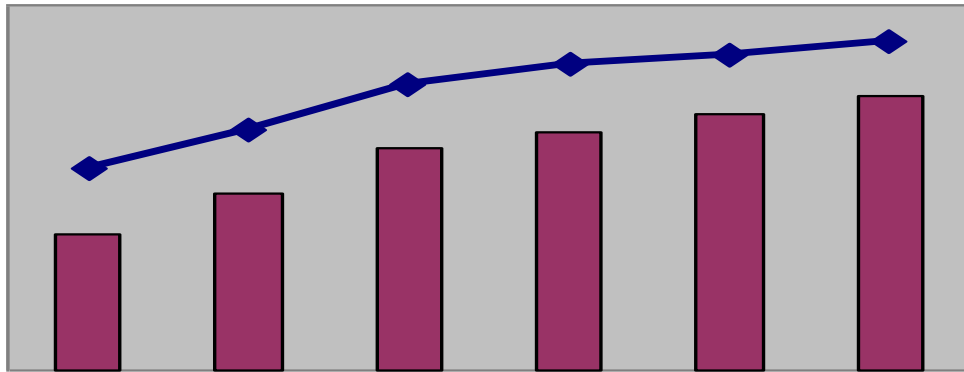


MONTHLY FISCAL-MACRO UPDATE

June, 2012



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As on December 24, 2012

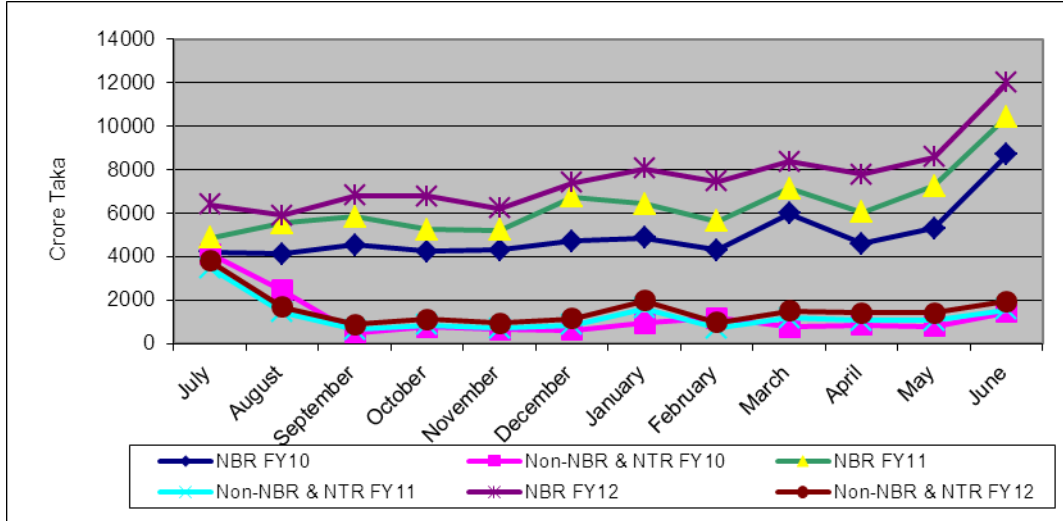
A. FISCAL SECTOR

a.1 Revenue Earnings

Fiscal Year	Tax Revenue		Non-Tax Revenue	Total Revenue
	NBR	Non-NBR		
2009-10	59741.8	2742.8	13419.9	75904.5
2010-11	76248.3	3299.9	13444.7	92992.9
Growth (%)	27.6	20.3	0.2	22.5
2011-12				
June	11980.0	380.0	1408.0	13768
July-June	91596.0	3633.0	18550.0	113779.0
Growth (%) over July-Sept FY '11	20.1	10.1	38.0	22.4

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

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



Up to June, FY12

- Growth of total revenue was 22.4 percent.
- NBR Tax revenue growth was 20.1 percent.
- Non-NBR Tax revenue increased by 10.1 percent
- Non-Tax revenue increased by 38.0 percent

a. 2 Grants

(Taka in crore)

2009-10	2010-11	Growth (%)	2011-12		
			June	July-June	Growth over July- June FY'11 (%)
3227	2450	-24.08	720	3560	45.3

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

a.3 Government Expenditure

(Taka in Crore)

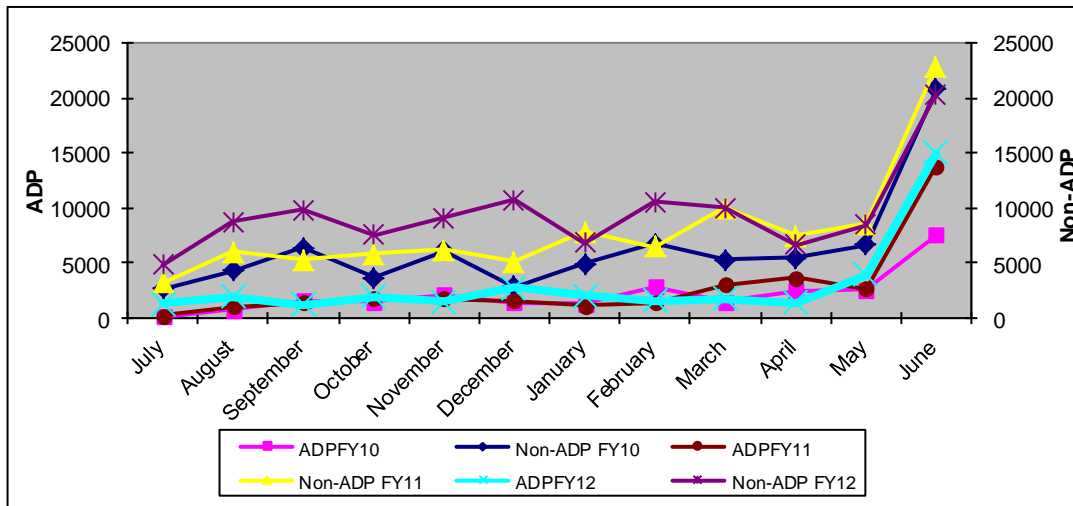
	2009-10	2010-11	Growth (%)	2011-12	
				June	July- June
1. Non-Development	73167.2	82859.0	13.2	5514.8	95445.8 (15.2%)
Interest	14868.0	15623.0	5.1	1917.3	20051.9 (28.3%)
Domestic	13497.0	14200	5.2	1917.3	18768.9 (32.2%)
Foreign	1371.0	1423	3.8	0.0	1283.02 (-9.8%)
Subsidies & Current Transfer	26964.0	31483.0	16.8	2710.0	36259.0 (15.2%)
2. ADP	25553.0	33284.0	30.3	3516.7	35393.6 (6.3%)
3. Development Program Financed from Rev. Budget	803.0	864.0	7.6	9.4	558.9 (-35.3%)
4. Non-ADP FFW	928.0	719.0	-22.5	1070.3	1146.09 (59.4%)
5. Net Outlay on Food A/C	-850.0	2385.0	380.6	-3596.7	1233.45 (-48.3%)
6. Loans & Advances	930.0	7254.0	680.0	0.0	11707.5 (61.4%)
Total**	101607.0	128268.0	26.2	11127.9	147102.0 (14.7%)

Source: Integrated Budget & Accounting System (iBAS), Finance Division. Figures in parentheses indicate growth over July, FY 11. ** excludes non-ADP projects and structural adjustment expenditure.

Up to June FY12,

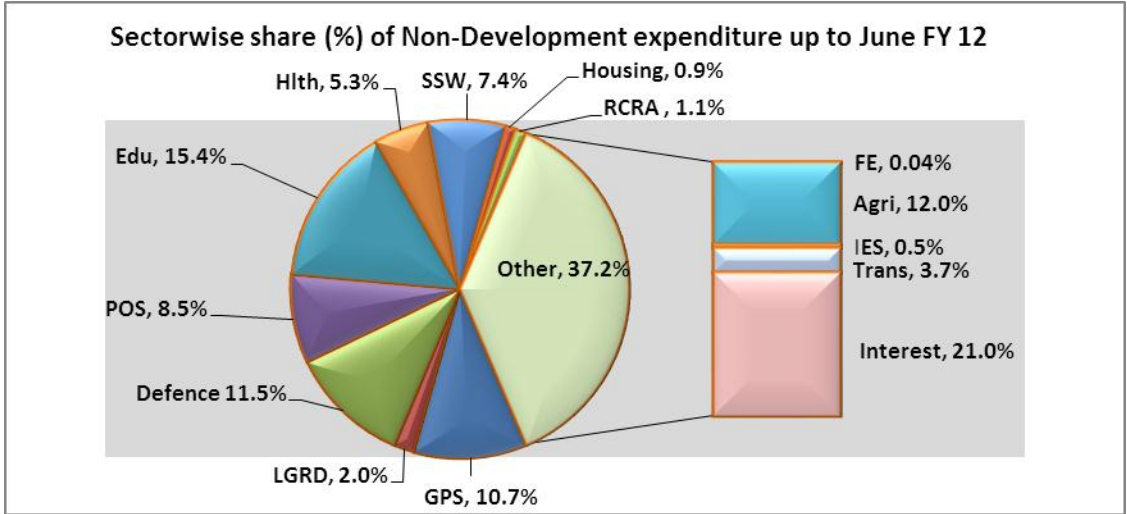
- Non-development expenditure increased by 15.2 percent, of which
 - Subsidies and transfer registered 15.2 % growth
 - Interest payments registered 28.3% growth

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



a.3.1 Structure of Revenue Expenditure

Chart 3: Sector-wise share (%) of Non-Development expenditure up to June FY 12

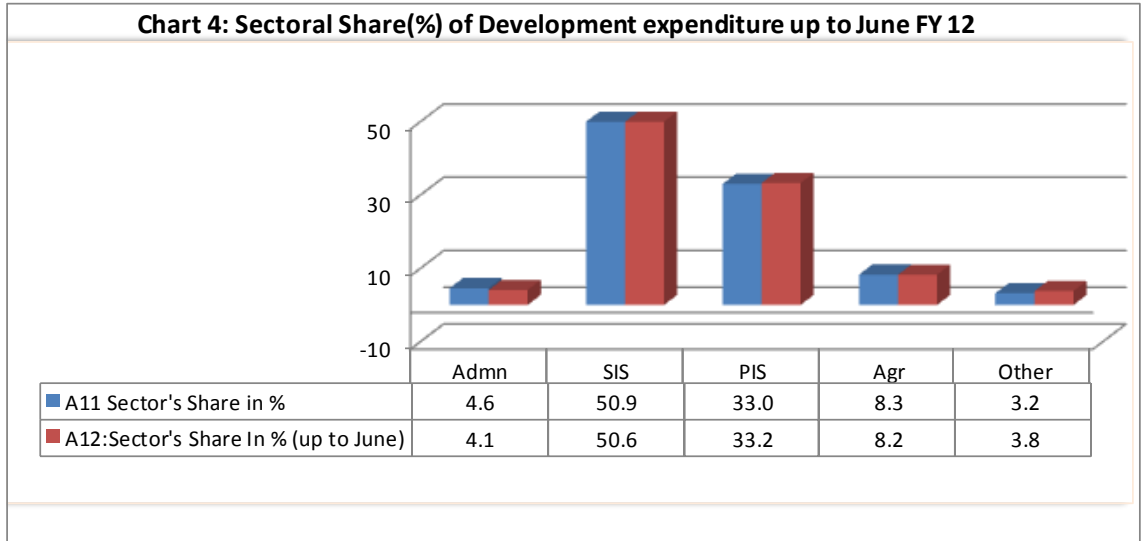


GPS = General Public Services, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, Hlth = Health, SSW = Social Security and Welfare, RCRA = Recreation, Culture and Religious Affairs, Agri = Agriculture, Fisheries and Livestock, Land, Water Resources and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

- Sector-wise analysis shows that highest expenditure is in Interest payment (21.0%) followed by Education (15.4%), Agriculture, Fisheries and Livestock, Land, Water Resources and Food (12.0%) and Defense (11.5%)

a.3.2 Structure of ADP Expenditure

Chart 4: Sectoral Share(%) of Development expenditure up to June FY 12



- Sector-wise ADP expenditure analysis revealed that, up to June FY12 highest spending is in Social Infrastructure (50.6%) followed by Physical Infrastructure (33.2%)

a.4 Budget Balance

(Taka in crore)

	Overall Balance	Overall Balance as % of GDP
2009-10	-25612	-3.3
2010-11	-35281	-3.9
2011-12		
June*	-7187	-0.8
Up to June*	-36136	-4.0

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

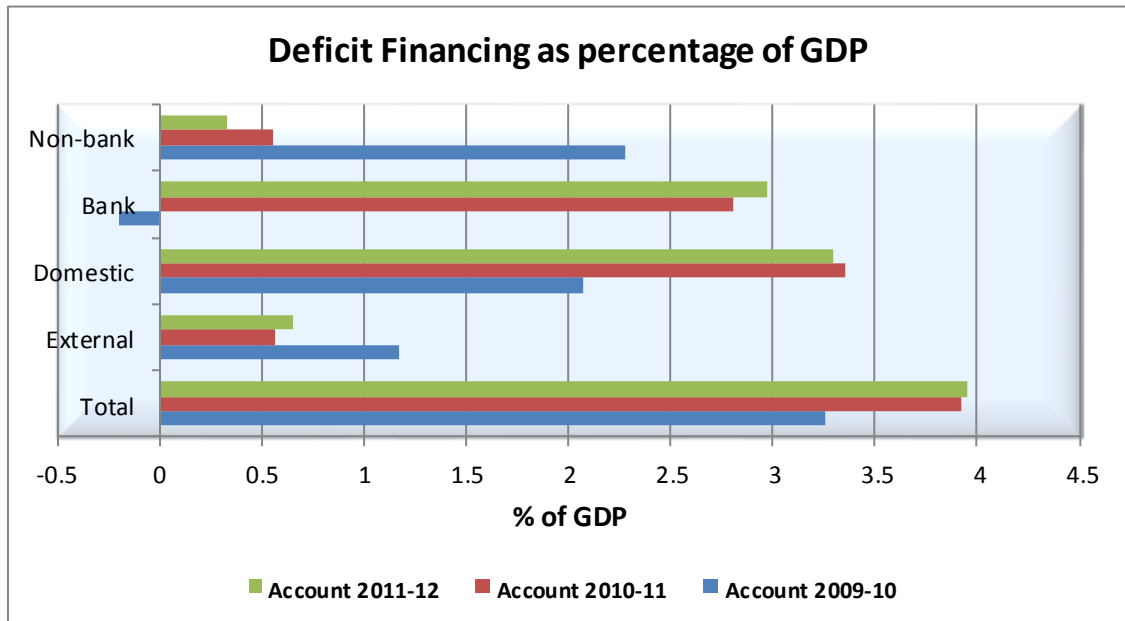
a.5 Deficit Financing

(Taka in crore)

	External (net)	Domestic		Total Financing	Financing as % of GDP
		Bank	Non-Bank		
2009-10	9262	-1561	17912	25613	3.3
2010-11	5081	25210	4994	35285	3.9
2011-12					
June	3701	0	3586	7287	0.8
Up to June	5956	27191	30181	36137	4.0

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

Chart 5: Financing of deficit



a.6 Net Sales of NSD Certificates

(Taka in crore)

	Sales	Repayment (Principal)	Net Sale	Outstanding at the end of period
2009-10	25553.69	13963.06	11590.63	61381.42
2010-11	17232.03	15155.13	2056.90	63438.32
Growth (%)	-33.17	8.68	-82.25	3.35
2011-12				
June	1706.21	1804.54	-98.33	63917.34
Upto June	18955.35	18476.33	479.02	63917.34
Growth(%) over July-Sept, FY12	(+10.00)	(+21.91)	(-76.71)	(+.76)

Source: National Savings Directorate

- Up to June FY 12, the net sale declined by 76.71 percent compared to the same period of the previous fiscal year

B. MONETARY SECTOR

b.1 Monetary and credit development

(In Crore Taka)

	Outstanding Stock at the end of period				Changes in Outstanding Stock, June, 2012 over June, 2011
	2009-10	2010-11	Growth (%)	2011-12 June	
Net Foreign Assets of Banking System	67073.7	70620	5.3	78701	11.4
Net Domestic Assets of Banking System	295957.5	369899.9	25.0	438408.5	18.5
Domestic credit	340213.7	433525.9	27.4	517921.7	19.5
Public Sector	69453	92813.2	33.6	110150.6	18.7
Govt. (net)	54392.3	73436.1	35.0	91944.3	25.2
Other Public Sector	15060.7	19377.1	28.7	18206.3	-6.0
Private Sector	270760.7	340712.7	25.8	407771.1	19.7
Broad Money	363031.2	440519.9	21.3	517109.5	17.4

Source: Bangladesh Bank

At the end, FY12

- Growth in Net Foreign Asset is 11.4 percent
- Domestic credit recorded an increase of 19.5 percent
- The rising trend of domestic credit was mainly due to private sector credit growth of 19.7 percent and public sector credit growth of 18.7 percent
- Broad money growth was 17.4 percent

b.2 Reserve money and money multiplier

	Outstanding Stock at the end of period				Change in Outstanding Stock June 2012 over June, 2011
	2009-10	2010-11	Change	2011-12 (June)	
Reserve money	74142.8	89734.4	21.0%	97802.7	(8.9%)
Reserve money multiplier	4.90	4.91	0.01	5.29	0.38

Source: Bangladesh Bank.

C. EXTERNAL SECTOR

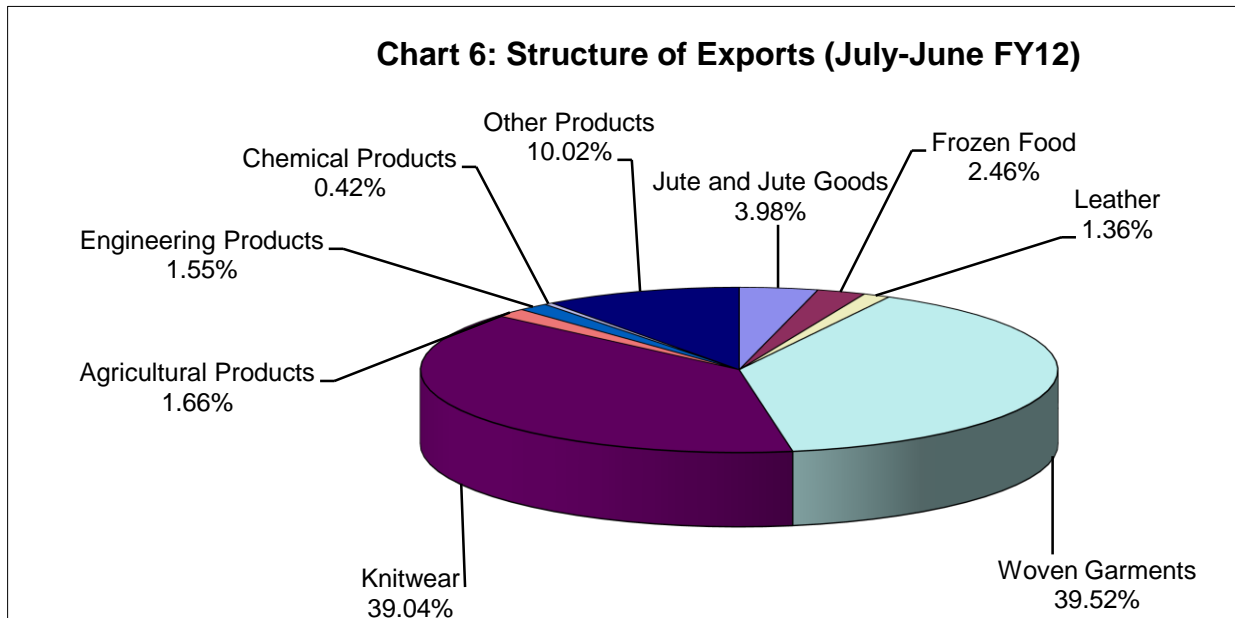
c.1 Export

(In million US\$)

	2009-10	2010-11	2011-12	
			June	July-June
Export	16204.6	22928.2	2223.5	24287.6
Growth (%)*	4.3	41.5	-3.1	5.9

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

c.1.1 Structure of Exports



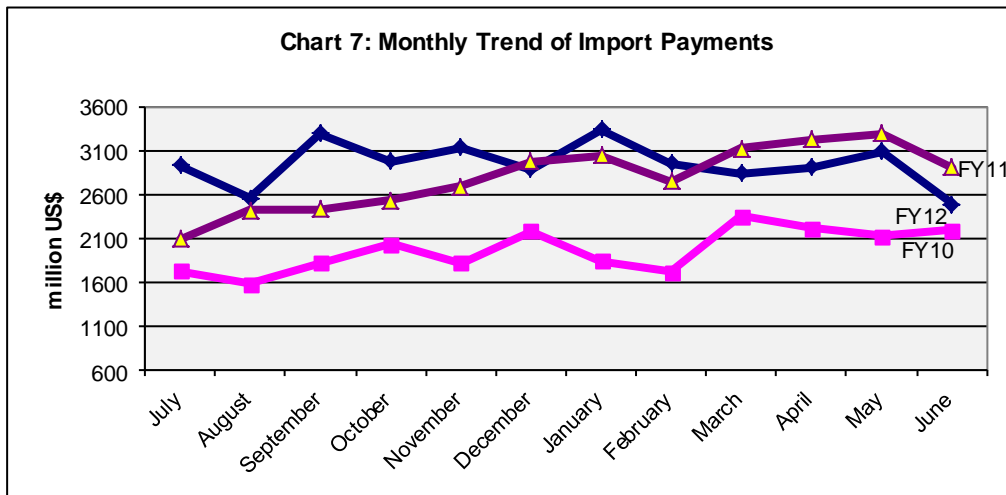
- In FY 12, export grew by about 6 percent over the same period of previous year
- Category-wise breakdown of exports shows that, during FY 12 exports of woven garments and Knitwear together contributed around 79 percent of total export

c.2 Imports (c & f)

(In million US\$)

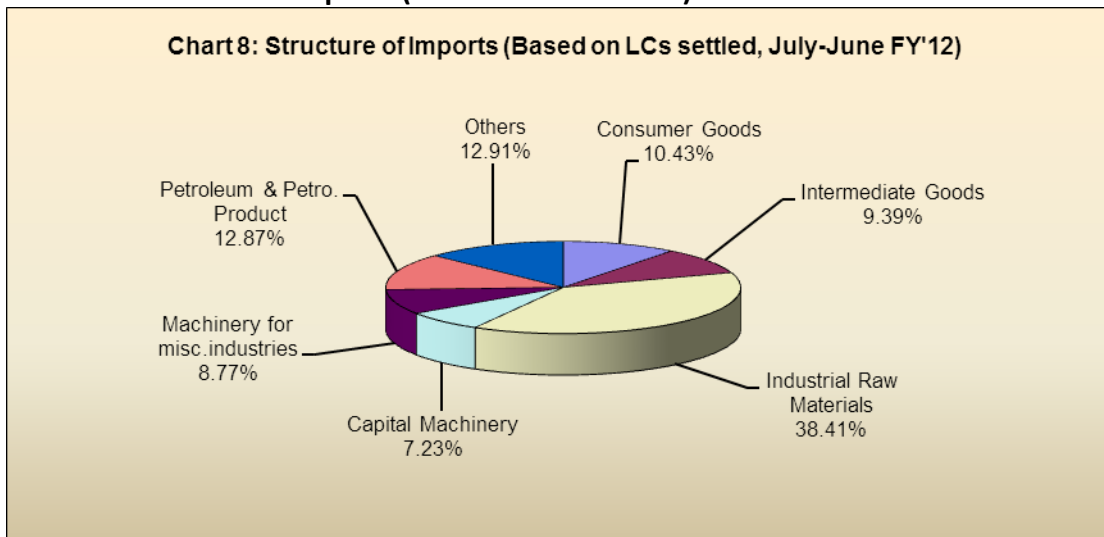
	2009-10	2010-11	2011-12	
			June	July-June
Import payments	23738.4	33657.5	2493.8	35441.8
Growth (%)	5.5	41.8	-14.3	5.3
LCs Opened	28783.4	38582.3	3403.5	37035.8
Growth (%)	32.0	34.0	25.7	-4.0
LCs Settled	23053.1	31953.1	2386.2	34814.5
Growth (%)	7.5	38.6	5.9	8.9

Source: Bangladesh Bank. Growth rate (in percent) over the same period of the previous fiscal year.



- Import payments in June 2012 stand lower by US\$ 416.6 million or 14.3 percent to US\$ 2493.8 million, against US\$ 2910.4 million in June 2011
- During FY12 import payments increased by 5.3 per cent compared to FY 11
- Fresh opening of import LCs in FY 12 decreased by 4.0 percent compared to FY 11

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



Up to June 2012

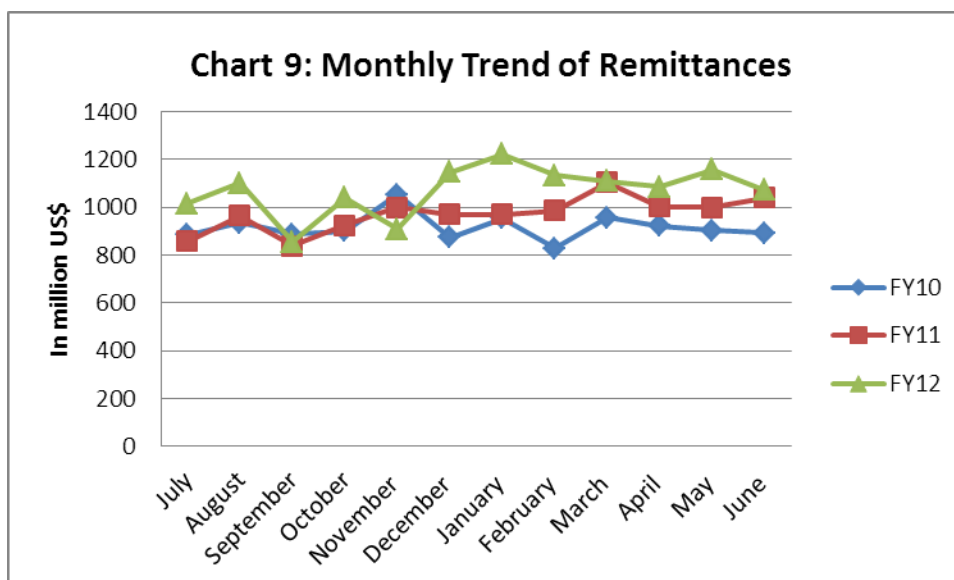
- Industrial raw materials covered the major share (38.4%) of total LC settlements followed by petroleum and petro products (12.87%)

c.3 Remittances

(In million US\$)

	2009-10	2010-11	2011-12	
			June	July-June
Remittances	10987.4	11650.32	1070.8	12843.4
Growth (%)	13.4	6.0	3.0	10.2
As % of GDP	11.06	10.4	-	11.1
As % of Export	67.8	50.8	46.2	52.8

Source: Bangladesh Bank and EPB

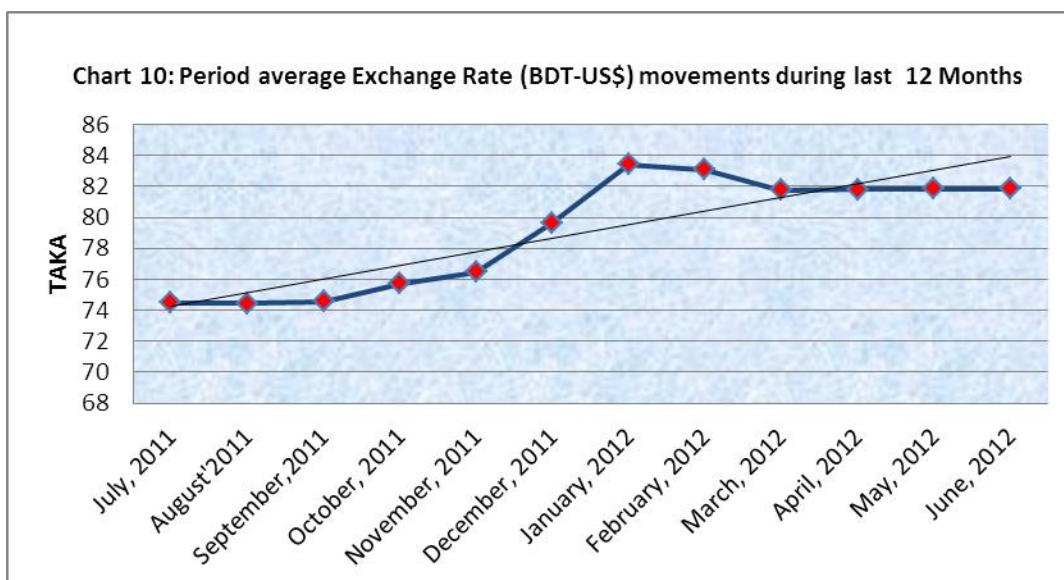


- In FY12, remittance inflow recorded a moderate growth of 10.2 percent compared to previous fiscal year
- In FY12, remittance and Export were 11.1 percent and 52.8 percent of GDP respectively, which were relatively higher than previous fiscal year

c.4 Exchange Rate Movement (Taka per US\$)

	Average	End of the period
2008-09	68.80	69.06
2009-10	69.18	69.445
2010-11	71.17	74.15
2011-12		
December	79.67	81.85
January	83.42	84.44
February	83.09	81.76
March	81.76	81.80
April	81.82	81.89
May	81.85	81.93
June	81.87	81.82

Source: Bangladesh Bank



- Exchange rate of Taka per USD remained stable since March 2012, due to moderate growth in remittances, foreign aid, and low import pressures
- By the end of June 2012 Taka depreciated by 10.3 per cent from the level of June end 2011

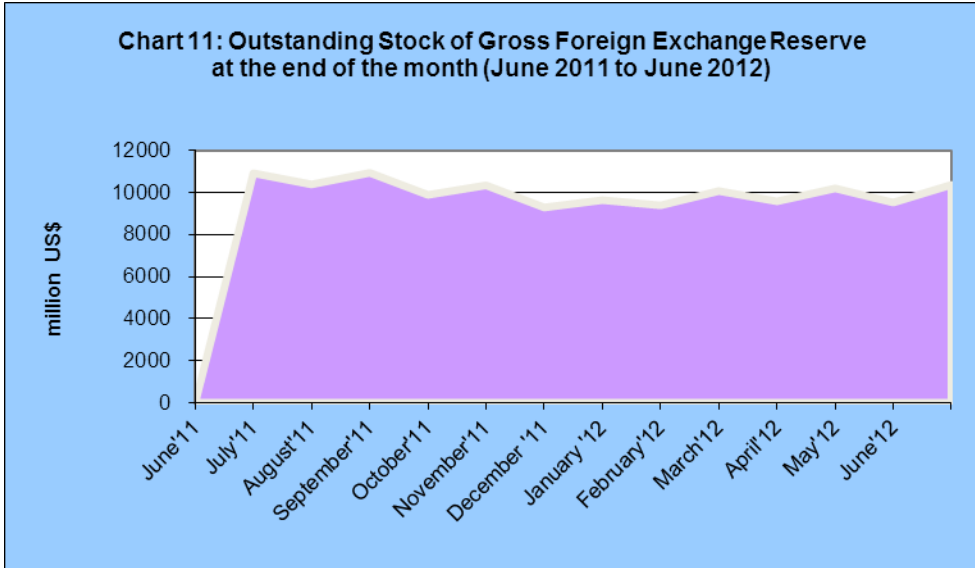
c.5 Foreign Exchange Reserve

(In million US\$)

	2009-10	2010-11	As on end of June 2012
Reserve	10749.7	10911.5	10364.43
In month of import payment	4.5	3.9	3.2

Source: Bangladesh Bank.

- Gross foreign exchange reserves of BB stood higher at USD10364.43 million (with ACU liability of USD 667.61 million) as of end June 2012
- Gross foreign exchange reserves, without ACU liability is equivalent to import payments of 3.25 months according to imports (USD 2988.19 million per month based on the preceding 12 months average June 2011-May 2012)

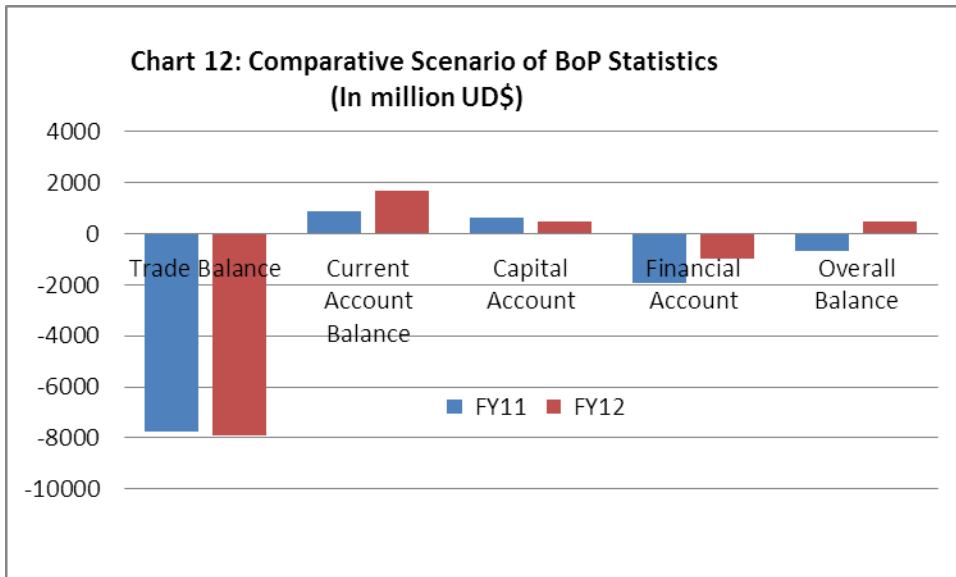


c.6 Balance of Payments

(In million US\$)

	2009-10 (July-June)	2010-11 (July-June)	2010-11 ^R (July-June)	2010-11 (July-June)
Trade Balance	-5152	-7328	-7744	-7928
Current Account Balance	3734	995	885	1704
Capital Account	512	600	642	469
Financial Account	-651	-1584	-1920	-955
Overall Balance	2865	-925	-656	494

Source: Bangladesh Bank., R=Revised



- Trade Balance recorded a higher deficit of US\$ 7928 million in FY12 compared to the deficit of US\$ 7744 million in FY11
- Current account balance recorded a surplus of 1704 million US\$ during FY 12, which was 885 million US\$ in FY11

D. REAL SECTOR

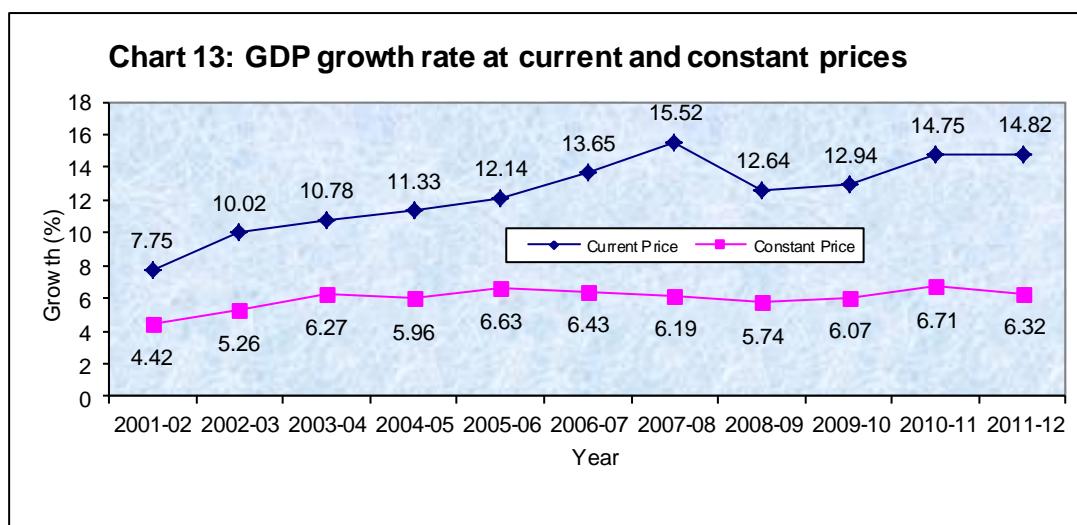
d.1 Gross Domestic Product

(Taka in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12 ^P
GDP at constant prices	321726	340197	360845	385051	409378
Growth (%)	6.19	5.74	6.07	6.71	6.32
Agriculture	3.20	4.12	5.24	5.13	2.53
Industry	6.78	6.46	6.49	8.20	9.47
Service	6.49	6.32	6.47	6.22	6.06
GDP at current prices	545822	614795	694324	796704	914784
Growth (%)	15.52	12.60	12.94	14.75	14.82
GNI at current prices	594212	670696	758928	869218	1004723
Per capita GDP (Tk.)	38330	42628	47536	53238	60350
Per capita GNI (Tk.)	41728	46504	51959	58083	66283
Per capita GDP (US\$)	559	620	687	748	772
Per capita GNI (US\$)	608	676	751	816	848

Source: Bangladesh Bureau of Statistics, P= provisional

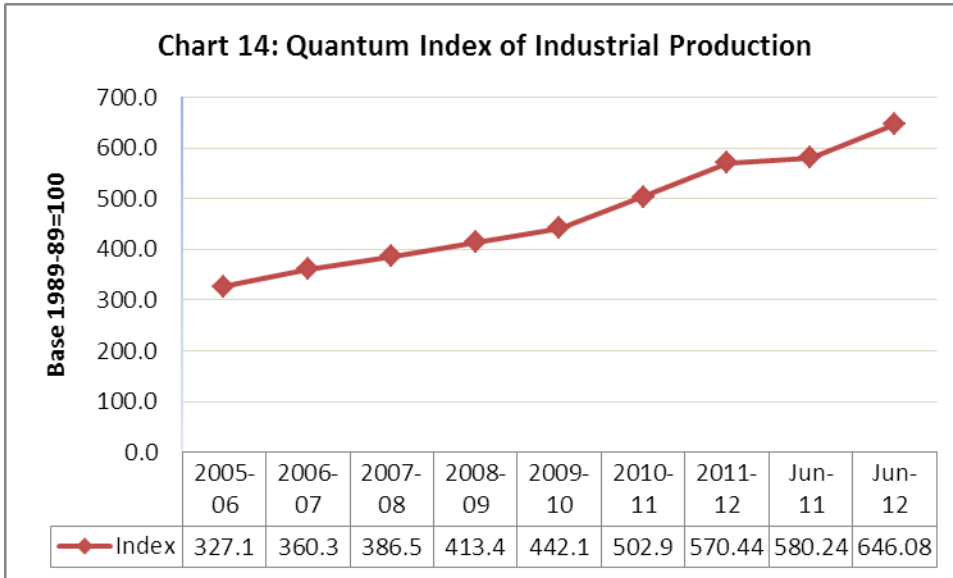
- Provisional real GDP growth in FY12 is 6.32 percent of which
 - Agricultural sector growth is estimated at 2.53 percent
 - Industry growth is estimated at 9.47 percent
 - Service sector growth is estimated at 6.06 percent.
- Per capita GDP in FY12 exceeded US\$ 750 mark and reached to US\$ 772.



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

Period	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
2010-11	502.89	13.74
2011-12 ^p	570.44	13.43
June 2011	580.24	20.21
June 2012 ^p	646.08	11.34

Source: BBS



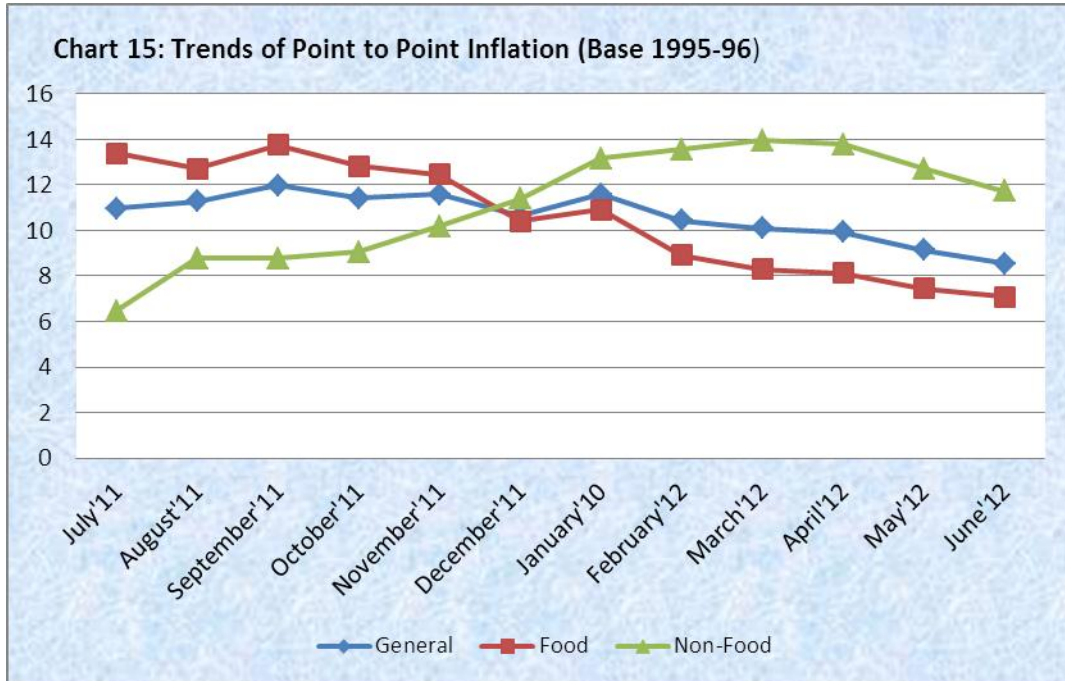
Source: BBS

- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) was 13.43 percent in FY 12 which was 13.74 percent in FY 11
- In June 2012, the average index stood at 646.08 which was 11.34 percent higher compared to the same period of 2011

d.3 Consumer Price Index and Inflation (National)

FY	CPI (General)	Twelve-Months 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
2011-12	266.61	10.62	10.47	11.15
2011-12	Twelve-Month Twelve-Months Average Basis			
July	254.72	9.11	11.73	4.29
August	259.66	9.43	11.98	4.71
September	264.85	9.79	12.32	5.14
October	265.94	10.18	12.69	5.58
November	266.55	10.51	12.90	6.15
December	266.34	10.71	12.83	6.83
January	270.59	10.91	12.73	7.61
February	269.76	10.96	12.39	8.38
March	270.81	10.92	11.91	9.19
April	270.68	10.86	11.39	10.00
May	268.93	10.76	10.92	10.66
June	270.43	10.62	10.47	11.15

Source: Bangladesh Bureau of Statistics.



MONTHLY FISCAL-MACRO UPDATE

- In FY12 the average rate of inflation (Twelve-Month Average Basis) was 10.62 percent. The food and non-food inflation were 10.47 percent and 11.45 percent respectively.
- In June 2012, the rate of inflation (national) on point-to-point basis was 8.56 percent, of which, food and non-food inflations were 7.08 percent and 11.72 percent respectively