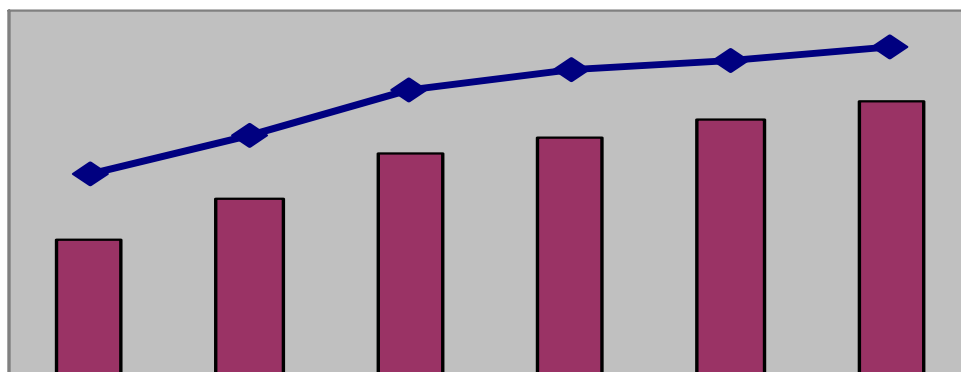


MONTHLY FISCAL-MACRO UPDATE

July, 2011



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Macroeconomic Wing

Finance Division

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Issue-06, Year: 2011

As on November 20, 2011

A. FISCAL SECTOR

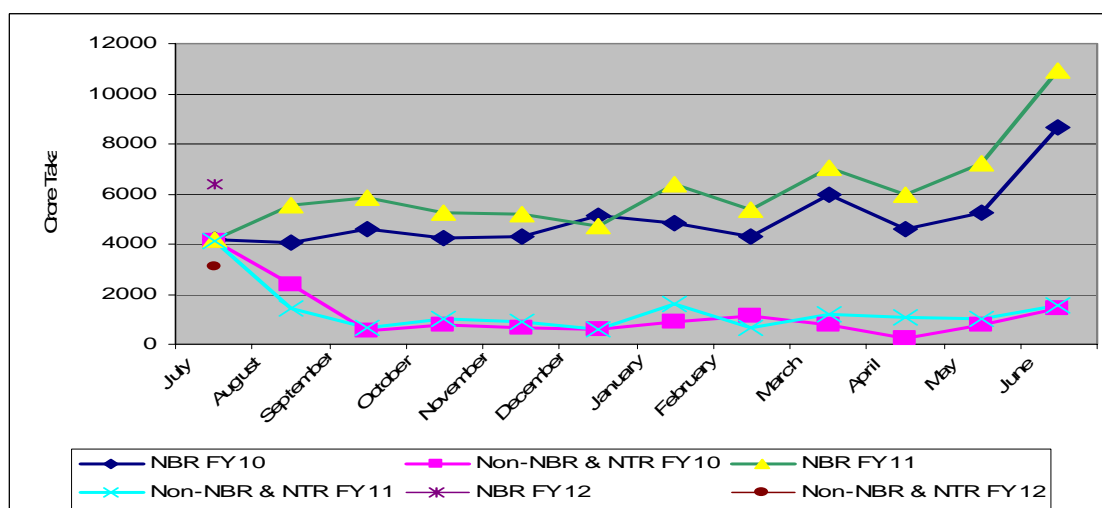
a.1 Revenue Earnings

(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				
July	6367	307	2819	9493

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

Chart 1: Monthly Trend of Revenue earnings (FY10-FY12)



- In FY11 growth of total revenue was 20.86 percent.
- NBR Tax revenue growth was 28.5 percent.
- Non-NBR Tax revenue increased by 17.72 percent
- Non-Tax revenue decreased by 12.32 percent.

a.2 Grants

(Taka in crore)

2009-10	2010-11	Growth (%)	2011-12		
			July	July	Growth over July-July. FY 11 (%)
3217.5	1224.8	61.93	6.4	6.4	-

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

a.3 Government Expenditure

(Taka in crore)

	2009-10	2010-11	Growth (%)	2011-12	
				July	Growth (%)
1. Non-Development	73164.4	81372.0	11.22	2905.9	17.39
Interest	14868	15151.9	1.91	1120.7	41.05
Domestic	13497	13729.0	1.72	966.9	21.70
Foreign	1371	1422.9	3.79	0.00	-
Subsidies & Current Transfer	26964	31081.6	15.27	760.1	7.03
2. ADP	28113.9	33001.3	17.38	1241.0	-
3. Development Program Financed from Rev. Budget	802.09	835.5	4.17	3.8	171.74
4. Non-ADP FFW	927.9	4200.0	352.63	0.00	-
5. Net Outlay on Food A/C	-849.9	5026.4	417.55	1334.0	-
6. Loans & Advances	931.3	7329.3	686.97	-67.9	-30.00
Total**	101604.0	124794.0	21.52	5413.0	90.20

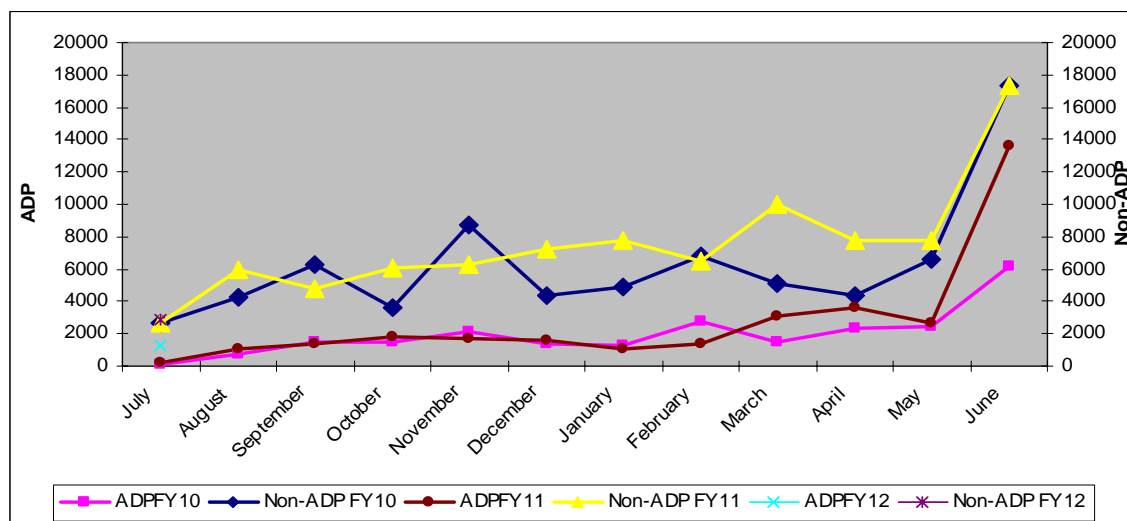
Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. Figures in parentheses indicate growth over July, FY 10. ** excludes non-ADP projects, structural adjustment

Up to July FY 12,

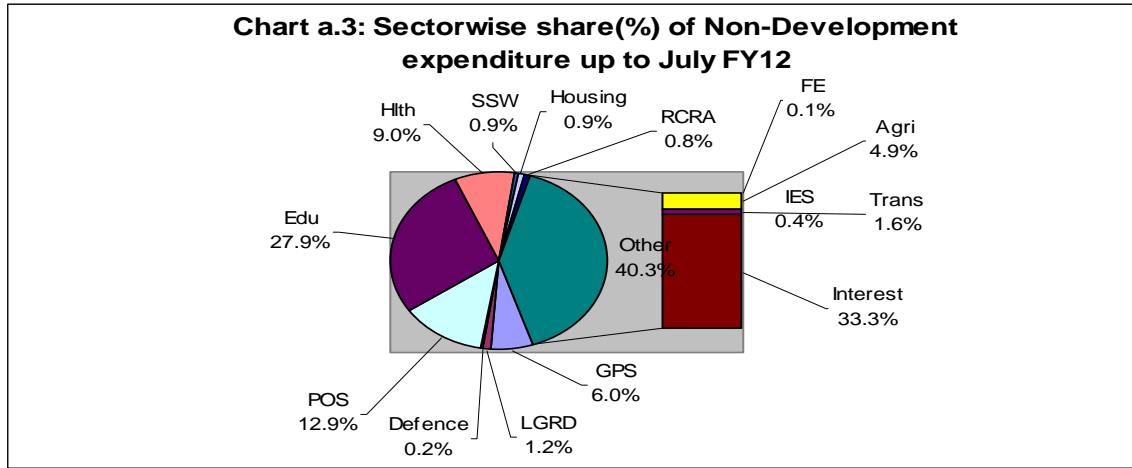
Total expenditure records a growth (growth: 90.2%), of which

- Subsidies and transfer (growth: 7.03 %)
- Interest payments (growth: 41.05%).

Chart 2: Monthly Trend of ADP and Non-ADP Expenditure (FY 10-FY12)



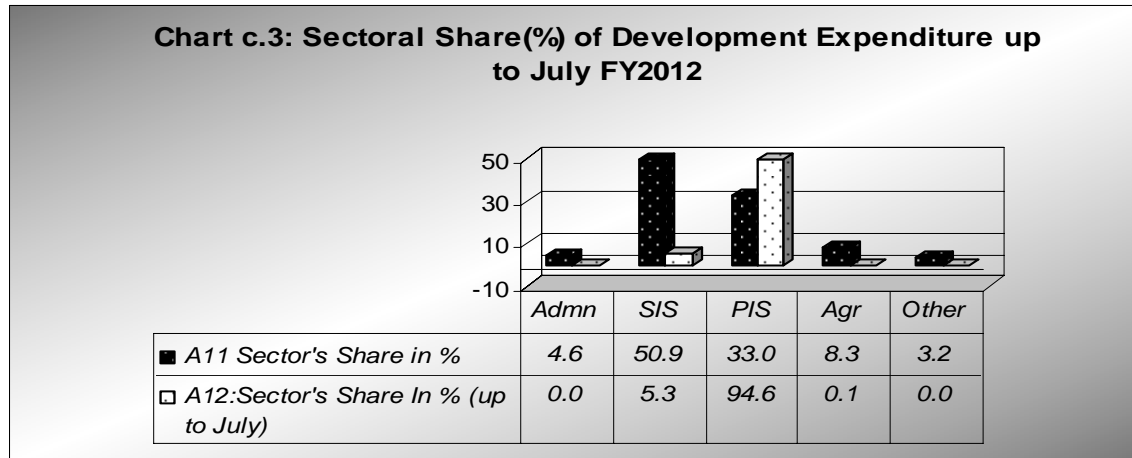
a.3.1 Structure of Revenue Expenditure



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 Interest payment (33.3%) followed by Education (27.9%), Public order & safety (9.4%). Health (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, up to July FY12 highest shares are in Social Infrastructure (50.9%) and next highest expenditure is in Physical Infrastructure (33.0%).

a.4 Budget Balance

(Taka in crore)

	Overall Balance	Overall Balance as % of GDP
2009-10	-25699.5	-3.60
2010-11	-32154.9	-3.28
2011-12		
July*	4092.6	0.12
Up to July*	4092.6	0.12

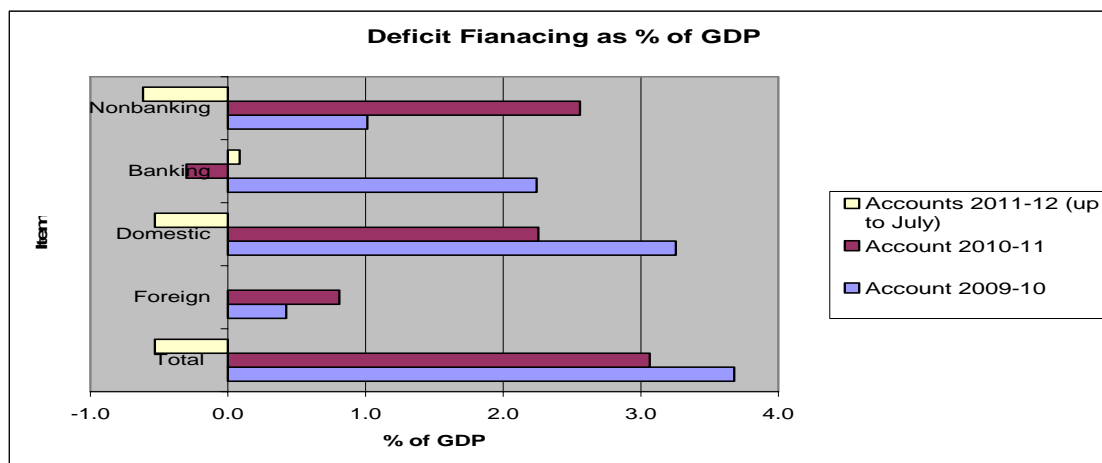
Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. * excluding grants

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	3.29
2010-11	2232.5	25210.2	3570.6	31013.2	4.70
2011-12					
July*	0.00	670	-4815.5	-4145.4	0.09
Up to July*	0.00	670	-4815.5	-4145.4	0.09

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
2010-11	17232.03	15175.13	2056.90	63438.32
Growth	-33.17	8.68	-82.25	3.35
2011-12				
July	1598.02	1286.99	311.03	63749.35

Source: National Savings Directorate.

- In FY11, net sale was decreased by 82.25 percent than that of the previous fiscal year.
- In July FY12, net sales of NSD Certificates were Tk. 311.03 crore.

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 ^p July	Growth(%) over July, FY11
Net Foreign Asset	67073.70	70620.00	5.29	72488.2	5.52
Net Domestic Asset	295957.50	369899.90	24.98	370051.8	25.15
Domestic credit	340213.70	433525.90	27.43	435214.9	26.90
Public Sector	69453.00	92813.20	33.63	33286.7	-51.80
Govt. (net)	54392.30	73436.10	35.01	32549.0	-39.69
Other Public Sector	15060.70	19377.10	28.66	737.7	-95.18
Private Sector	270760.70	340712.90	25.84	3038.2	-98.89
Broad Money	363031.20	440519.90	21.34	442540.0	21.45

Source: Bangladesh Bank. p. Provisional

- In July of FY12, broad money growth stands to 21.45 percent.
- Growth in Net Foreign Asset is 5.52 percent.
- Negative Growth in Govt. (net) 39.69 percent
- Negative in private sector credit is 98.89 percent.

b.2 Reserve money and money multiplier

	Outstanding Stock at the end of period				
	2009-10	2010-11	Change	2011-12 (July ^P)	Change over July '11
Reserve money	80510.30	97500.90	16990.6	96912.3	16055.0
Reserve Money multiplier	4.51	4.52	0.01	4.57	0.06

Source: Bangladesh Bank.

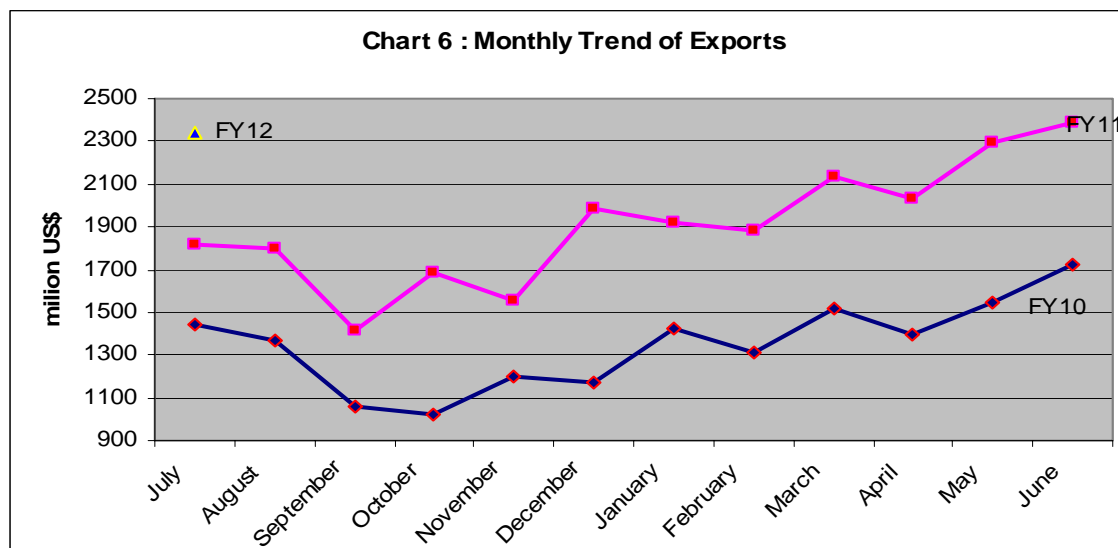
C. EXTERNAL SECTOR

c.1 Export

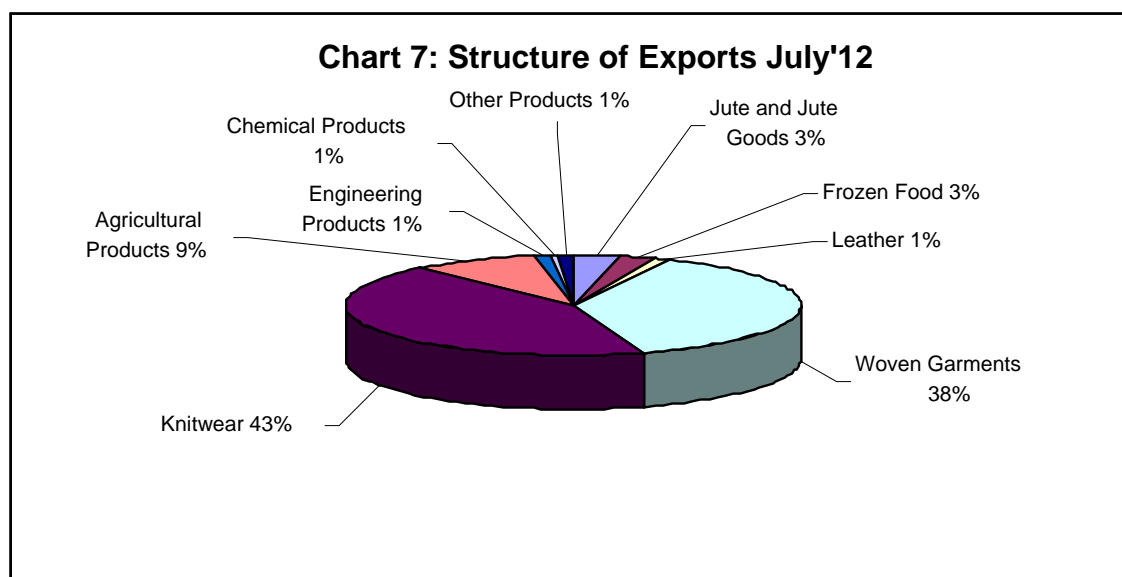
(In million US\$)

	2009-10	2010-11	2011-12
			July
Export	16204.65	22924.38	2339.52
Growth (%)	3.95	41.47	28.63

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



c.1.1 Structure of Exports



- In FY12, export earnings increased by 28.63 percent over the same period of previous year. In July, 2011 growth was recorded as Knitwear (43%), Woven Garments (38%), and Agricultural Products (9%);
- While exports of Frozen food (3%) have declined comparing the same period of FY11.

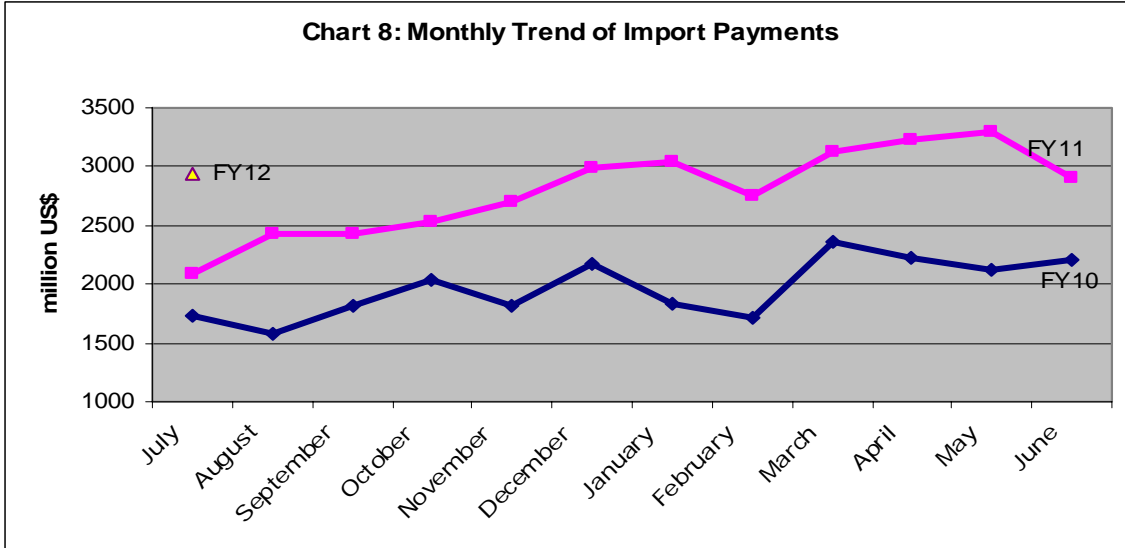
c.2 Imports (c & f)

(In million US\$)

	2009-10	2010-11	2011-12
			July
Import payments	23738.40	33657.50	2937.80
Growth (%)	5.47	41.79	35.73
LCs Opened	28783.40	38581.12	3171.34
Growth (%)	32.01	34.04	5.59
LCs Settled	23053.10	31952.18	2790.28
Growth (%)	7.50	38.60	33.12

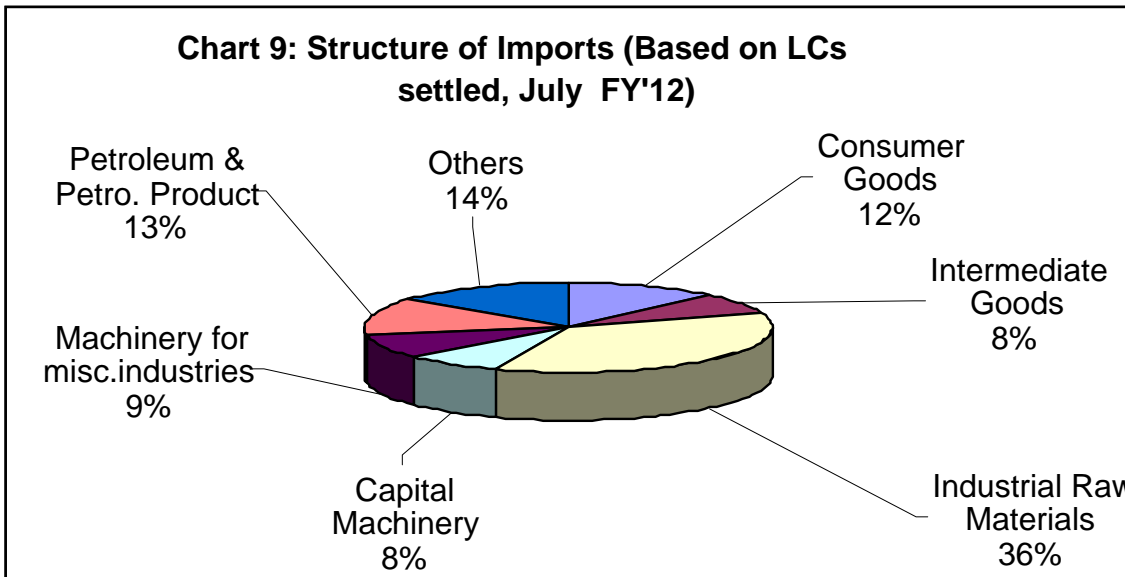
Source: Bangladesh Bank.

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



- In 2010-11, import payments increased by 41.79 percent compared to the previous fiscal year.
- However, up to July FY12, import payment increased by 35.72 percent compared to the same month of FY11.

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



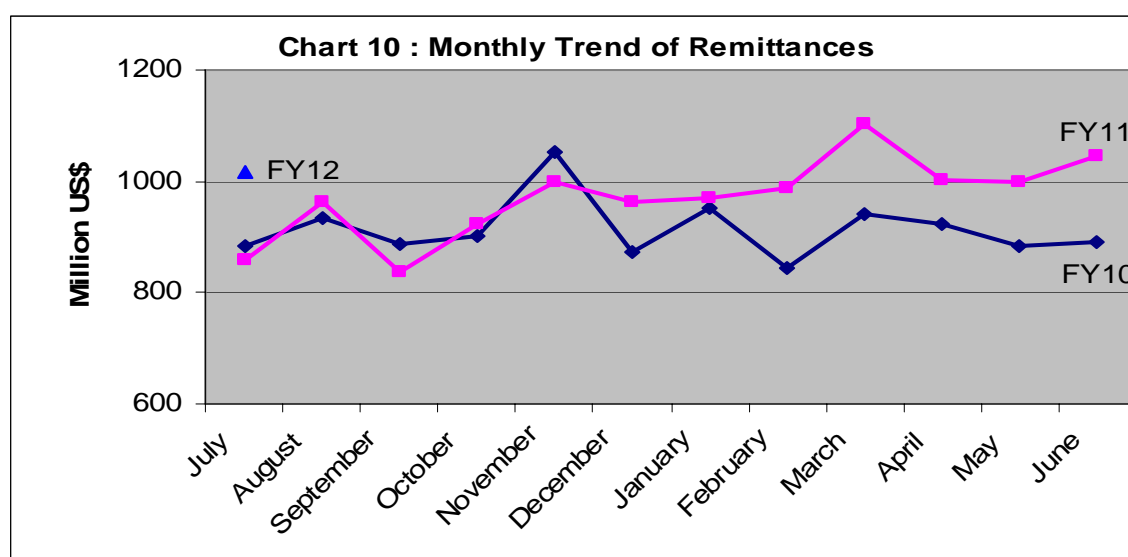
- ✓ In the July of FY12, import of consumer goods recorded an increase of 12.0 percent, industrial raw materials 36 percent, capital machinery 8.0 percent over the same period of previous fiscal year.

c.3 Remittances

(In million US\$)

	2008-09	2009-10	2010-11	2011-12
				July
Remittances	9689.26	10987.40	11650.32	1015.58
Growth (%)	22.42	13.40	6.03	18.46
As % of GDP	10.82	11.06	11.72	-
As % of Export	62.25	67.80	50.82	43.40

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

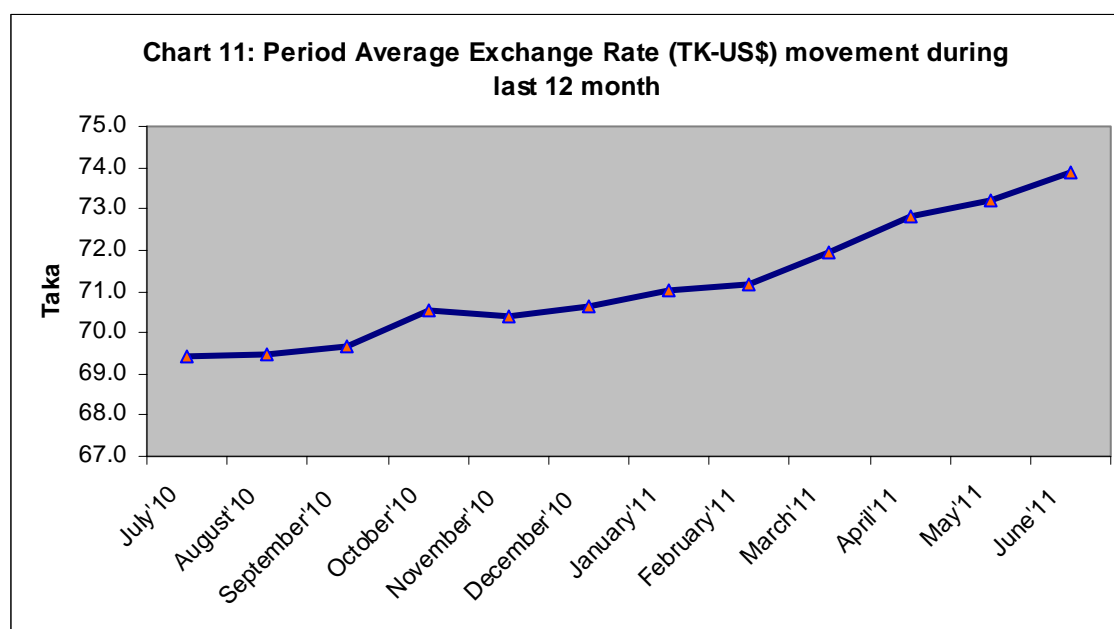


- In FY11 remittances inflow records a moderate growth of 6.03 percent.
- In FY11 remittances as percent of GDP and Export were 11.72 percent and 50.82 percent respectively which are relatively higher than previous fiscal year.
- Up to July FY12, remittances inflow recorded a growth of 18.46 percent 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

Source: Bangladesh Bank



- Exchange rate of Taka per US\$ increased to Tk.74.48 at the end of July, 2011 from Tk.73.88 at the end of June, 2011. Taka depreciated by 0.81 percent as of end July, 2011 over end June, 2011.

c.5 Foreign Exchange Reserve

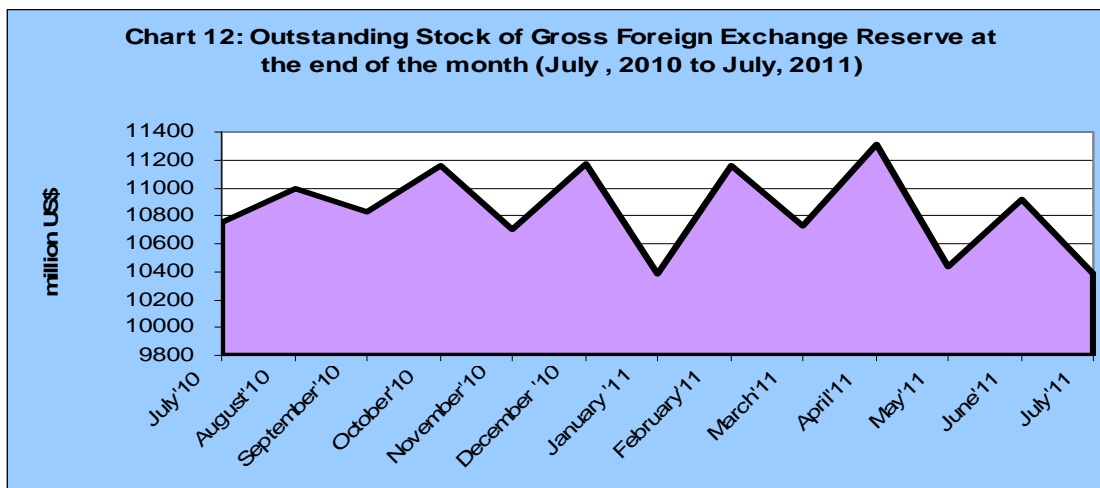
(In million US\$)

	2009-10	2010-11	As on end of July'11
Reserve	10749.74	10911.55	10381.26
In month of import payment	4.5	3.89	3.53

Source: Bangladesh Bank.

- The gross foreign exchange balances held abroad by commercial banks stood at US\$ 10381.26 million by end July, 2011 against US\$11316.44 million by end April, 2011.

- On the basis of average import payment during July 2011, the foreign exchange reserve is equivalent to 3.53 months import payments.

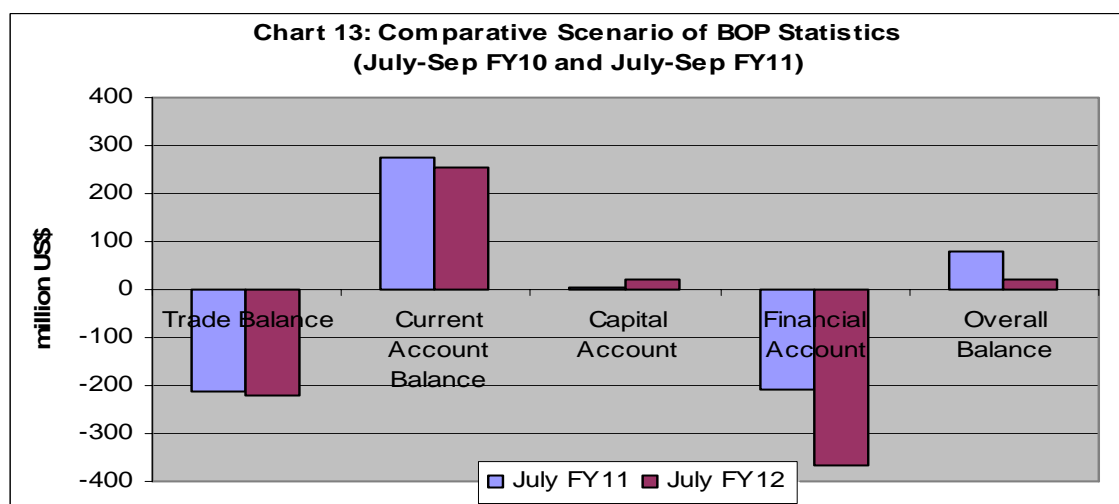


c.6 Balance of Payments

(In million US\$)

	2009-10	2010-11	2010-11 July	2011-12 July
Trade Balance	-5155	-7328	-211	-219
Current Account Balance	3724	995	274	253
Capital Account	512	600	3	22
Financial Account	-651	-1584	-208	-367
Overall Balance	2865	-925	78	19

Source: Bangladesh Bank. p- provisional



- In FY11, Current Account Balance recorded a surplus of US\$ 995 million, which was US\$ 3724 million in the same period of the previous fiscal year.
- Current account balance records a surplus of US\$ 253 million during July of FY12, which was 2 US\$ 274 million 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 ^P
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.

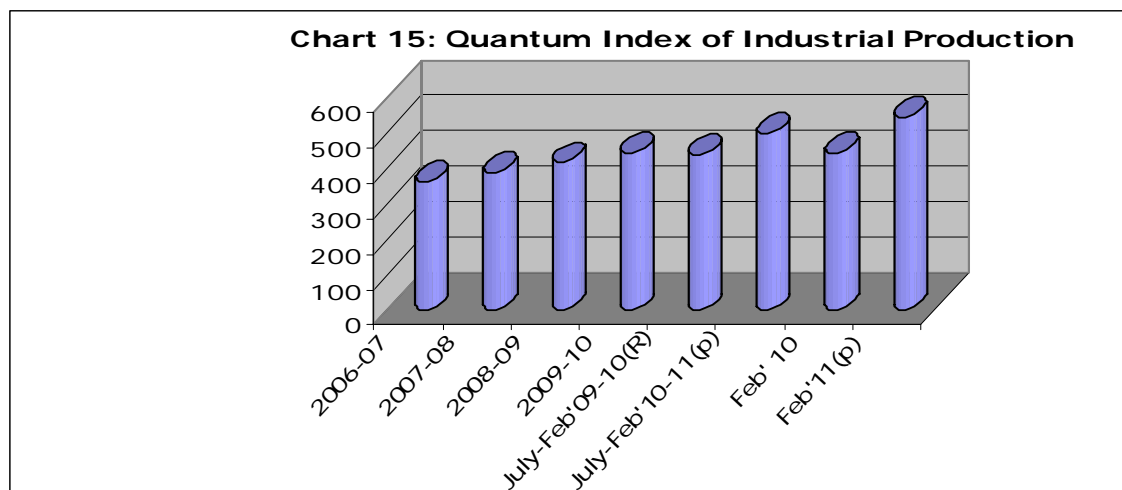
- Real GDP growth in FY11 was 6.66 percent of which
 - Growth in Agriculture as per revised was 4.96 percent
 - Growth in Industry is estimated 8.16 percent
 - Service sector growth is estimated at 6.63 percent.
- Per capita GDP in FY11 exceeded US\$ 750 mark and reached to US\$ 755.



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
	442.12	6.94
2010-2011 ^P	520.32	-
June '10	482.66	-
June '11 ^P	577.68	-
February '10	440.13	-
February '11 ^P	540.60	-

Source: BBS ; R: Revised ; P: Provisional

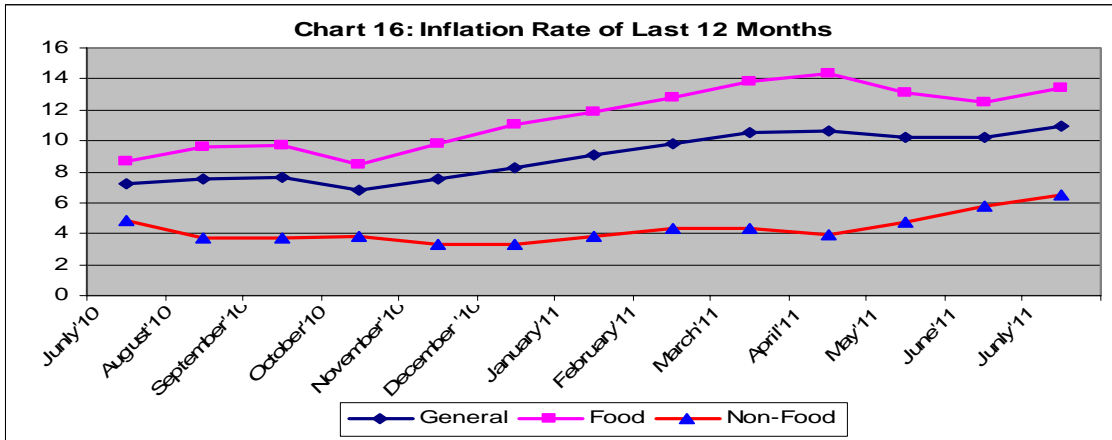


- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) was 6.94 percent in FY 10 which was 6.97 percent in FY 09.
- In June 2011, the average index stood at 577.68 which was 19.73 percent higher compared to the same period of 2009.
- In February 2011, the average index was 540.60 which was 22.8 percent higher compared to February 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
2010-11				
		Twelve-Month Point to Point Basis		
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	242.48	9.04	11.91	3.85
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
2011-12				
July	254.72	10.96	13.40	6.46

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 July FY11, the rate of inflation (General) on point-to-point basis stood at 7.26 percent which increased substantially to 10.96 percent in July FY12.
- However, In July of FY12, the food and non-food inflation were 13.40 percent and 6.46 percent respectively.