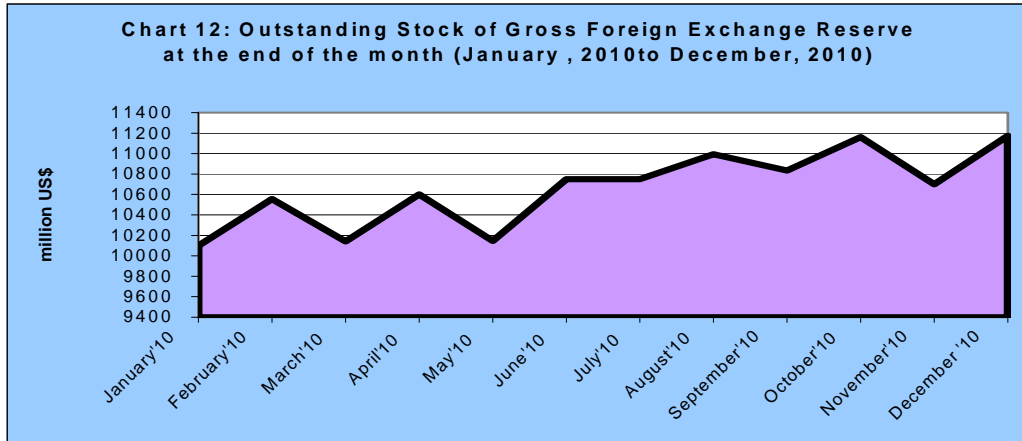
c.5 Foreign Exchange Reserve

(In million US\$)

	2008-09	2009-10	As on end of December'10
Reserve	7470.96	10749.74	11174.35
In month of import payment	3.98	4.5	4.8

Source: Bangladesh Bank.

- On the basis of import payment during January 2010 to December 2010, the foreign exchange reserve is equivalent to 4.8 months import payments.

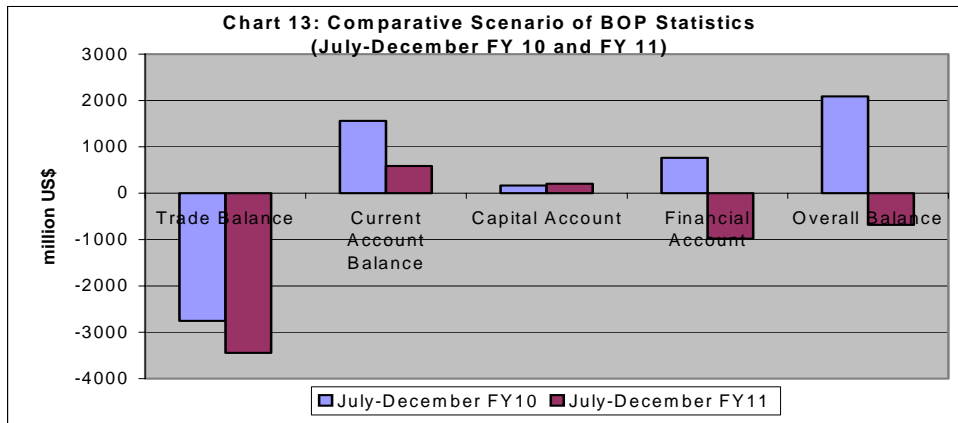


c.6 Balance of Payments

(In million US\$)

	2008-09 ^R	2009-10 ^P (July-June)	2009-10 ^P (July-Dec.)	2010-11 ^P (July-Dec.)
Trade Balance	-4710	-5152	-2753	-3447
Current Account Balance	2416	3734	1562	592
Capital Account	451	442	167	204
Financial Account	-825	-755	763	-978
Overall Balance	2058	2865	2091	-686

Source: Bangladesh Bank. p- provisional



- In FY10, Current Account Balance recorded a surplus of US\$ 3734 million, which was US\$ 2416 million in the same period of the previous fiscal year.
- Current account balance records a surplus of 592 million US\$ during July-December of FY 11, which was 2091 million US\$ in the same period of the previous fiscal year.

A. REAL SECTOR

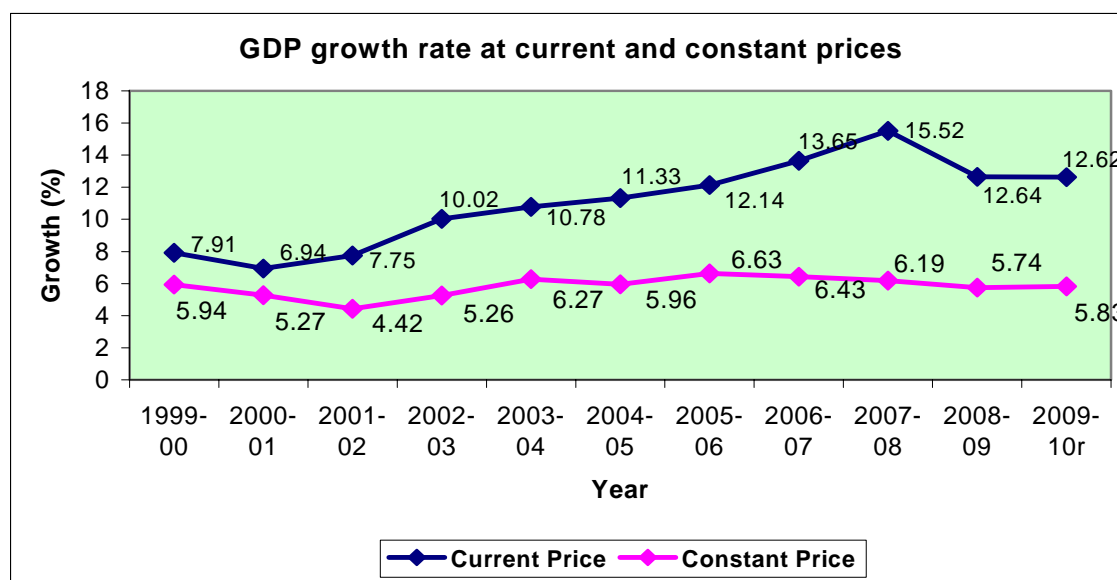
d.1 Gross Domestic Product

(Taka in Crore)

	2005-06	2006-07	2007-08	2008-09	2009-10 ^r
GDP at constant prices	284673	302971	321726	340197	360047
Growth (%)	6.63	6.43	6.19	5.74	5.83
Agriculture	4.94	4.56	3.20	4.12	4.67
Industry	9.74	8.38	6.78	6.46	6.01
Service	6.40	6.92	6.49	6.32	6.38
GDP at current prices	415728	472477	545822	614795	692380
Growth (%)	12.14	13.65	15.52	12.60	12.62
GNI at current prices	442935	507752	594212	670696	758684
Per capita GDP (Tk.)	29955	33607	38330	42628	47405
Per capita GNI (Tk.)	31915	36116	41728	46504	51945
Per capita GDP (US\$)	447	487	559	620	685
Per capita GNI (US\$)	476	523	608	676	751

Source: Bangladesh Bureau of Statistics. r- Revised.

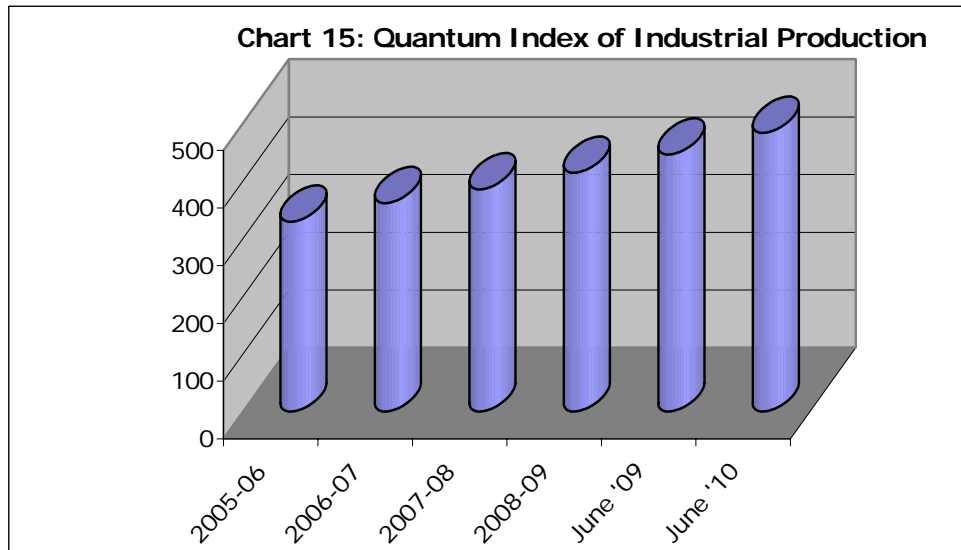
- Real GDP growth in FY10 was 5.83 percent of which
 - Growth in Agriculture as per revised was 4.67 percent
 - Growth in Industry is estimated 6.01 percent
 - Service sector growth is estimated at 6.38 percent.
- Per capita GDP in FY10 exceeded US\$ 650 mark and reached to US\$ 685.



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

FY	Index	Growth Rate
2006-07	360.33	9.74
2007-08	384.82	6.80
2008-09	413.42	6.97
June 2009	445.12	-
June 2010 ^P	482.66	8.43

Source: BBS

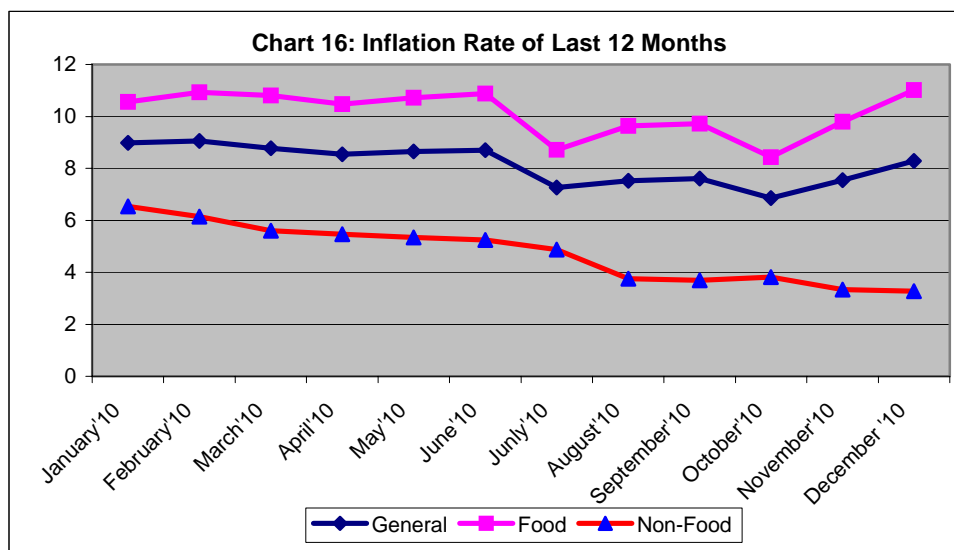


- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) was 6.80 percent in FY 08 which was 9.74 percent in FY 07.
- In FY 09, the average index is 413.42 which was 6.97 percent higher compared to FY 08.
- In June 2010, the average index was 482.66 which was 8.43 percent higher compared to June 2009.

d.3 Consumer Price Index and Inflation (National)

FY	CPI (General)	Point to Point Inflation		
		National	Food	Non-Food
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	221.53	7.31	8.53	5.45
2010-11				
July	229.55	7.26	8.72	4.87
August	233.31	7.52	9.64	3.76
September	236.53	7.61	9.72	3.69
October	238.68	6.86	8.43	3.82
November	238.89	7.54	9.80	3.33
December	240.75	8.28	11.01	3.27
January				
February				

Source: Bangladesh Bureau of Statistics.



- 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 June FY10, the rate of inflation on point-to-point basis stood at 8.7 percent. However, the average inflation rate in FY10 was 7.3 percent. The food and non-food inflation at the end of June '10 were 10.88 percent and 5.24 percent respectively.
- In December of FY11, the rate of inflation (national) on point-to-point basis was 8.28 percent. Of which, food and non-food inflations were 11.01 percent and 3.27 percent respectively (Table d3 above).