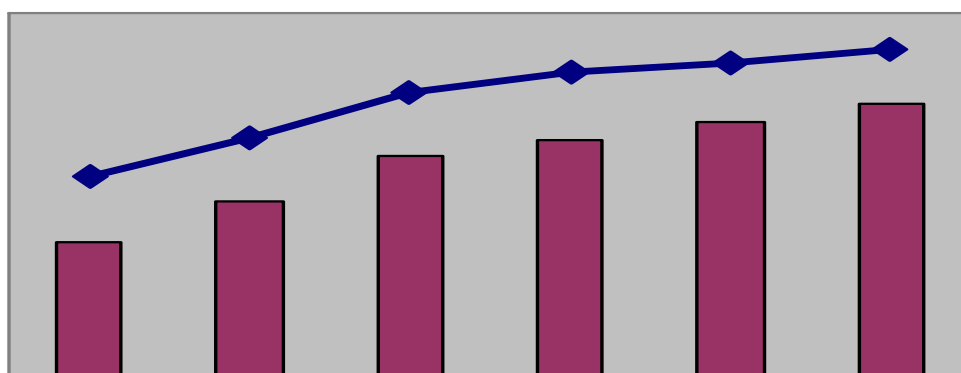


MONTHLY FISCAL-MACRO UPDATE

May, 2010



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As on November 02, 2010

A. FISCAL SECTOR

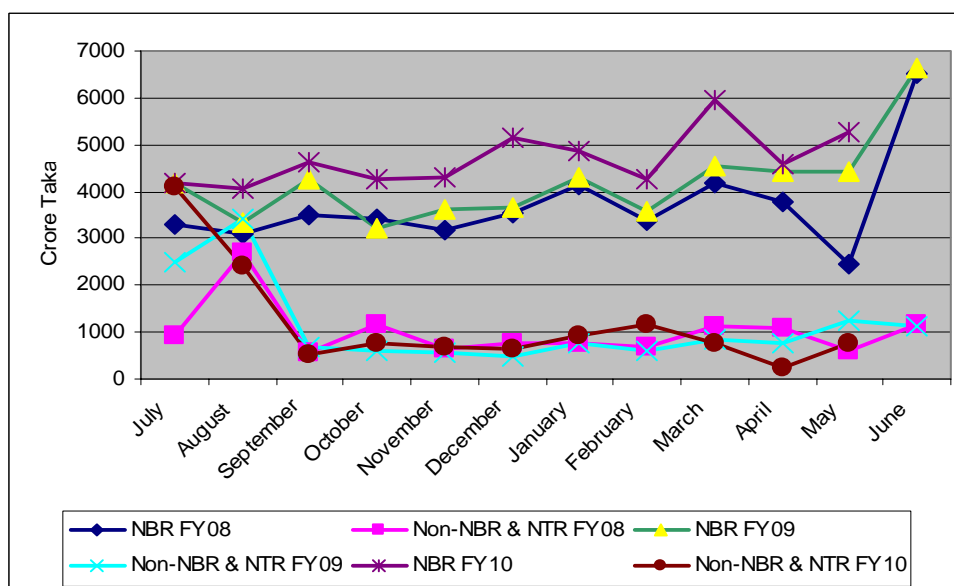
a.1 Revenue Earnings

(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				
May	5275.0	265.0	513.0	6053.0
July- May (Growth over July-May FY '09)	51042.0 (17.2%)	2419.3 (0.8%)	11086.4 (7.2%)	64547.70 (14.8%)

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

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



- Up to May, FY10 growth of total revenue is 14.8 percent.
- NBR Tax revenue growth up to May FY 10 is 17.2 percent.
- Non-NBR Tax revenue increased by 0.80 percent.
- Dividend, Interest, fees, tolls mainly contributes growth (7.2%) in Non-Tax revenue.

a.2 Grants

(Taka in crore)

2007-08	2008-09	Growth (%)	2009-10	
			May	July- May (Growth over July- May FY'09)
2007.4	1273.5	-36.56	88.3	1458.8 (77.3%)

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

a.3 Government Expenditure

(Taka in crore)

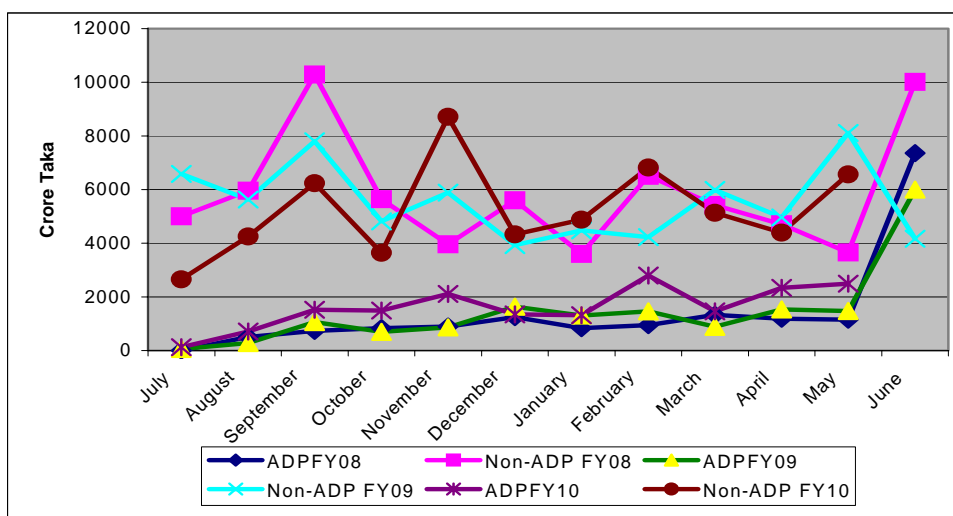
	2007-08	2008-09	Growth (%)	2009-10 ^P	
				May	July- May
1. Non-Development	61965.7	64955.1	9.10	5734.4	50812.8 (4.5%)
Interest	8072.2	10317.4	27.81	991.55	12052.5 (-6.3%)
Domestic	6910.5	9188.1	54.73	9157.25	10941.0 (-6.0%)
Foreign	1161.7	1129.3	-2.78	75.82	1111.5 (-9.0%)
Subsidies & Current Transfer	17760.6	20097.1	13.2	2329.20	17992.7 (6.7%)
2. ADP	18282.7	17559.9	-0.42	2491.8	17799.1 (52.9%)
3. Development Program Financed from Rev. Budget	388.32	378.35	-2.57	141.0	893.4
4. Non-ADP FFW	449.7	145.1	-68.19	0	72.7
5. Net Outlay on Food A/C	1416.8	4912.9	124.52	386.1	1897.6 (-51.9%)
6. Loans & Advances	10970.1	1832.6	-82.98	303.3	102.4 (-92.2%)
Total**	89858.5	84236.5	-3.15	9056.6	71578.0 (8.2%)

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. Figures in parentheses indicate growth over July-January, FY 09. ** excludes non-ADP projects, structural adjustment

Up to May, FY 10

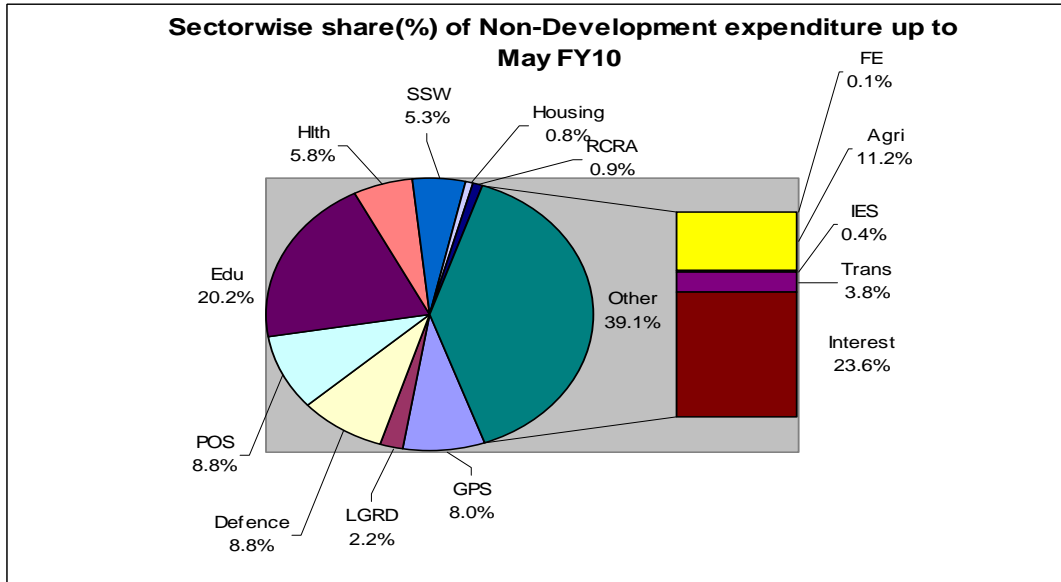
- Non Development expenditure increased by 4.5 percent, of which
 - Subsidies and transfer (growth: 6.7%)
 - Interest payments (growth: -6.3%).

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



a.3.1 Structure of Revenue Expenditure

Chart 3: structure of revenue expenditure by sector (FY10)

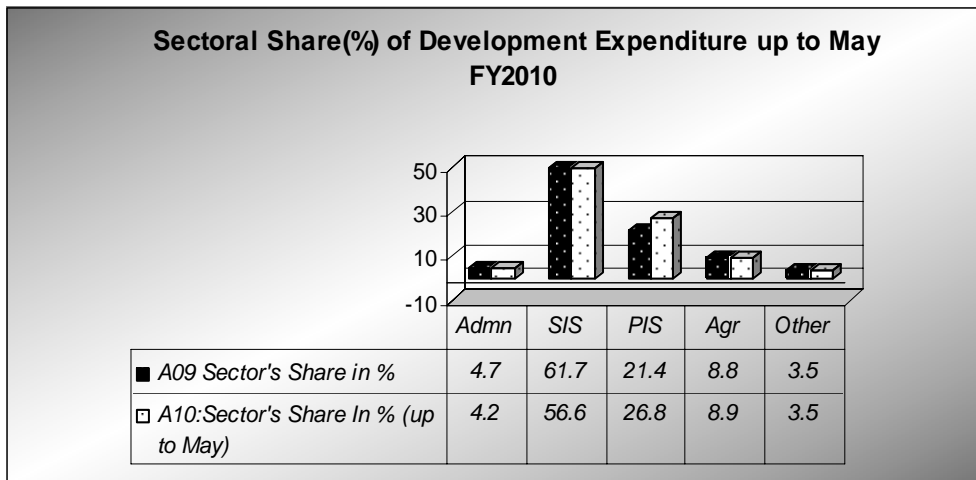


GPS = General Public Services, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, Hlth = Health, SSW = Social Security and Welfare, RCRA = Recreation, Culture and Religious Affairs, Agri = Agriculture, Fisheries and Livestock, Land, Water Resources and 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 (20.2%), Interest payment (23.6%) and POS (8.8%).

a.3.2 Structure of ADP Expenditure

Chart 4: structure of ADP expenditure by sector (FY10)



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 May FY10, highest share are in SIS (56.6%) and next highest expenditure is in PIS (26.8%).

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		
May*	-3009.0	0.44
Up to May*	-7161.3	-1.04

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

a.5 Deficit Financing

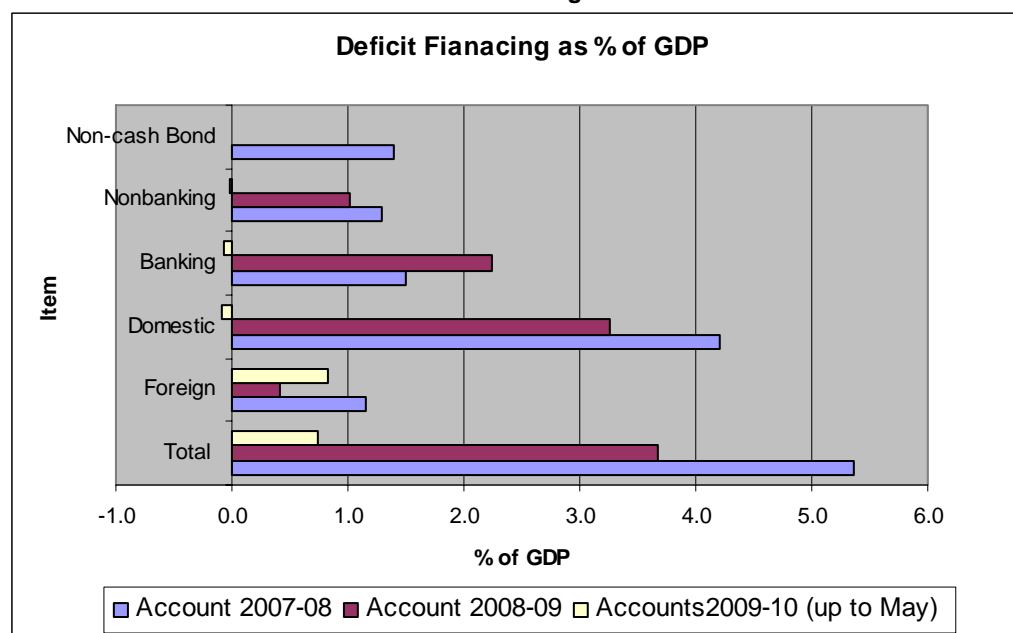
(in crore Tk.)

	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					
May	43.4	349.4	2527.4	2920.3	0.09
Up to May	5711.0	-516.2	-99.7	5095.1	-0.21

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

*including BPC ** excluding BPC

Chart 5: Financing of deficit



MONTHLY FISCAL-MACRO UPDATE

a.5 Net Sales of NSD Certificates

(in crore Taka)

	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 ^P				
May	2156.04	1187.77	968.27	60226.24
Up to May Growth over July-May FY09	23200.12 (64.11%)	12764.66 (13.12%)	10345.46 (265.77%)	60226.24 (22.88%)

Source: National Savings Directorate. P- Provisional

- Up to May FY10, the growth rate in net sale is 266 percent compared to the same period of the previous fiscal year.

A. MONETARY SECTOR

b.1 Monetary and credit development

(in crore Taka)

	Outstanding Stock at the end of period				
	2007-08	2008-09	Growth (%)	2009-10 (May ^p)	Growth(%) over May '09
Net Foreign Asset	37845.40	47964.50	26.74	65138.60	51.27
Net Domestic Asset	210949.50	248535.40	17.82	287087.30	17.92
Domestic credit	248767.80	288552.30	15.99	328288.10	16.03
Public Sector	58632.00	70624.90	20.45	64249.50	-4.11
Govt. (net)	46999.60	58185.20	23.80	49449.40	-9.05
Other Public Sector	11632.40	12439.70	6.94	14800.10	17.15
Private Sector	190135.80	217927.40	14.62	264038.60	22.28
Broad Money	248794.90	296499.90	19.17	352225.90	22.93

Source: Bangladesh Bank. p. Provisional

- At the end of May, 2010 broad money growth stands to 22.93 percent.
- Growth in Net Foreign Asset is 51.27 percent.
- Share of Net Foreign Asset in M₂ is 18.49 percent.
- There has been a negative growth in Govt. (net) (-9.05%)
- Growth in private sector credit is 22.28 percent.

b.2 Reserve money and money multiplier

	Outstanding Stock at the end of period				
	2007-08	2008-09	Change	2009-10 (May ^p)	Change over May '09
Reserve money	52789.60	69390.10	31.45%	75676.70	15.44
Reserve Money multiplier	4.71	4.27	-0.44	4.65	-0.05

Source: Bangladesh Bank; p. Provisional

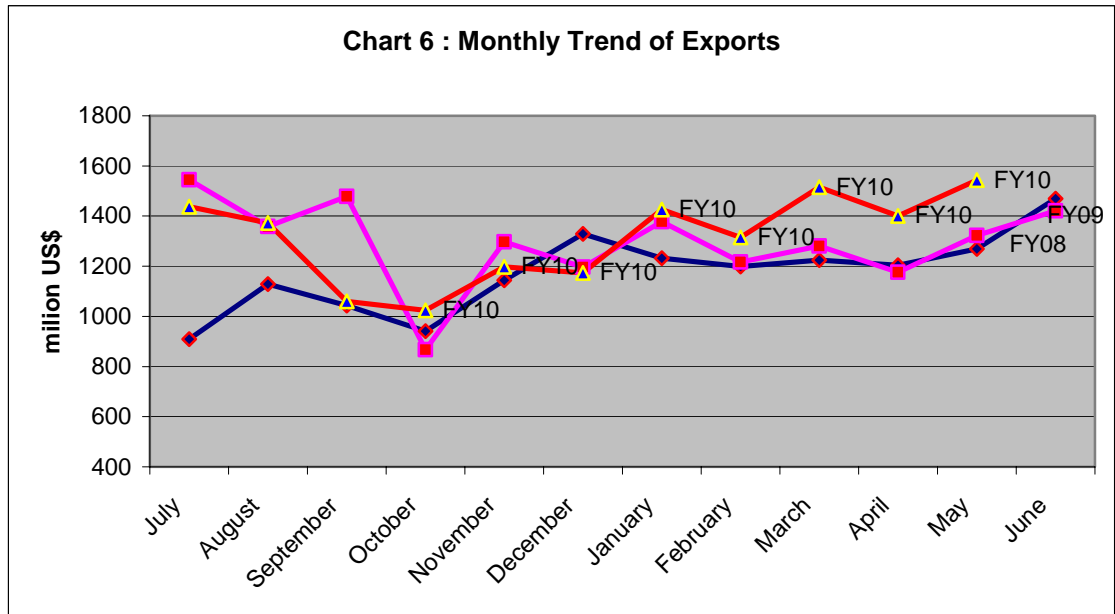
B. EXTERNAL SECTOR

c.1 Export

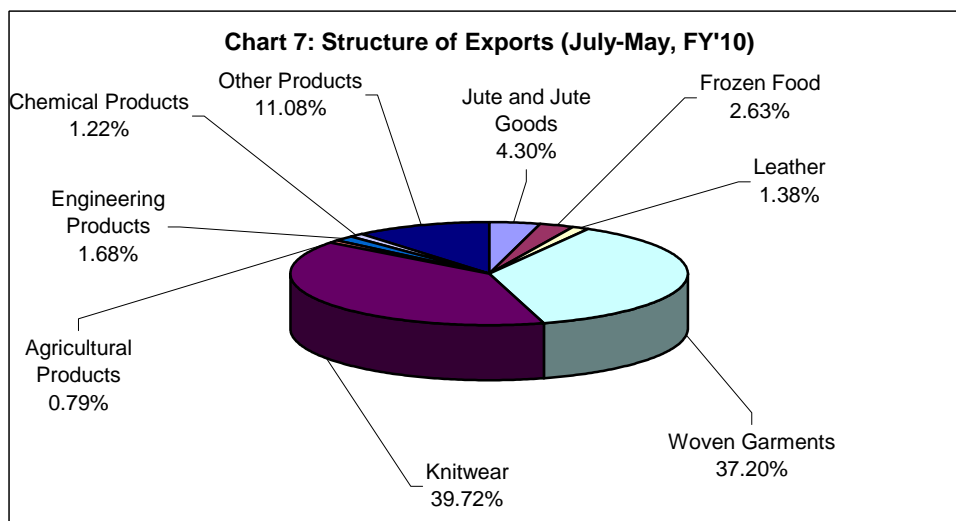
in million US\$)

	2007-08	2008-09	2009-10	
			May	July- May
Export	14110.80	15565.19	1543.83	14491.14
Growth (%)*	15.87	10.31	16.71	2.48

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



c.1.1 Structure of Exports



- In the first eleven months of FY10, export earnings increased by 2.5 percent. Although export earnings of Knitwear (0.93%), Woven Garments (0.09%), Frozen food (9.61%) and Chemical products (31.46%) still experiencing negative growth.
- Exports of Raw Jute, Jute goods, Leather, Engineering product, other primary commodities and other manufacturing goods increased by 36.28 percent, 79.85 percent, 22.66 percent, 42.84 percent, 9.17 percent and 6.82 percent respectively.

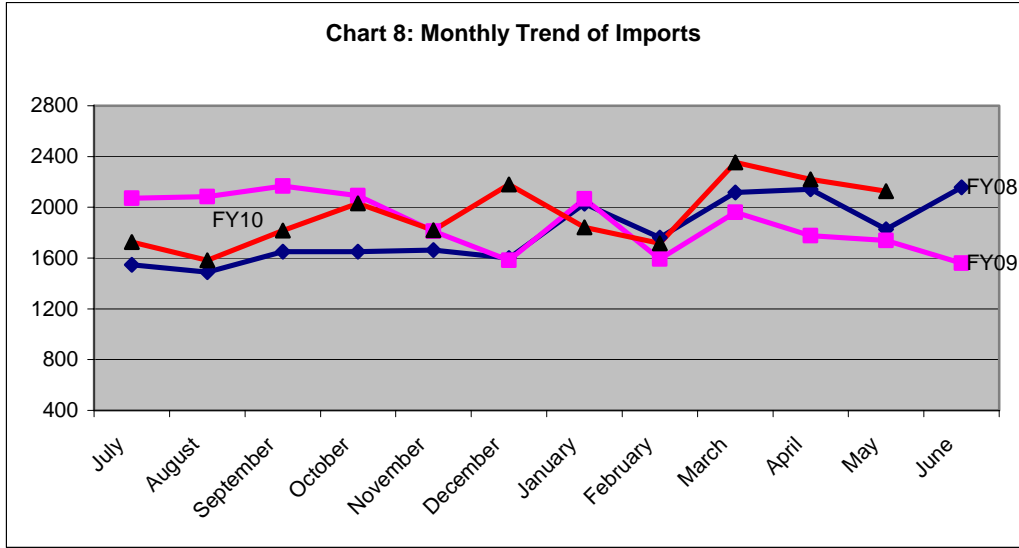
c.2 Imports (c&f)

(In million US\$)

	2007-08	2008-09	2009-10 ^P	
			May	July-May
Import payments	21629.00	22507.10	2127.00	21538.20
Growth (%)	26.07	4.06	22.30	2.82
LCs Opened	24435.61	21802.74	2940.04	25725.87
Growth (%)	40.02	-10.77	73.91	29.03
LCs Settled	20372.60	21444.35	2132.24	20800.60
Growth (%)	27.56	5.26	32.83	4.46

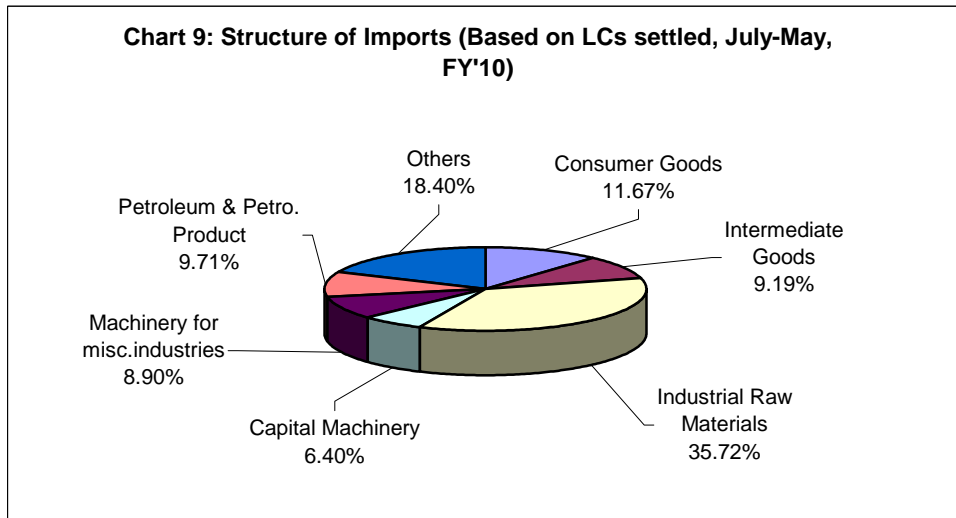
Source: Bangladesh Bank.

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.
- In the first eleven months of FY10 import payment increased by 2.82 percent compared to the same period of FY09.

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



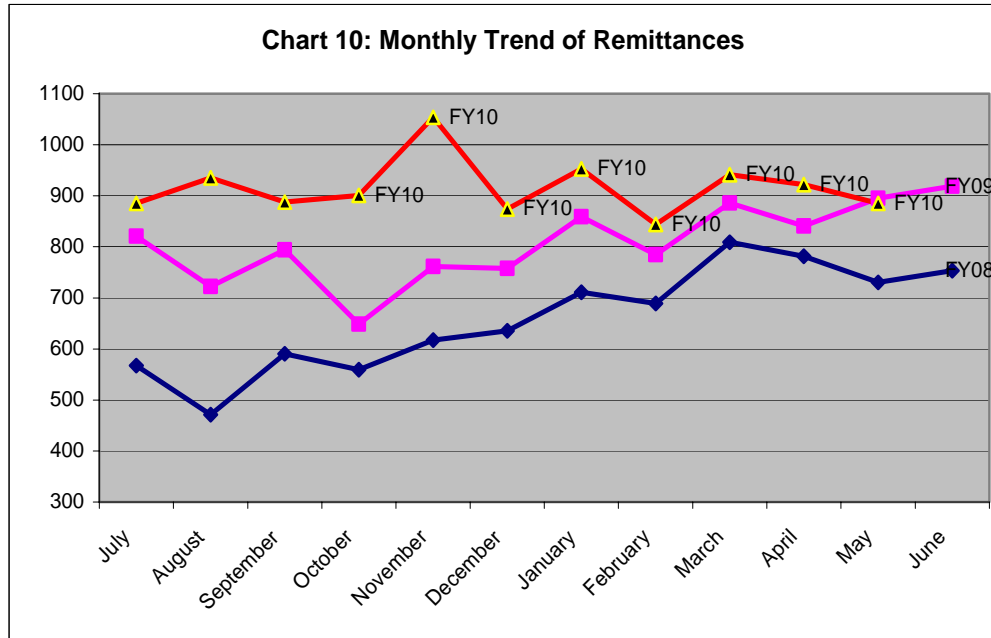
- In the first eleven months of FY10 import of consumer goods recorded an increase of 24.99 percent. In the similar period-
 - ✓ Import of intermediate goods decreased by 4.64 percent.
 - ✓ Import of industrial raw materials decreased by 6.25 percent.
 - ✓ Import of capital machinery increased by 24.51 percent and machinery for misc. industry increased by 3.22 percent.

c.3 Remittances

(in million US\$)

	2007-08	2008-09	2009-10 ^p	
			May	July- May
Remittances	7914.78	9689.26	885.12	10077.32
Growth (%)	32.39	22.42	6.3	14.90
As % of GDP	10.02	10.82	-	-
As % of Export	56.09	62.25	57.33	69.54

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

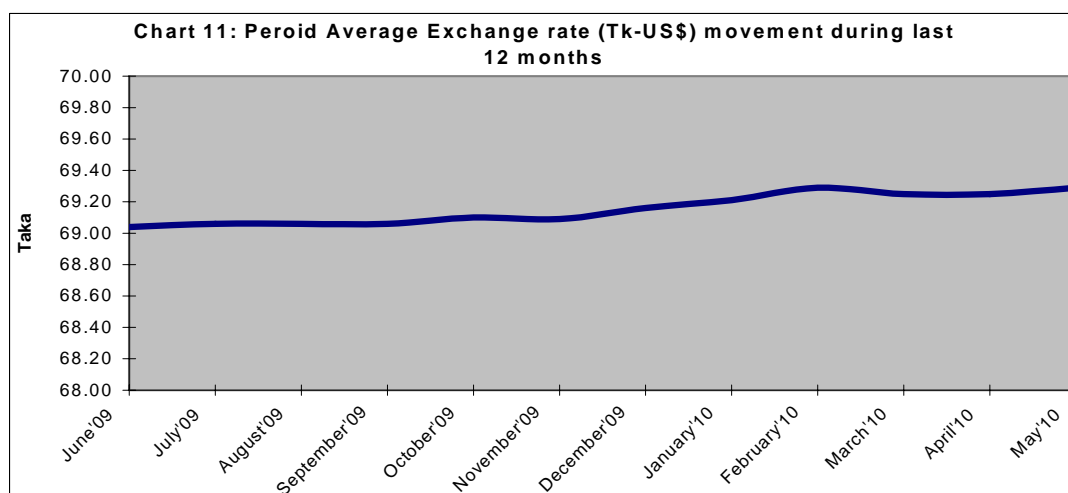


- In FY 09 remittances inflow records a robust growth of 22.83 percent.
- In FY09 remittances as percent of GDP and Export were 10.82 percent and 62.25 percent respectively which are relatively higher than previous fiscal year.
- In the first eleven months of FY10 remittances inflow records a growth of 14.90 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		
November	69.0956	69.1500
December	69.1657	69.2600
January	69.2059	69.1700
February	69.2931	69.2450
March	69.2523	69.2425
April	69.2565	69.2850
May	69.2973	69.3217

Source: Bangladesh Bank.



- Taka depreciated slightly (by 0.38 percent) as of end May'10 against US dollar over end of June previous year.

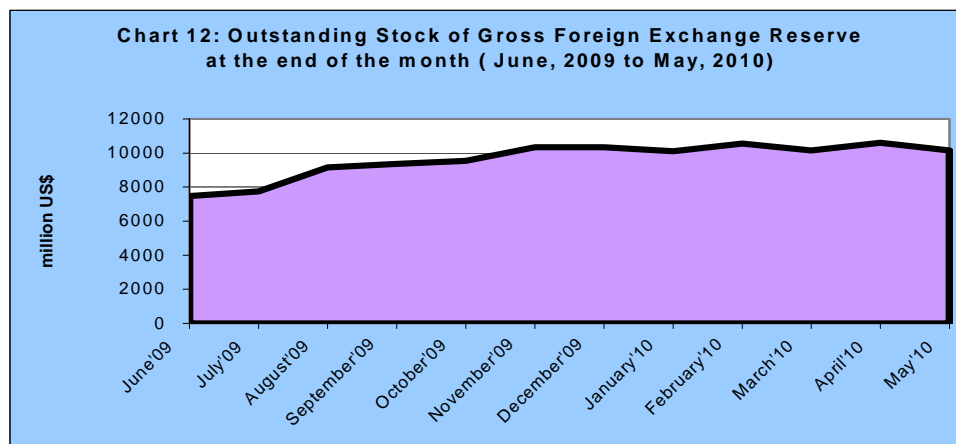
c.5 Foreign Exchange Reserve

(in million US\$)

	2007-08	2008-09	As on end of May'10
Reserve	6148.82	7470.96	10146.24
in month of import payment	3.41	3.98	4.7

Source: Bangladesh Bank.

- On the basis of import payment of July-April FY10 the foreign exchange reserve (end May) is equivalent to 4.7 months import payments.

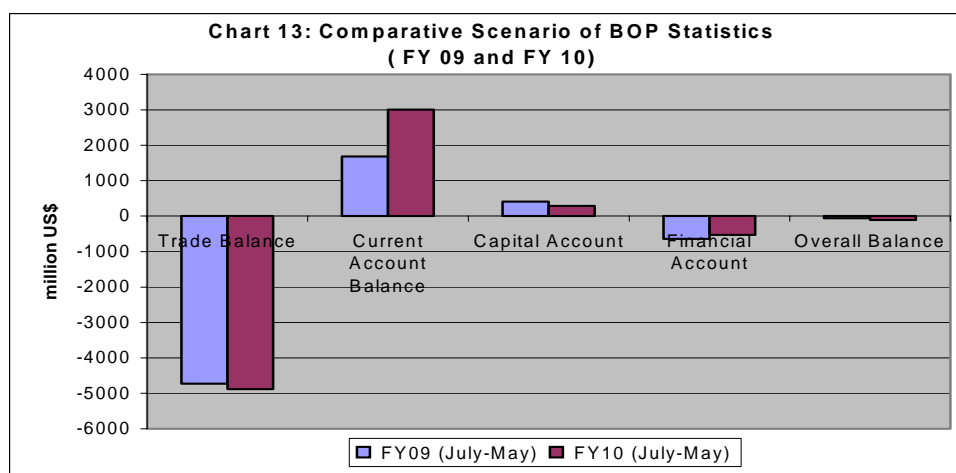


c.6 Balance of Payments

(in million US\$)

	2007-08	2008-09	2008-09 (July-May)	2009-10 ^P (July-May)
Trade Balance	-5330	-4708	-4726	-4885
Current Account Balance	680	2536	1681	3006
Capital Account	576	451	409	291
Financial Account	-457	-808	-640	-531
Overall Balance	331	2058	-57	-105

Source: Bangladesh Bank. p- provisional



- Current Account Balance records a surplus of US\$ 2536 million in FY 09, which was US\$ 680 million in the same period of the previous fiscal year.
- In the first eleven months of FY10, Current Account Balance records a surplus of US\$ 3006 million, which was US\$ 1681 million in the same period of the previous fiscal year.

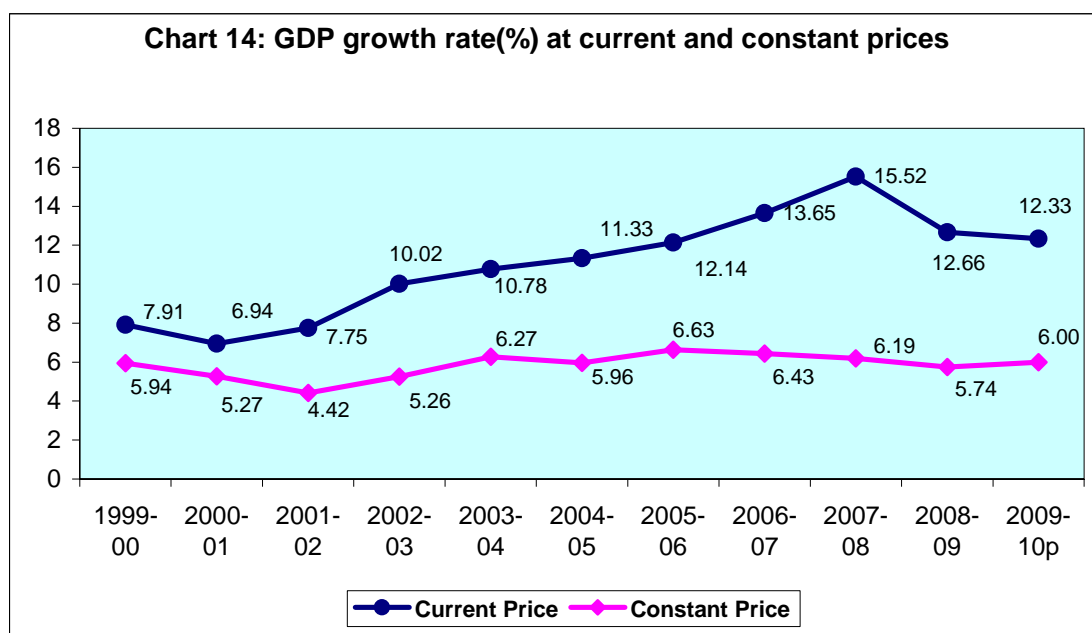
A. REAL SECTOR

d.1 Gross Domestic Product (Crore Taka)

	2005-06	2006-07	2007-08	2008-09	2009-10 ^P
GDP at constant prices	284673	302971	321726	340652	360610
Growth (%)	6.63	6.43	6.19	5.74	6.0
Agriculture	4.94	4.56	3.20	4.12	4.39
Industry	9.74	8.38	6.78	6.46	6.42
Service	6.40	6.92	6.49	6.32	6.59
GDP at current prices	415728	472477	545822	614800	690571
Growth (%)	12.14	13.65	15.52	12.60	12.33
GNI at current prices	442935	507752	594212	670696	756875
Per capita GDP (Tk.)	29955	33607	38330	42628	47281
Per capita GNI (Tk.)	31915	36116	41728	46504	51821
Per capita GDP (US\$)	447	487	559	620	684
Per capita GNI (US\$)	476	523	608	676	750

Source: Bangladesh Bureau of Statistics. P- Provisional.

- Real GDP growth in FY10 provisionally estimated to be 6.0 percent of which
 - Growth in Agriculture has been estimated at 4.39 percent
 - Growth in Industry is estimated 6.42 percent
 - Service sector growth is estimated at 6.59 percent.
- Per capita GDP in FY10 exceeded US\$ 650 mark and reached to US\$ 684.

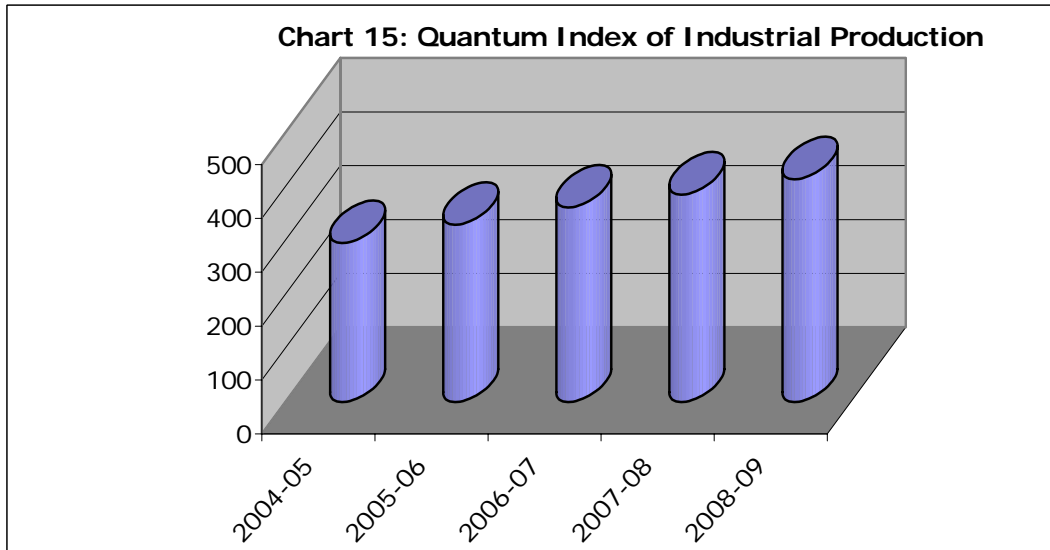


* P: indicates provisional

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

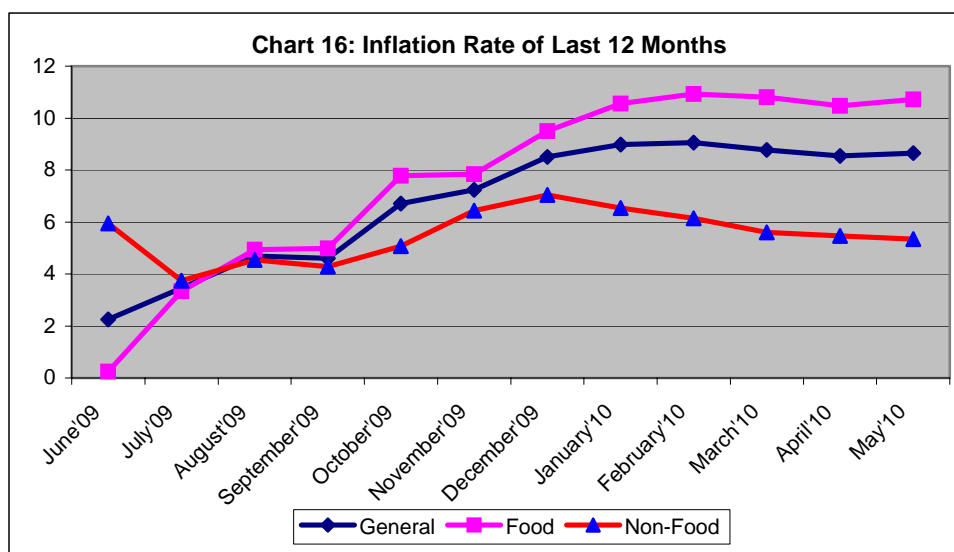


- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) is 9.74 percent in FY 07 which was 11.41 percent in FY 06.
- In FY 08, the average index is 384.82 which is 6.80 percent higher compared to the same period of FY 07.
- In FY 09, the average 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				
October	223.36	6.71	7.78	5.07
November	222.14	7.24	7.84	6.44
December	222.33	8.51	9.50	7.04
January	222.38	8.99	10.56	6.53
February	222.50	9.06	10.93	6.14
March	222.61	8.78	10.80	5.60
April	222.49	8.54	10.47	5.46
May	223.59	8.65	10.72	5.34

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 May of FY10 the rate of inflation (national) on point-to-point basis was 8.65 percent. Of which, food and non-food inflations were 10.72 percent and 5.34 percent respectively (Table d3 above).