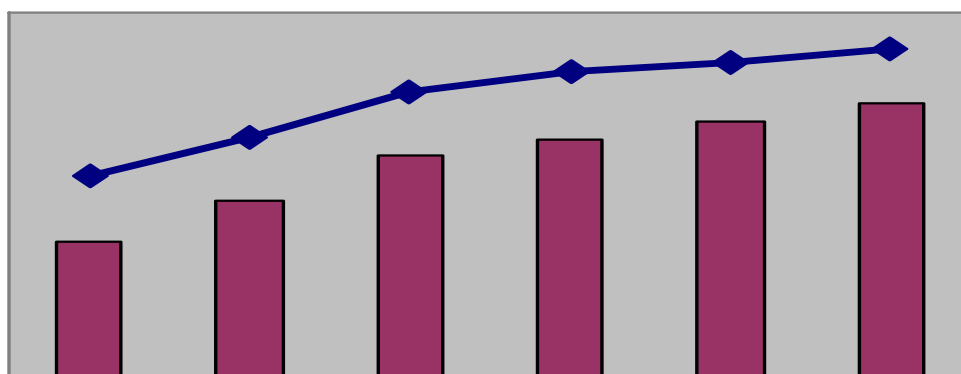


MONTHLY FISCAL-MACRO UPDATE

November, 2011



Prepared by:

Macroeconomic Wing

Finance Division

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Ministry of Finance

Issue-10, Year: 2011

As on December 27, 2011

A. FISCAL SECTOR

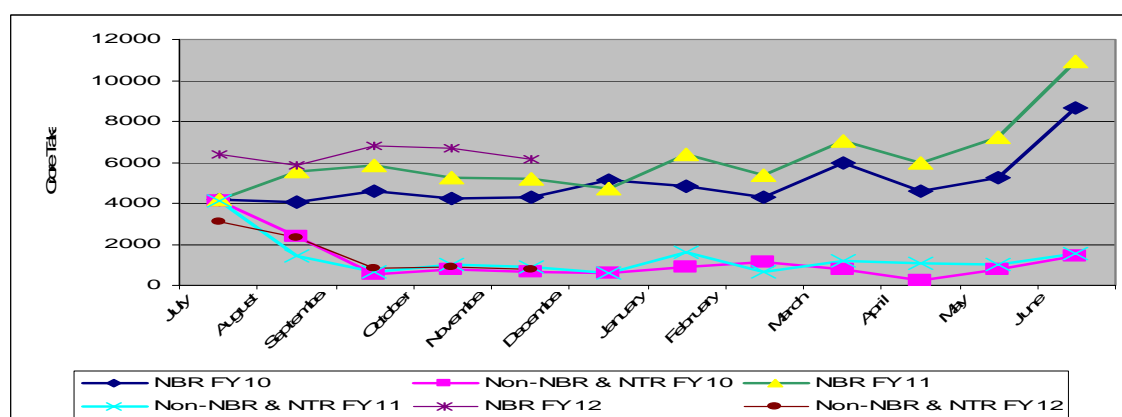
a.1 Revenue Earnings

(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				
November	6179	246	548	6974
July- November (Growth over July- November FY 12)	31885 (19.66%)	1306 (7.84%)	6732 (14.96%)	39923 (18.42%)

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.
- Up to November FY12, NBR Tax revenue growth was 19.66 percent.
- Non-NBR Tax revenue increased by 7.84 percent
- Non-Tax revenue increased by 14.96 percent.

a.2 Grants

(Taka in crore)

2009-10	2010-11	Growth (%)	2011-12		
			November	July- November	Growth over July- November FY 12 (%)
3217.5	1224.8	61.93	20.6	112.5	-11.14%

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

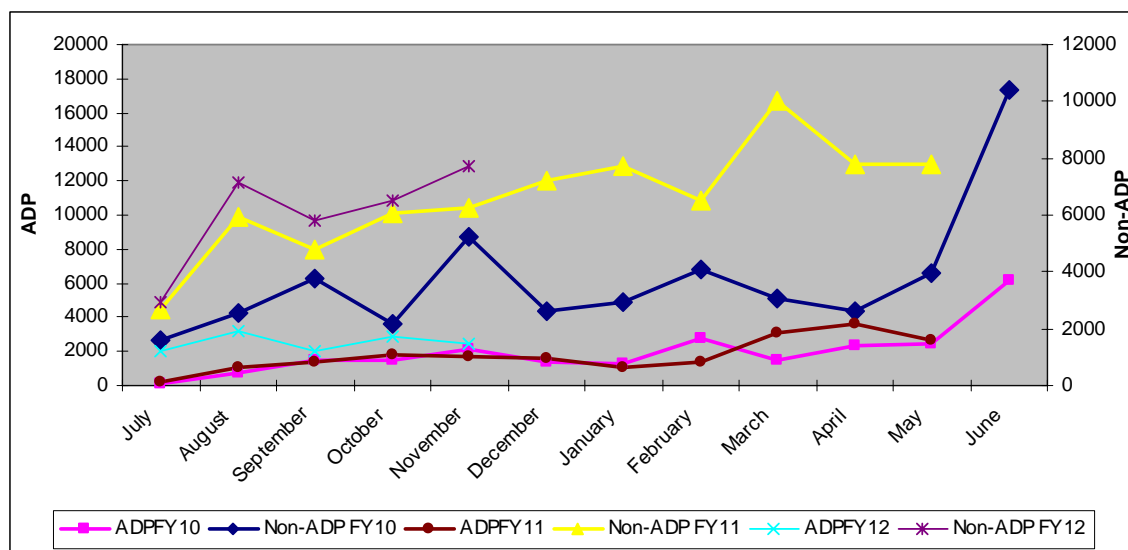
a.3 Government Expenditure

(Taka in crore)

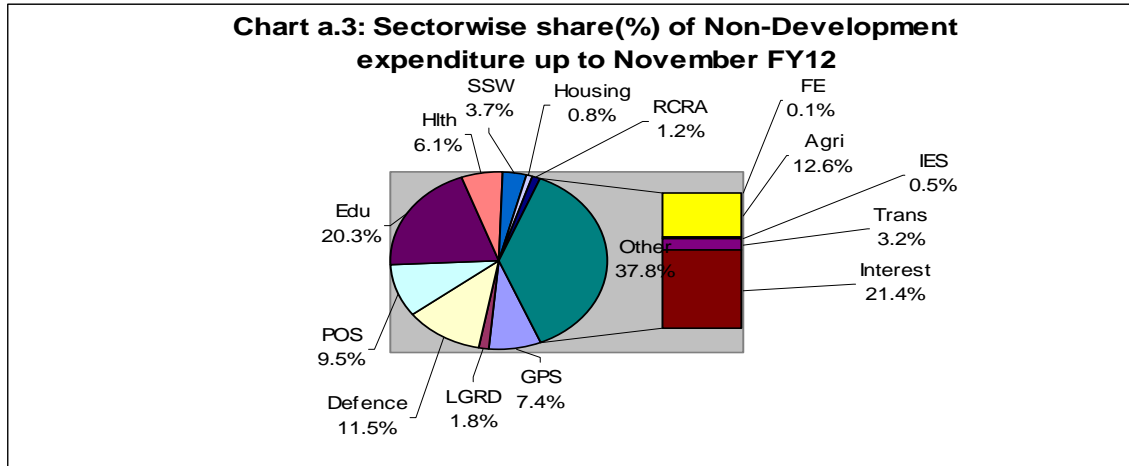
	2009-10	2010-11	Growth (%)	2011-12	
				November	July- November
1. Non-Development	73164.4	81372.0	11.22	7751.6	30569.7
Interest	14868	15151.9	1.91	1277.2	6461.9
Domestic	13497	13729.0	1.72	1277.1	6327.8
Foreign	1371	1422.9	3.79	0.1	134.1
Subsidies & Current Transfer	26964	31081.6	15.27	3301.3	11924.5
2. ADP	28113.9	33001.3	17.38	1448.9	7525.1
3. Development Program Financed from Rev. Budget	802.09	835.5	4.17	7.7	31.7
4. Non-ADP FFW	927.9	4200.0	352.63	0.00	27.1
5. Net Outlay on Food A/C	-849.9	5026.4	417.55	76.6	3774.9
6. Loans & Advances	931.3	7329.3	686.97	1132.7	4283.4
Total**	101604.0	124794.0	21.52	10417.5	46211.9

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

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



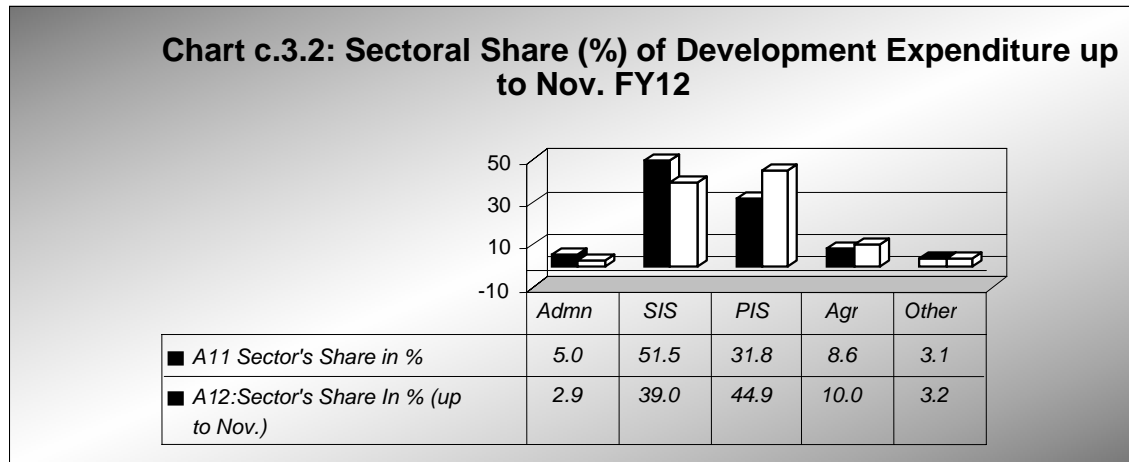
a.3.1 Structure of Revenue Expenditure



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 (21.4%) followed by Education (20.3%), Agriculture (12.6%). Defense (11.5%).

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 November FY12 highest shares are in Physical Infrastructure (44.9%) and next highest expenditure is in Social Infrastructure (39.0%).

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		
November *	-3412	-0.39
Up to November *	-6193	-0.70

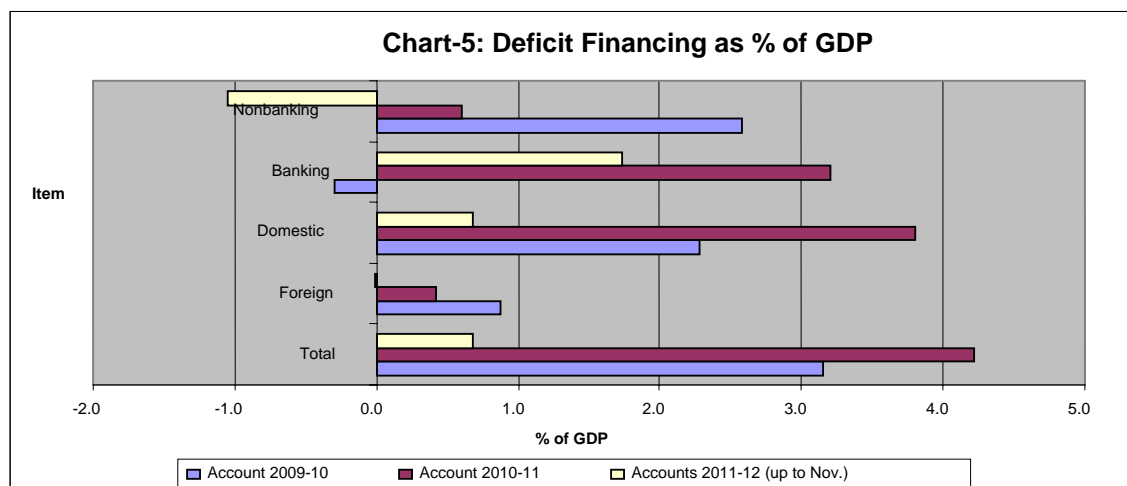
Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. * excluding grants

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	-3.60
2010-11	2232.5	25210.2	3570.6	31013.2	-3.28
2011-12					
November *	192.0	4462.4	-1289.2	3365.1	0.09
July- November*	-48.4	15336.6	-9275.5	-6012.7	-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
2010-11	17232.03	15175.13	2056.90	63438.32
Growth	-33.17	8.68	-82.25	3.35
2011-12				
November	1113.59	1134.14	-20.55	64008.64
July- November (Growth over July-November FY11)	6929.17 (-10.38)	6358.85 (+12.29)	570.32 (-72.43)	64008.64 (+0.88)

Source: National Savings Directorate.

- Up to November of FY12, net sale was decreased by -72.43 percent than that period 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 ^P November Growth(%) over July- November, FY11
Net Foreign Asset	67073.70	70620.00	5.29	62419.10
Net Domestic Asset	295957.50	369899.90	24.98	402404.80
Domestic credit	340213.70	433525.90	27.43	472492.60
Public Sector	69453.00	92813.20	33.63	110656.10
Govt. (net)	54392.30	73436.10	35.01	90720.50
Other Public Sector	15060.70	193.77.10	28.66	19935.6
Private Sector	270760.70	340712.90	25.84	361838.50
Broad Money	363031.20	440519.90	21.34	464823.90

Source: Bangladesh Bank. p. Provisional

- At the end of June FY11, broad money growth stands to 21.34 percent.
- Growth in Net Foreign Asset is 5.29 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 (November ^P)	Change over July-November '11
Reserve money	80510.30	97500.90	16990.6	99158.30	-
Reserve Money multiplier	4.51	4.52	0.01	4.28	0.27

Source: Bangladesh Bank.

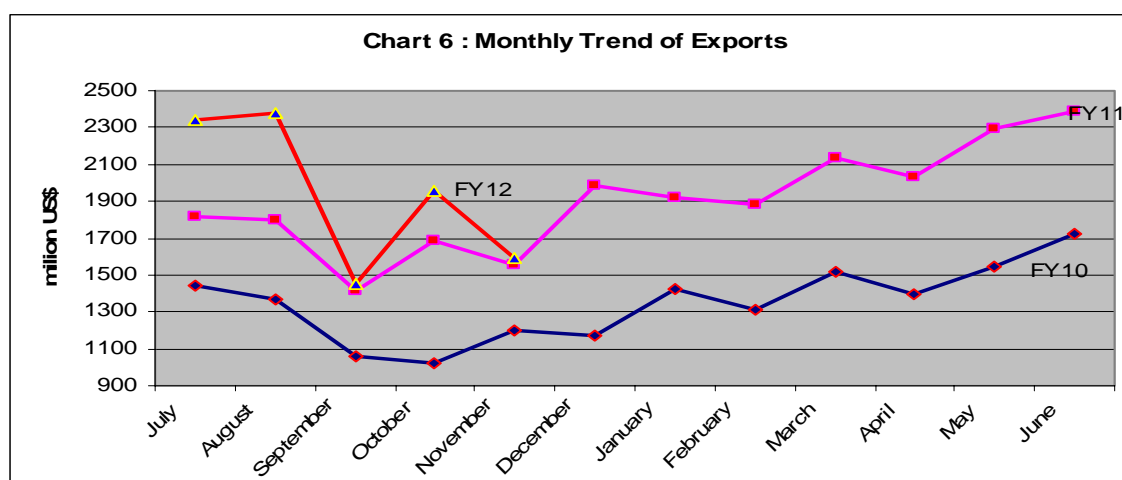
C. EXTERNAL SECTOR

c.1 Export

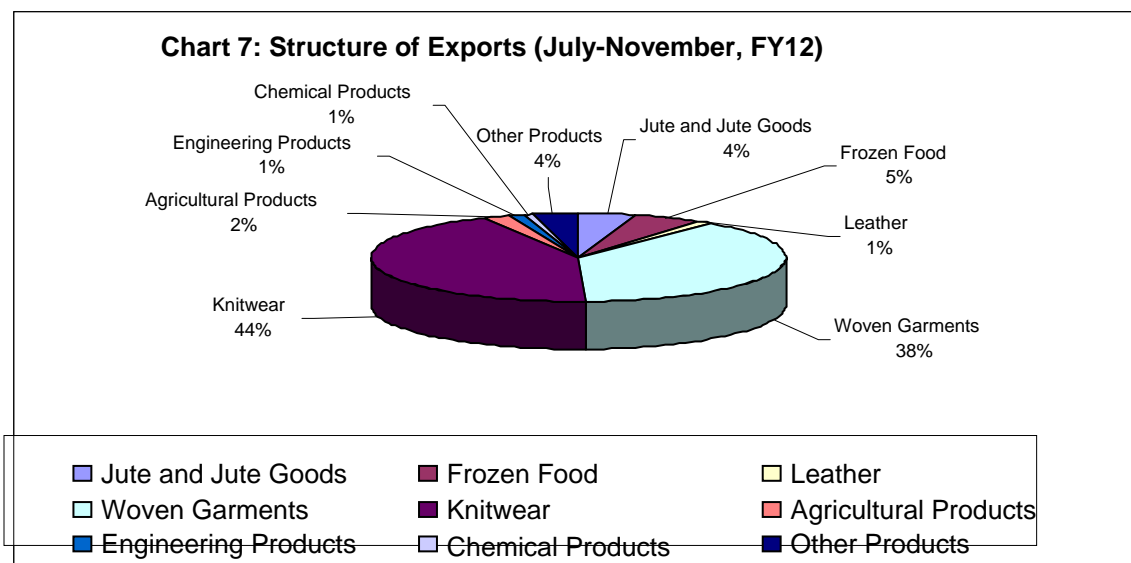
(In million US\$)

	2009-10	2010-11	2011-12	
			November	July-November
Export	16204.65	22924.38	1591.24	9709.75
Growth (%)	3.95	41.47	2.40	17.33

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



c.1.1 Structure of Exports



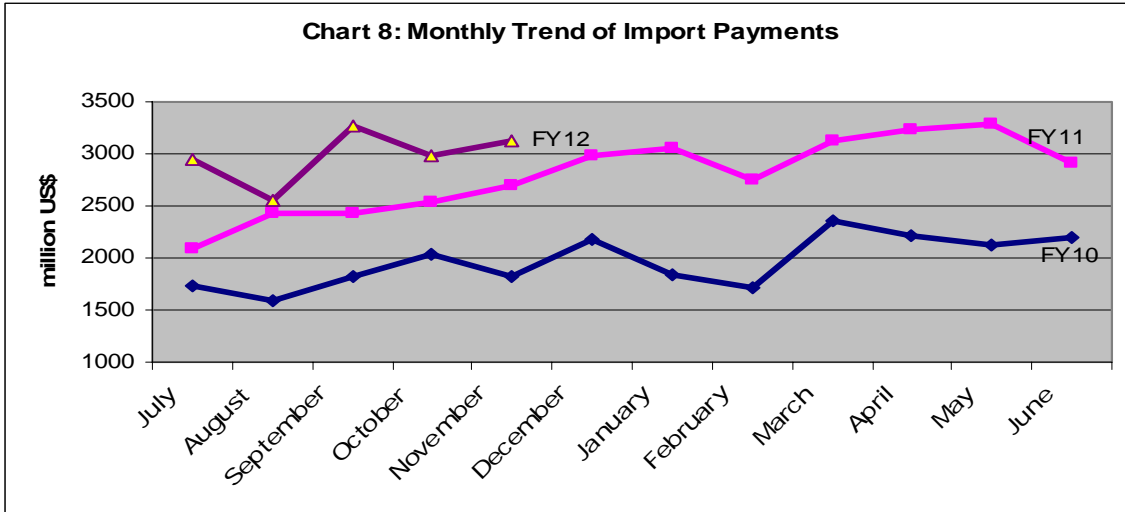
- Up to November of FY12, export earnings increased by 17.33 percent over the same period of previous year. This growth mainly contributed by Knitwear (44.00%), Woven Garments (38%), Frozen food (5%), Leather (1%), Raw Jute & Jute goods (4%), Agricultural Products (2%).

c.2 Imports (c & f)

(In million US\$)

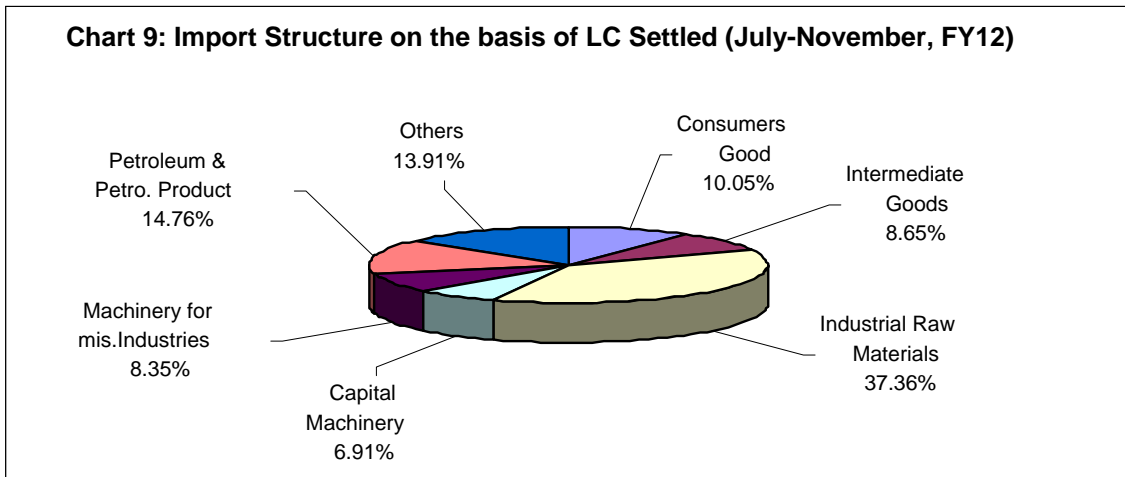
	2009-10	2010-11	2011-12	
			November	July-November
Import payments	23738.40	33657.50	3141.3	14906.9
Growth (%)	5.47	41.79	-	21.65
LCs Opened	28783.40	38581.12	2720.95	15687.29
Growth (%)	32.01	34.04	-	-2.09
LCs Settled	23053.10	31952.18	3496.85.93	14950.27
Growth (%)	7.50	38.60	-	22.91

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



- In FY11, import payments increased by 41.79 percent compared to the previous fiscal year.
- However, up to November FY12, import payment increased by 21.65 percent compared to the same period of FY11.

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



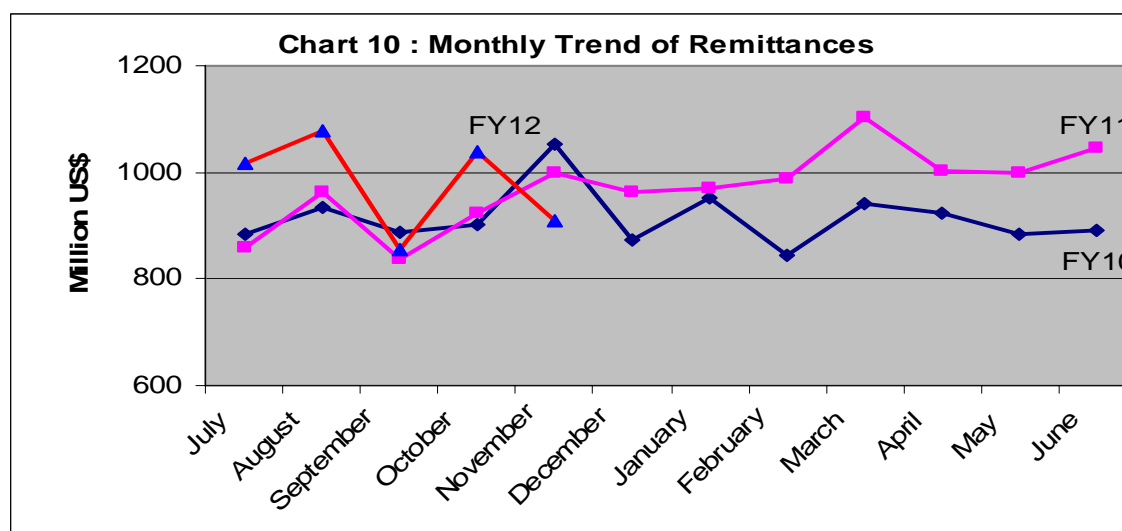
- ✓ Imports of consumer goods increased by 10.83 percent, intermediate goods increased by 68.99 percent, industrial raw materials increased by 19.56 percent, capital machinery increased by 32.79 percent and machinery for misc. industry increased by 18.85 percent, petroleum and petro products increased by 92.44 percent.
- ✓ Import of other commodities decreased by 13.16 percent.

c.3 Remittances

(In million US\$)

	2008-09	2009-10	2010-11	2011-12	
				November	July-November
Remittances	9689.26	10987.40	11650.32	908.79	4921.08
Growth (%)	22.42	13.40	6.03	-	7.41
As % of GDP	10.82	11.06	11.72	-	-
As % of Export	62.25	67.80	50.82	57.11	50.68

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

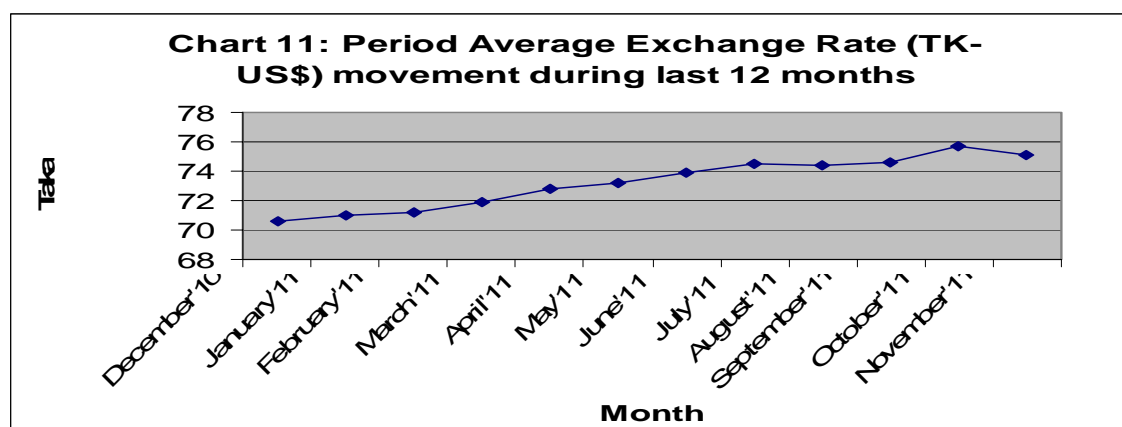


- In FY11 remittances inflow records a moderate growth of 6.03 percent.
- In FY11 remittances as percent of GDP and Export were 11.72 percent and 50.82 percent respectively which are relatively higher than previous fiscal year.
- Up to November FY12, remittances inflow recorded a growth of 7.41 percent 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

Source: Bangladesh Bank



- Exchange rate of Taka per US\$ decreased to Tk.74.48 at the end of July, 2011 from Tk.74.41 at the end of November, 2011. Taka appreciated by 0.94 percent as of end November, 2011 over end July, 2011.

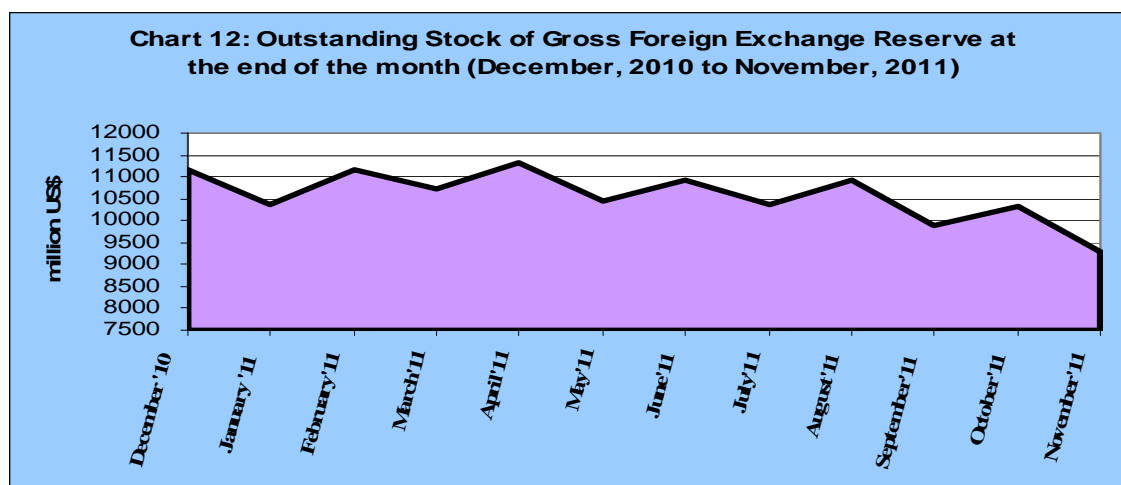
c.5 Foreign Exchange Reserve

(In million US\$)

	2009-10	2010-11	As on end of November '11
Reserve	10749.74	10911.55	9285.20
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\$ 9285.20 million by end November, 2011 against US\$10338.28 million by end October, 2011.
- On the basis of average import payment during July 2011 to November 2011, the foreign exchange reserve is equivalent to 2.98 months import payments.

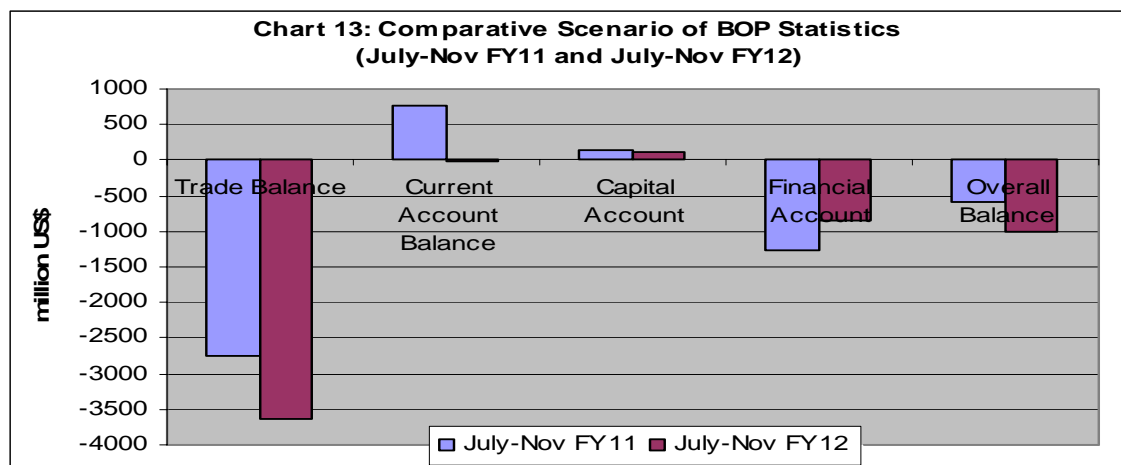


c.6 Balance of Payments

(In million US\$)

	2009-10	2010-11	2010-11 (July- November)	2011-12 ^P (July- November)
Trade Balance	-5155	-7328	-2754	-3645
Current Account Balance	3724	995	762	-14
Capital Account	512	600	146	116
Financial Account	-651	-1584	-1269	-844
Overall Balance	2865	-925	-584	-998

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 deficit of -14 million US\$ during July-November of FY 12, which was a surplus of 762 million US\$ in the same period of the previous fiscal year.

D. REAL SECTOR

d.1 Gross Domestic Product

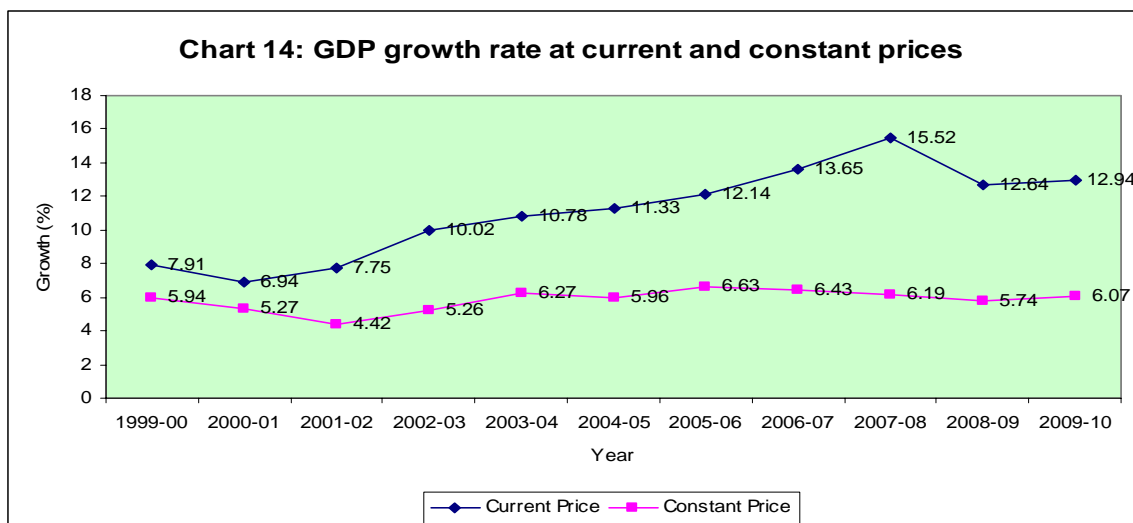
(Taka in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11 ^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

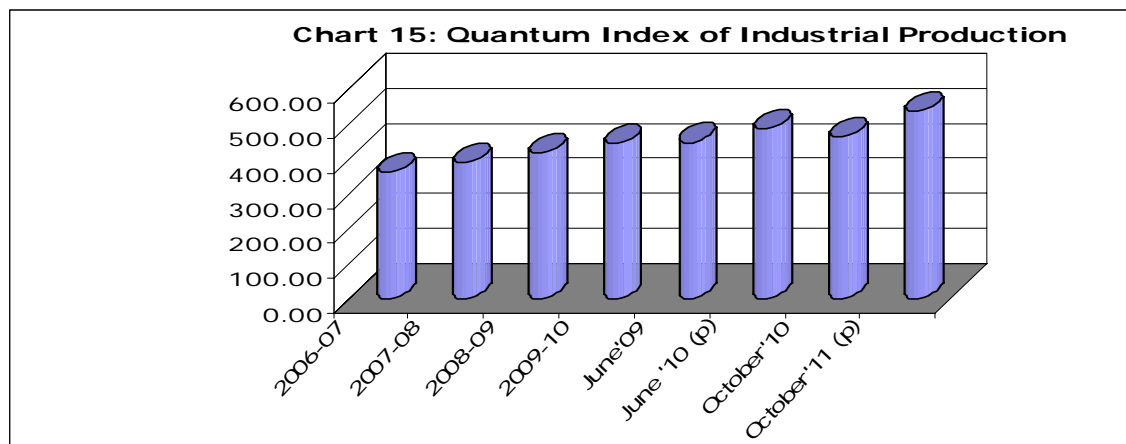
- Service sector growth is estimated at 6.63 percent.
- Per capita GDP in FY2010-11 exceeded US\$ 750 mark and reached to US\$ 755.



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 ^P		
October '10	461.10	-
October '11 ^P	533.23	-

Source: BBS ; R: Revised ; P: Provisional



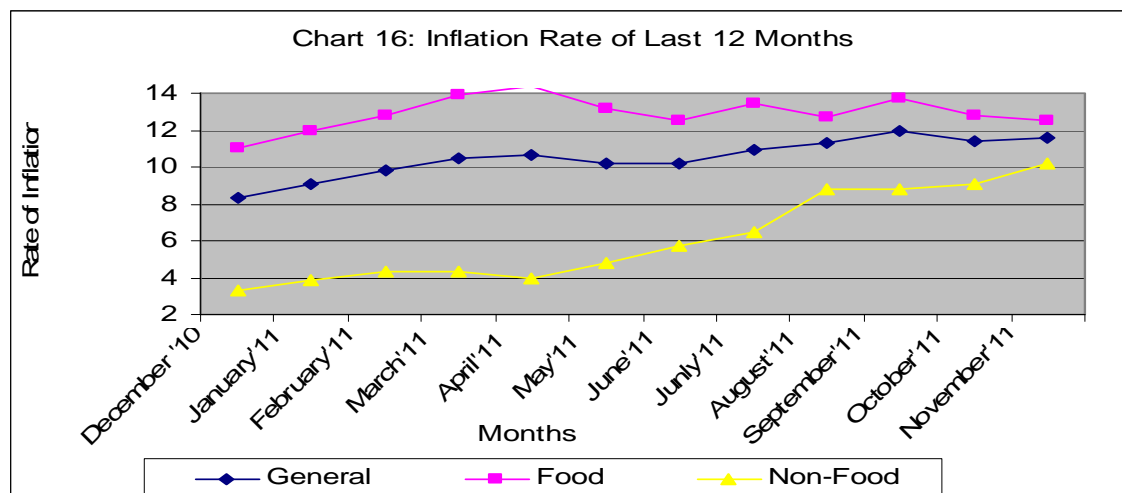
- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) was 6.94 percent in FY 10 which was 6.97 percent in FY 09.
- In June 2011, the average index stood at 577.68 which was 19.73 percent higher compared to the same period of 2009.
- In October 2011, the average index was 533.23 which was 15.64 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
2010-11		Twelve-Month Point to Point Basis		
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

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

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 November FY11, the rate of inflation (General) on point-to-point basis stood at 7.54 percent which increased substantially to 11.58 percent in November FY2011-12. However, the food and non-food inflation were 9.8 percent and 3.33 percent respectively during the same period of FY11.
- In November of FY12, the rate of inflation (national) on point-to-point basis was 11.58 percent. Of which, food and non-food inflations were 12.47 percent and 10.19 percent respectively (Table d3 above).