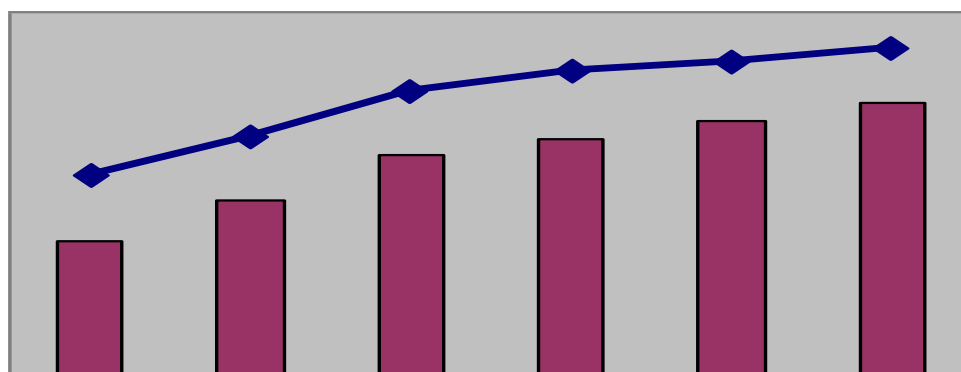


# MONTHLY FISCAL-MACRO UPDATE

January, 2012



**Prepared by:**  
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**Ministry of Finance**

Issue-05, Year: 2012

As on February 20, 2012

**A. FISCAL SECTOR**

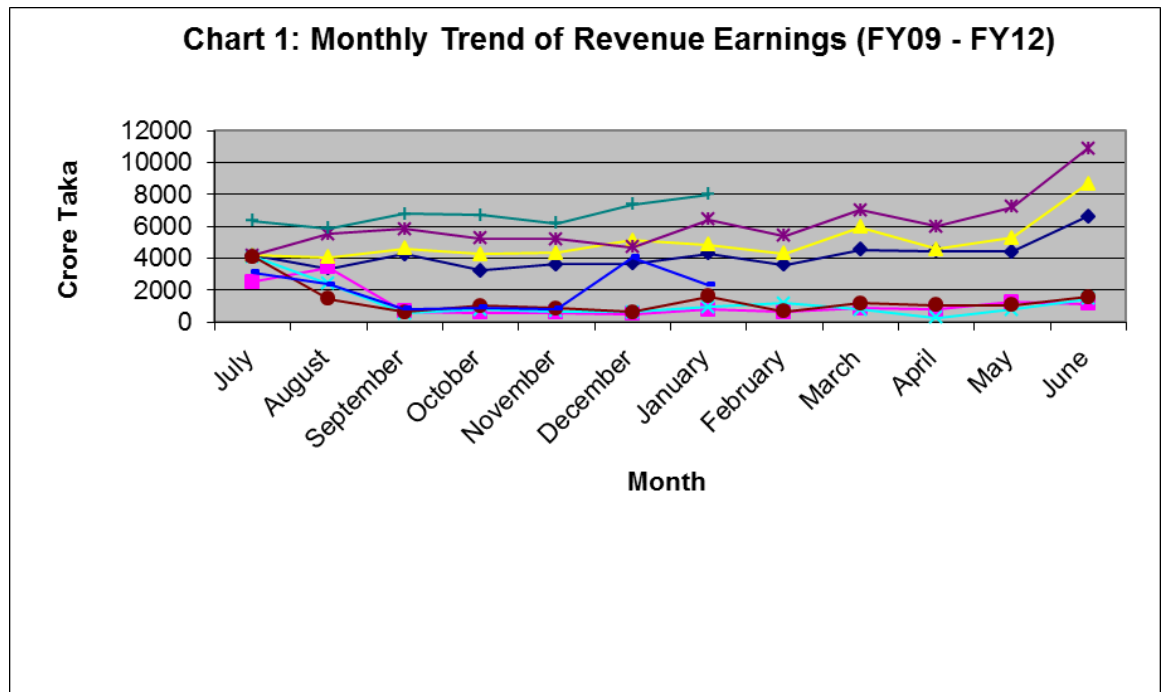
**a.1 Revenue Earnings**

(Taka in crore)

| Fiscal Year                        | Tax Revenue |          | Non-Tax Revenue | Total Revenue |
|------------------------------------|-------------|----------|-----------------|---------------|
|                                    | NBR         | Non-NBR  |                 |               |
| 2009-10                            | 59396       | 2743     | 13420           | 75559         |
| 2010-11                            | 76322       | 3229     | 11767           | 91318         |
| Growth (%)                         | 28.5        | 17.72    | -12.32          | 20.86         |
| 2011-12                            |             |          |                 |               |
| January                            | 8027        | 338      | 1962            | 10327         |
| July- January                      | 47365       | 1955     | 12579           | 61899         |
| (Growth over July- January FY '12) | (19.01%)    | (13.39%) | (61.84%)        | (25.57%)      |

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

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



- In FY2011-12 (Jul-Jan) growth of total revenue was 25.57 percent.
- NBR Tax revenue growth was 19.01 percent.
- Non-NBR Tax revenue increased by 13.39 percent
- Non-Tax revenue increased by 61.84 percent.

## a.2 Grants

(Taka in crore)

| 2009-10 | 2010-11 | Growth (%) | 2011-12 |               |                                     |
|---------|---------|------------|---------|---------------|-------------------------------------|
|         |         |            | January | July- January | Growth over July- January FY 12 (%) |
| 3217.5  | 1224.8  | 61.93      | 521.6   | 1362.6        | -                                   |

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

## a.3 Government Expenditure

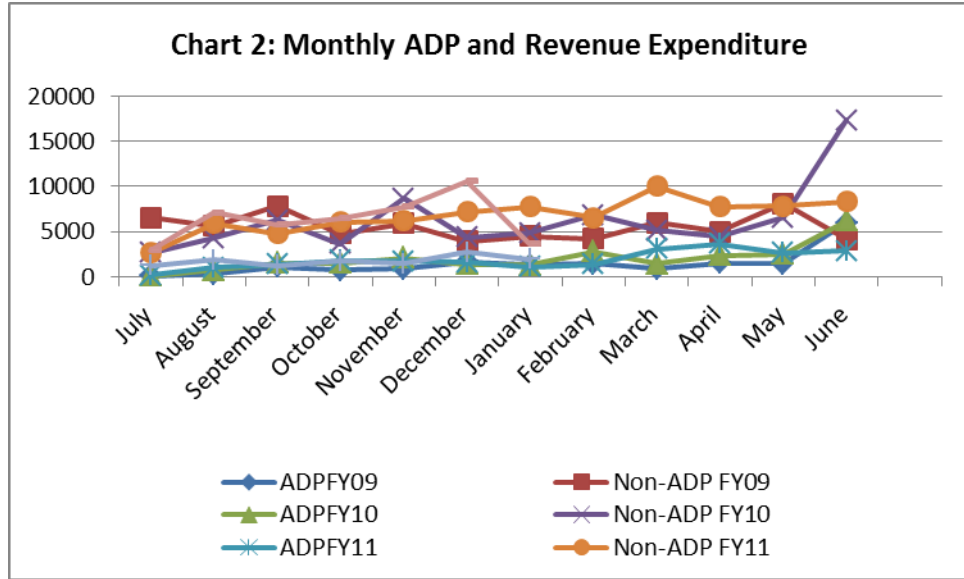
(Taka in crore)

|  | 2009-10  | 2010-11  | Growth (%) | 2011-12 |                  |
|--|----------|----------|------------|---------|------------------|
|  |          |          |            | January | July- January    |
| 1. Non-Development                               | 73164.4  | 81372.0  | 11.22      | 3664.2  | 44824.8 (8.9%)   |
| Interest   | 14868    | 15151.9  | 1.91       | 1667.7  | 9957.5 (20.18%)  |
| Domestic   | 13497    | 13729.0  | 1.72       | 2194.0  | 9977.4 (28.19%)  |
| Foreign  | 1371     | 1422.9   | 3.79       | 119.7   | 680.1 (34.30%)   |
| Subsidies & Current Transfer                     | 26964    | 31081.6  | 15.27      | 2204.2  | 17135.6 (14.76%) |
| 2. ADP   | 28113.9  | 33001.3  | 17.38      | 1968.0  | 12525.2 (18.64%) |
| 3. Development Program Financed from Rev. Budget | 802.09   | 835.5    | 4.17       | 52.9    | 140.0 (60.37%)   |
| 4. Non-ADP FFW                                   | 927.9    | 4200.0   | 352.63     | 46.1    | 73.2 (169.18%)   |
| 5. Net Outlay on Food A/C                        | -849.9   | 5026.4   | 417.55     | 169.9   | 4541.5 (3.89%)   |
| 6. Loans & Advances                              | 931.3    | 7329.3   | 686.97     | -129.5  | 5783.1 (-2.21%)  |
| Total**  | 101604.0 | 124794.0 | 21.52      | 8820.6  | 72288.2 (16.48%) |

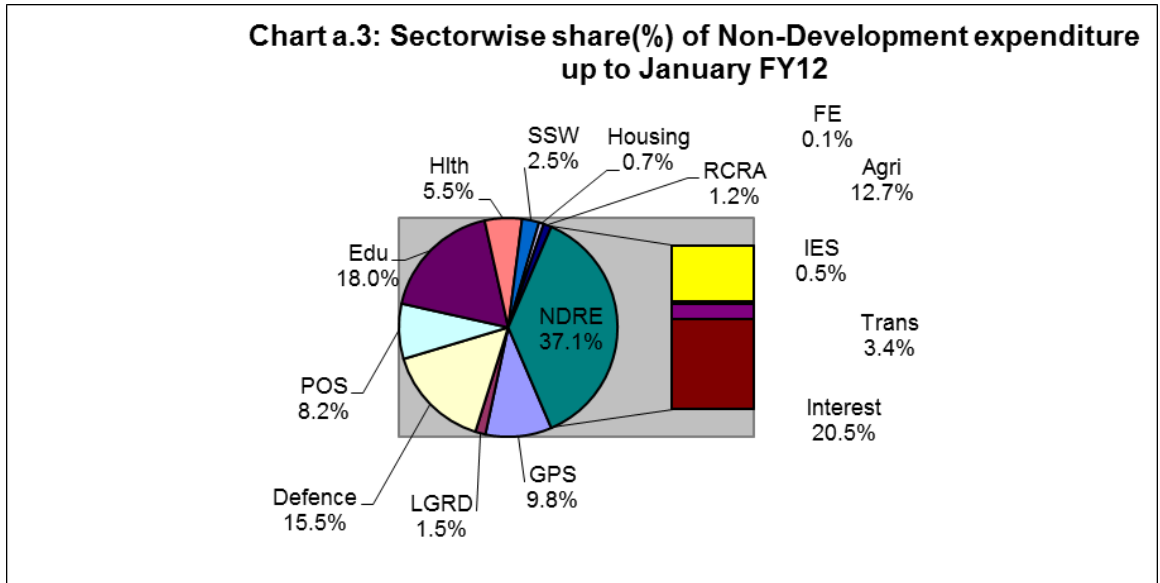
Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. Figures in parentheses indicate growth over July, FY 10. \*\* excludes non-ADP projects, structural adjustment

Up to January FY 12,

- Total expenditure records a growth (growth: 16.48%), of which
  - Subsidies and transfer (growth: 14.76 %)
  - Interest payments (growth: 20.18%).



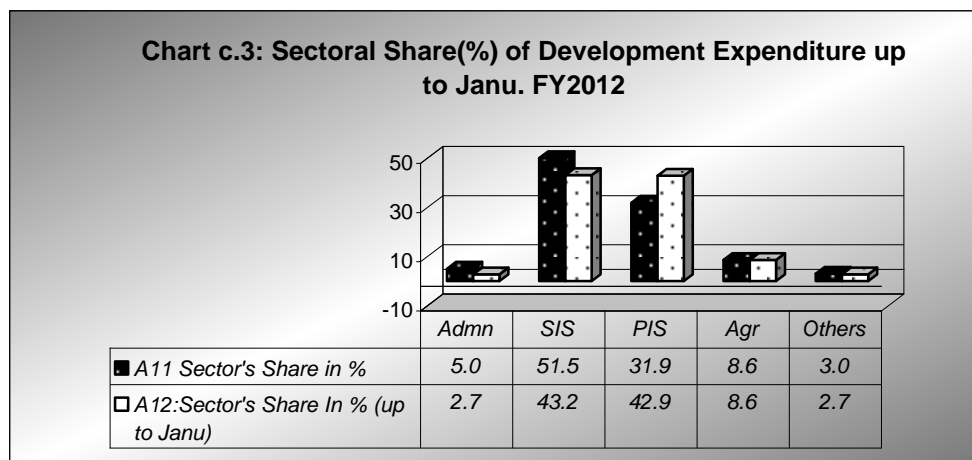
**a.3.1 Structure of Revenue Expenditure**



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 (20.5%) followed by Education (18.0%), Defence (15.5%) and General Agriculture (12.7%)

### 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 January FY12 highest shares are in Social Infrastructure (51.5%) and next highest expenditure is in Physical Infrastructure (31.9%).

### a.4 Budget Balance

(Taka in crore)

|                 | Overall Balance | Overall Balance as % of GDP |
|-----------------|-----------------|-----------------------------|
| 2009-10         | -25699.5        | -3.60                       |
| 2010-11         | -33475.6        | -3.28                       |
| 2011-12         |                 |                             |
| January *       | -2046           | 0.23                        |
| Up to January * | -8889.9         | -0.99                       |

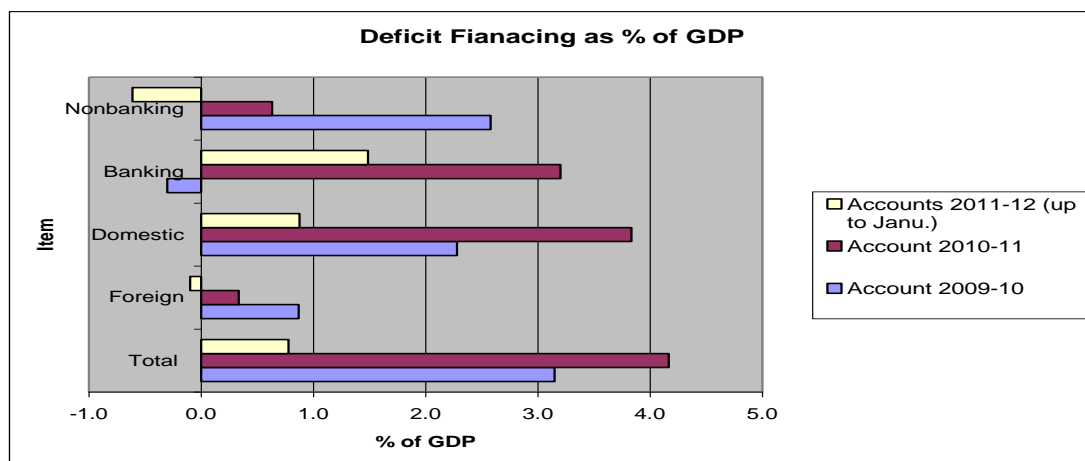
Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. \* excluding grants

### a.5 Deficit Financing

(Taka in crore)

|                 | External (net) | Domestic |          | Total Financing | Financing as % of GDP |
|-----------------|----------------|----------|----------|-----------------|-----------------------|
|                 |                | Bank     | Non-Bank |                 |                       |
| 2009-10         | 6035.6         | -2092.5  | 17911.7  | 21854.8         | -4.70                 |
| 2010-11         | 2232.5         | 25210.2  | 3570.6   | 31013.2         | -3.29                 |
| 2011-12         |                |          |          |                 |                       |
| January *       | 312.8          | -2143.6  | -215.2   | -2046.0         | 0.09                  |
| July- January * | -880.0         | 13377.0  | -5499.4  | 6997.5          | -0.21                 |

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



### a.6 Net Sales of NSD Certificates

(Taka in crore)

|                                | Sales    | Repayment | Net Sale | Outstanding at the end of period |
|--------------------------------|----------|-----------|----------|----------------------------------|
| 2009-10                        | 25553.69 | 13963.06  | 11590.63 | 61381.42                         |
| 20010-11                       | 17232.03 | 15175.13  | 2056.90  | 63438.32                         |
| Growth                         | -33.17   | 8.68      | -82.25   | 3.35                             |
| 2011-12                        |          |           |          |                                  |
| January                        | 1447.75  | 1667.68   | -219.93  | 63552.47                         |
| July- January                  | 9457.24  | 9343.09   | 114.15   | 63552.47                         |
| Growth over July- January FY11 | (-13.69) | (+7.90)   | (-95.03) | (-0.20)                          |

Source: National Savings Directorate.

- Up to January of FY12, net sale was decreased by 95.03 percent than that of the previous fiscal year.

## B. MONETARY SECTOR

### b.1 Monetary and credit development

(Taka in crore)

|                    | Outstanding Stock at the end of period |           |            |                              |                                    |
|--------------------|--|-----------|------------|------------------------------|------------------------------------|
|                    | 2009-10                                | 2010-11   | Growth (%) | 2011-12 <sup>P</sup> January | Growth(%) over July- January, FY12 |
| Net Foreign Asset  | 67073.70                               | 70620.00  | 5.29       | 69696.00                     | -924.00 (-1.31%)                   |
| Net Domestic Asset | 295957.50                              | 369899.90 | 24.98      | 404007.60                    | 34107.70 (9.22%)                   |

*MONTHLY FISCAL-MACRO UPDATE*

|                     |           |           |       |           |                      |
|---------------------|-----------|-----------|-------|-----------|----------------------|
| Domestic credit     | 340213.70 | 433525.90 | 27.43 | 481798.60 | 93312.20<br>(27.43%) |
| Public Sector       | 69453.00  | 92813.20  | 33.63 | 106943.00 | 23360.20<br>(33.63%) |
| Govt. (net)         | 54392.30  | 73436.10  | 35.01 | 89019.10  | 19043.80<br>(35.01%) |
| Other Public Sector | 15060.70  | 193.77.10 | 28.66 | 17923.90  | 4316.40<br>(28.66%)  |
| Private Sector      | 270760.70 | 340712.90 | 25.84 | 374855.60 | 69952.00<br>(25.84%) |
| Broad Money         | 363031.20 | 440519.90 | 21.34 | 473703.60 | 77488.70<br>(21.34%) |

Source: Bangladesh Bank. p. Provisional

- At the end of January FY12, broad money growth stands to 21.34 percent.
- Growth in Net Foreign Asset is -1.31 percent.
- Growth in Govt. (net) 35.01 percent
- Growth in private sector credit is 25.84 percent.

## **b.2 Reserve money and money multiplier**

|                          | Outstanding Stock at the end of period |          |         |                                    |                                     |
|--------------------------|--|----------|---------|------------------------------------|-------------------------------------|
|                          | 2009-10                                | 2010-11  | Change  | 2011-12<br>(January <sup>p</sup> ) | Change over<br>July- January<br>'12 |
| Reserve money            | 80510.30                               | 97500.90 | 16990.6 | 98026.40                           | 16990.60                            |
| Reserve Money multiplier | 4.51                                   | 4.52     | 0.01    | <b>4.83</b>                        | <b>0.01</b>                         |

Source: Bangladesh Bank.

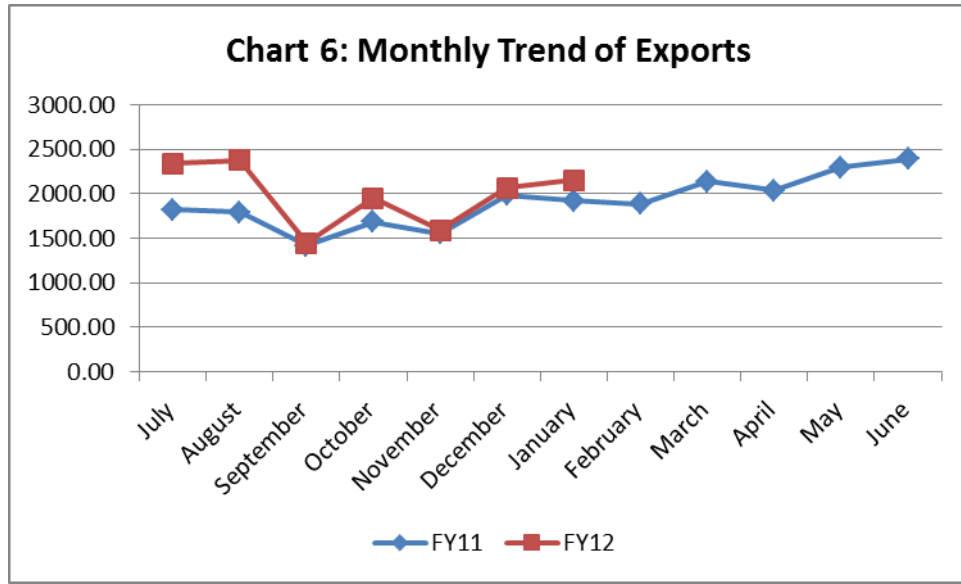
## **C. EXTERNAL SECTOR**

### **c.1 Export**

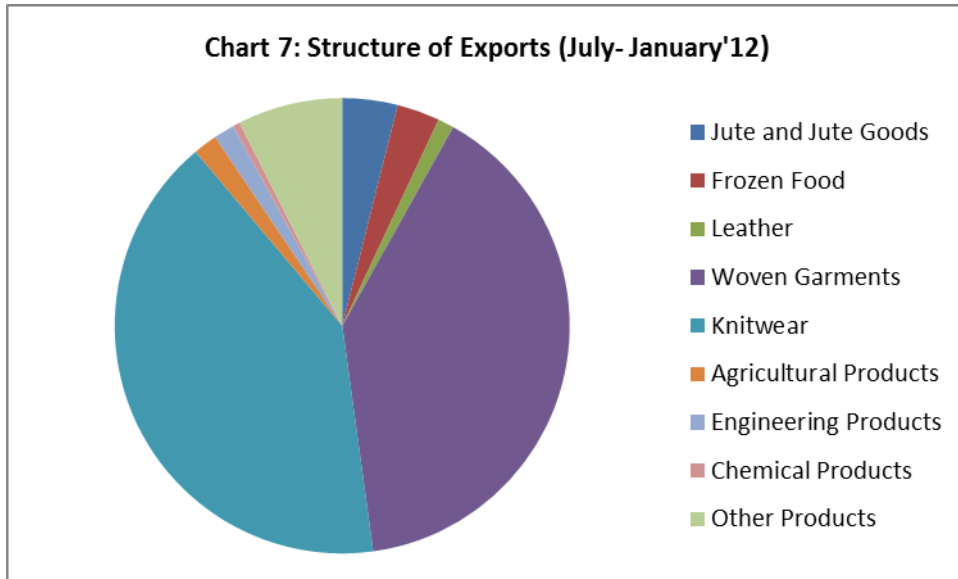
(In million US\$)

|            | 2009-10  | 2010-11  | 2011-12 |              |
|------------|----------|----------|---------|--------------|
|            |          |          | January | July-January |
| Export     | 16204.65 | 22924.38 | 2149.87 | 13924.47     |
| Growth (%) | 3.95     | 41.47    | 11.94   | 14.28        |

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



**c.1.1 Structure of Exports**



- Up to January of FY12, export earnings increased by 11.94 percent over the same period of previous year.



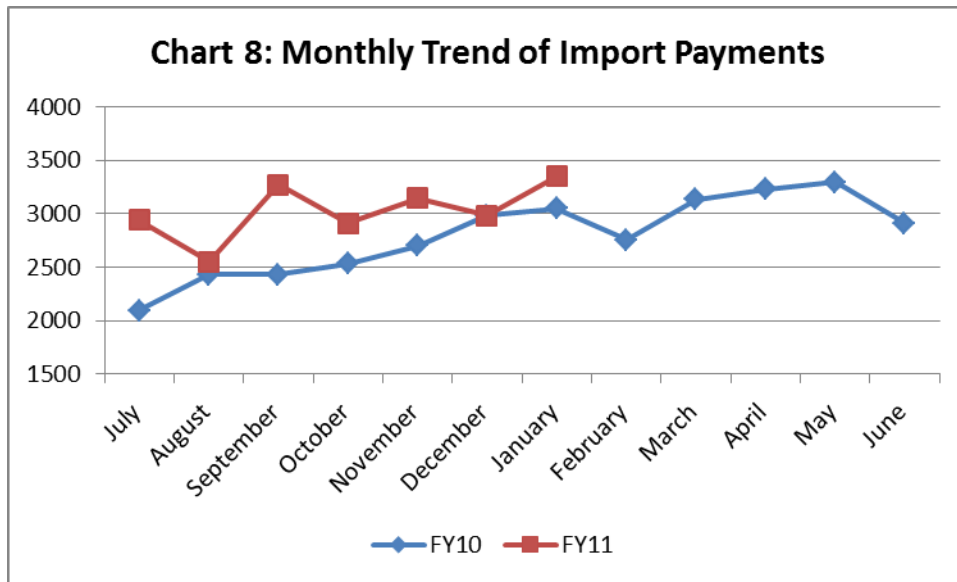
**c.2 Imports (c & f)**

(In million US\$)

|                 | 2009-10  | 2010-11  | 2011-12 |               |
|-----------------|----------|----------|---------|---------------|
|                 |          |          | January | July- January |
| Import payments | 23738.40 | 33657.50 | 3346.00 | 21142.90      |
| Growth (%)      | 5.47     | 41.79    | 9.8     | 15.62         |
| LCs Opened      | 28783.40 | 38581.12 | 2928.15 | 21135.26      |
| Growth (%)      | 32.01    | 34.04    | -21.69  | -8.33         |
| LCs Settled     | 23053.10 | 31952.18 | 3088.71 | 20517.61      |
| Growth (%)      | 7.50     | 38.60    | 1.03    | 13.63         |

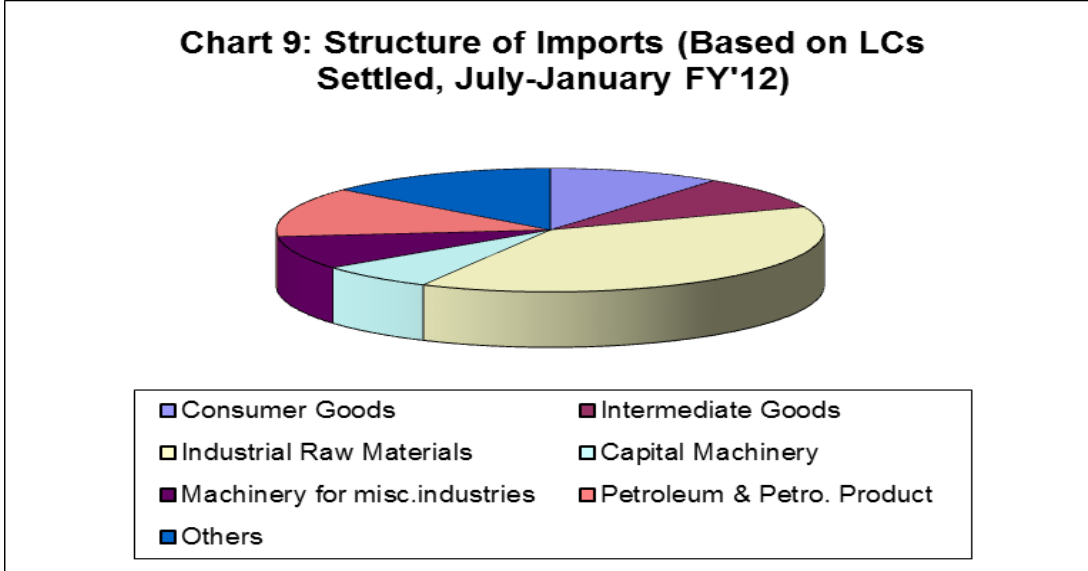
Source: Bangladesh Bank.

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



- In FY 11, import payments increased by 41.79 percent compared to the previous fiscal year.
- However, up to January FY 12, import payment increased by 9.8 percent, LCs opened decreased by 21.69 percent and LCs settled increased by 1.03 percent compared to the same month of FY 11.s

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

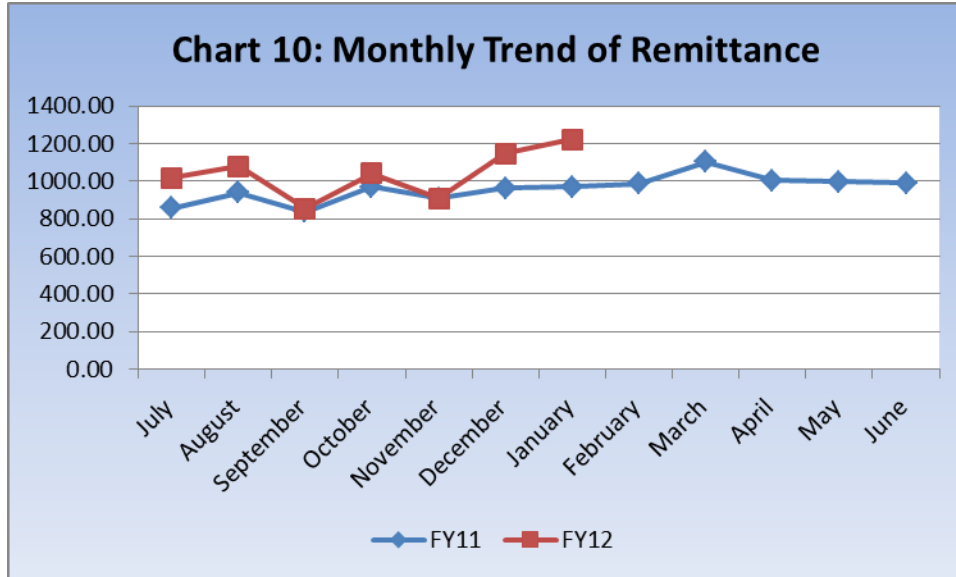


**c.3 Remittances**

(In million US\$)

|                | 2008-09 | 2009-10  | 2010-11  | 2011-12 |               |
|----------------|---------|----------|----------|---------|---------------|
|                |         |          |          | January | July- January |
| Remittances    | 9689.26 | 10987.40 | 11650.32 | 1221.41 | 7289.71       |
| Growth (%)     | 22.42   | 13.40    | 6.03     | 25.89   | 11.79         |
| As % of GDP    | 10.82   | 11.06    | 11.72    | 2.53    | 15.15         |
| As % of Export | 62.25   | 67.80    | 50.82    | 56.81   | 52.35         |

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

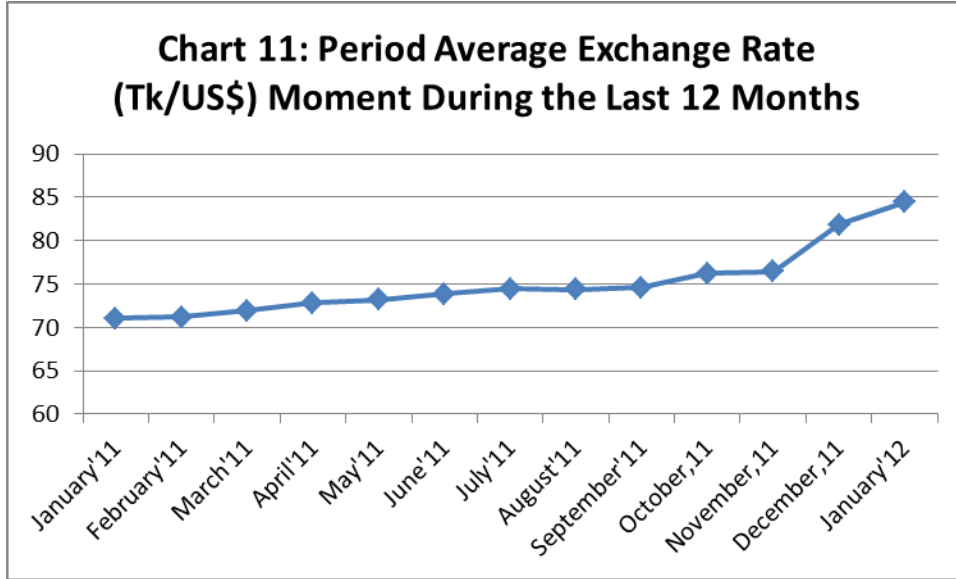


- In FY2010-11 remittances inflow records a moderate growth of 6.03 percent.
- In FY11 remittances as percent of GDP and Export were 11.72 percent and 50.82 percent respectively which are relatively higher than previous fiscal year.
- Up to January FY12, remittances inflow recorded a growth of 11.79 percent compared to the same period of FY11.

#### 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   | 73.88   | 74.15             |
| 2011-2012 |         |                   |
| July      | 74.48   | 74.71             |
| August    | 74.41   | 73.62             |
| September | 74.57   | 75.23             |
| October   | 75.72   | 76.20             |
| November  | 75.14   | 76.48             |
| December  | 79.67   | 81.85             |
| January   | 83.42   | 84.44             |

Source: Bangladesh Bank



- Exchange rate of Taka per US\$ increased to Tk. 84.44 at the end of January, 2012 from Tk.74.48 at the end of July, 2011. Taka depreciated by 13.37 percent as of end January, 2012 over end July, 2011.

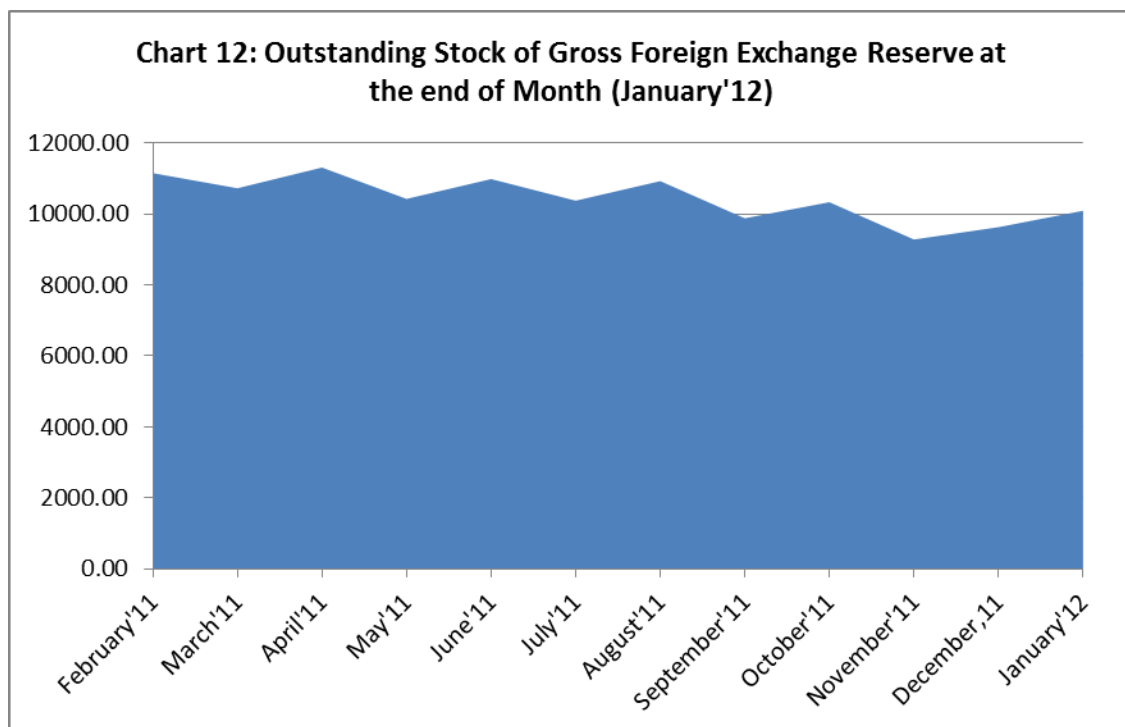
### c.5 Foreign Exchange Reserve

(In million US\$)

|                            | 2009-10  | 2010-11  | As on end of January '12 |
|----------------------------|----------|----------|--------------------------|
| Reserve                    | 10749.74 | 10911.55 | 10097.84                 |
| In month of import payment | 4.5      | 3.89     | 3.01                     |

Source: Bangladesh Bank.

- The gross foreign exchange balances held abroad by commercial banks stood at US\$ 10097.84 million by end January, 2012 against US\$9634.85 million by end December, 2011.
- On the basis of average import payment during July 2011 to January 2012, the foreign exchange reserve is equivalent to 3.01 months import payments.

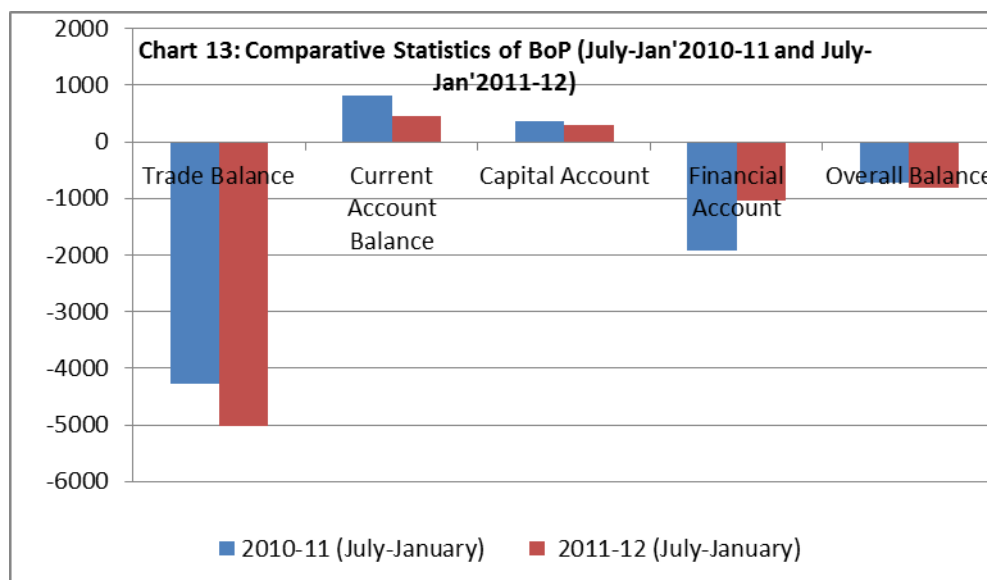


### c.6 Balance of Payments

(In million US\$)

|                         | 2009-10 | 2010-11 | 2010-11<br>(July-January) | 2011-12 <sup>P</sup> (July-<br>January) |
|-------------------------|---------|---------|---------------------------|---|
| Trade Balance           | -5155   | -7328   | -4269                     | -5029                                   |
| Current Account Balance | 3724    | 995     | 815                       | 462                                     |
| Capital Account         | 512     | 600     | 361                       | 290                                     |
| Financial Account       | -651    | -1584   | -1914                     | -1038                                   |
| Overall Balance         | 2865    | -925    | -711                      | -813                                    |

Source: Bangladesh Bank. p- provisional



- In FY11, Current Account Balance had a surplus of US 995million, which was US\$ 3724 million in the same period of the previous fiscal year.
- Current account balance records a surplus of 462 million US\$ during July-January of FY12, which was 815 million US\$ in the same period of the previous fiscal year.

## D. REAL SECTOR

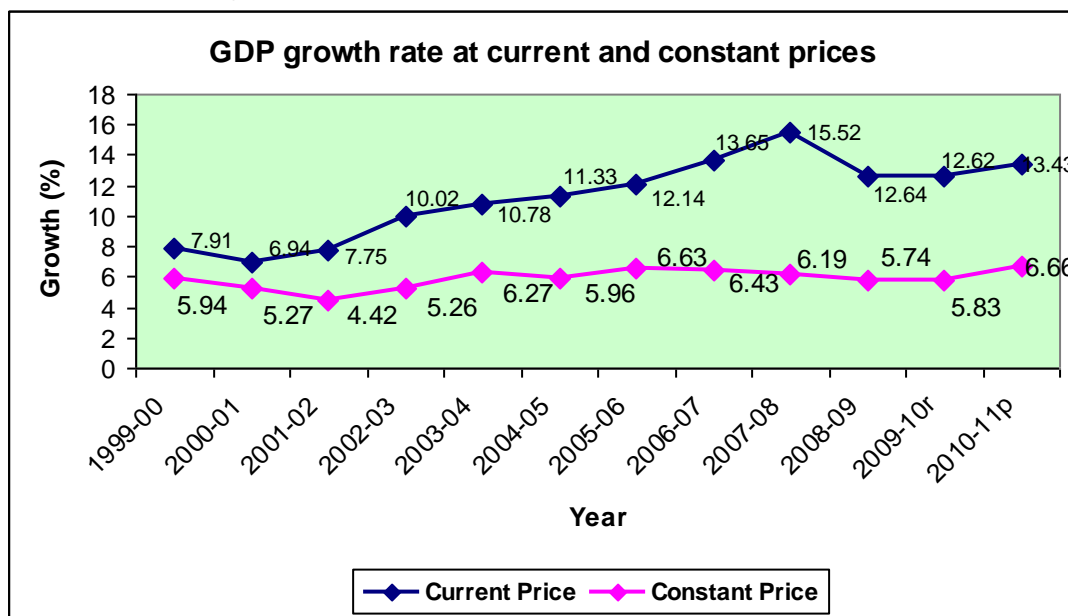
### d.1 Gross Domestic Product

(Taka in Crore )

|                        | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 <sup>P</sup> |
|------------------------|---------|---------|---------|---------|----------------------|
| GDP at constant prices | 302971  | 321726  | 340197  | 360047  | 384885               |
| Growth (%)             | 6.43    | 6.19    | 5.74    | 5.83    | 6.66                 |
| Agriculture            | 4.56    | 3.20    | 4.12    | 4.67    | 4.96                 |
| Industry               | 8.38    | 6.78    | 6.46    | 6.01    | 8.16                 |
| Service                | 6.92    | 6.49    | 6.32    | 6.38    | 6.63                 |
| GDP at current prices  | 472477  | 545822  | 614795  | 692380  | 787495               |
| Growth (%)             | 13.65   | 15.52   | 12.60   | 12.62   | 13.42                |
| GNI at current prices  | 507752  | 594212  | 670696  | 758684  | 852822               |
| Per capita GDP (Tk.)   | 33607   | 38330   | 42628   | 47405   | 53236                |
| Per capita GNI (Tk.)   | 36116   | 41728   | 46504   | 51945   | 57652                |
| Per capita GDP (US\$)  | 487     | 559     | 620     | 685     | 755                  |
| Per capita GNI (US\$)  | 523     | 608     | 676     | 751     | 818                  |

Source: Bangladesh Bureau of Statistics. R- Revised.

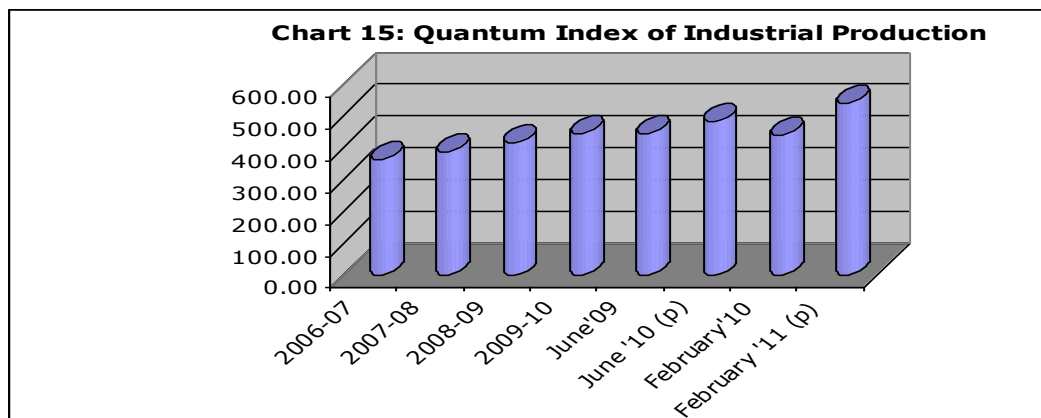
- Real GDP growth in FY2010-11 was 6.66 percent of which
  - Growth in Agriculture as per revised was 4.96 percent
  - Growth in Industry is estimated 8.16 percent
  - Service sector growth is estimated at 6.63 percent.
- Per capita GDP in FY2010-11 exceeded US\$ 750 mark and reached to US\$ 755.



### 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                  | 386.48 | 7.27        |
| 2008-09                  | 413.42 | 6.97        |
| 2009-10                  | 442.12 | 6.94        |
| 2010-2011 <sup>P</sup>   |        |             |
| October '10              | 461.10 | -           |
| October '11 <sup>P</sup> | 533.23 | -           |

Source: BBS ; R:Revised ; P:Provisional



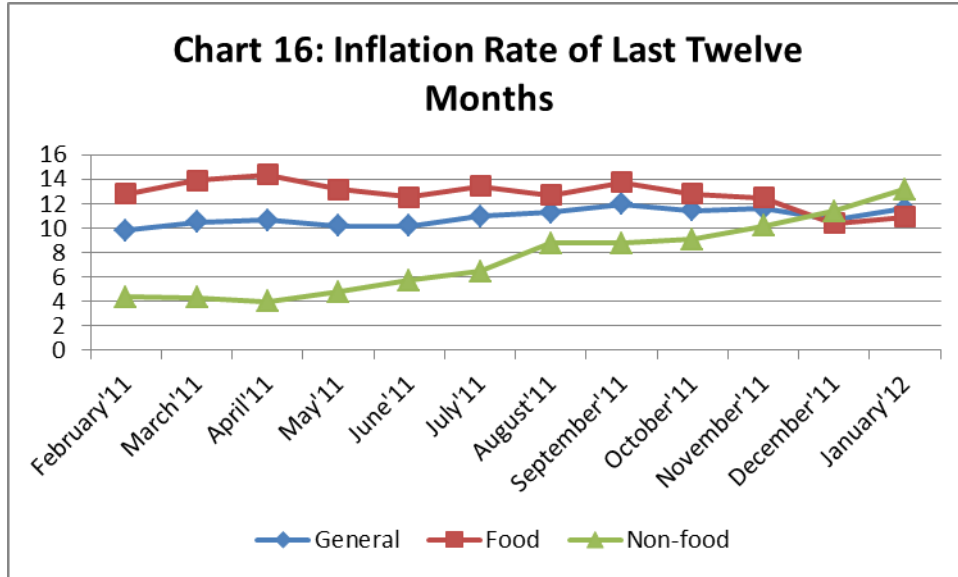
- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) was 6.94 percent in FY 10 which was 6.97 percent in FY 09.
- In June 2011, the average index stood at 577.68 which was 19.73 percent higher compared to the same period of 2009.
- In October 2011, the average index was 533.23 which was 13.53 percent higher compared to October 2010.

#### d.3 Consumer Price Index and Inflation (National)

| FY             | CPI (General) | Twelve-Month Average Basis        |       |          |
|----------------|---------------|-----------------------------------|-------|----------|
|                |               | National                          | Food  | Non-Food |
| 2006-07        | 176.04        | 7.20                              | 8.11  | 5.90     |
| 2007-08        | 193.54        | 9.94                              | 12.28 | 6.32     |
| 2008-09        | 206.43        | 6.66                              | 7.19  | 5.91     |
| 2009-10        | 221.53        | 7.31                              | 8.53  | 5.45     |
| 2010-11        | 241.02        | 8.80                              | 11.34 | 4.15     |
| <b>2010-11</b> |               |                                   |       |          |
|                |               | Twelve-Month Point to Point Basis |       |          |
| February       | 244.28        | 9.79                              | 12.77 | 4.36     |
| March          | 245.97        | 10.49                             | 13.87 | 4.32     |
| April          | 246.24        | 10.67                             | 14.36 | 3.97     |
| May            | 246.39        | 10.20                             | 13.16 | 4.78     |
| June           | 249.11        | 10.17                             | 12.51 | 5.73     |
| <b>2011-12</b> |               |                                   |       |          |
| July           | 254.72        | 10.96                             | 13.40 | 6.46     |
| August         | 259.66        | 11.29                             | 12.70 | 8.76     |
| September      | 264.85        | 11.97                             | 13.75 | 8.77     |
| October        | 265.94        | 11.42                             | 12.82 | 9.05     |
| November       | 266.55        | 11.58                             | 12.47 | 10.19    |
| December       | 266.34        | 10.63                             | 10.40 | 11.38    |
| January        | 270.59        | 11.59                             | 10.90 | 13.16    |

Source: Bangladesh Bureau of Statistics.





- In FY11 the average rate of inflation (Twelve-Month Average Basis) recorded at 8.80 percent. The food and non-food inflation were 11.34 percent and 4.15 percent respectively.
- In January of FY12, the rate of inflation (national) on point-to-point basis was 11.59 percent, of which, food and non-food inflations were 10.90 percent and 13.16 percent respectively (Table d3 above).