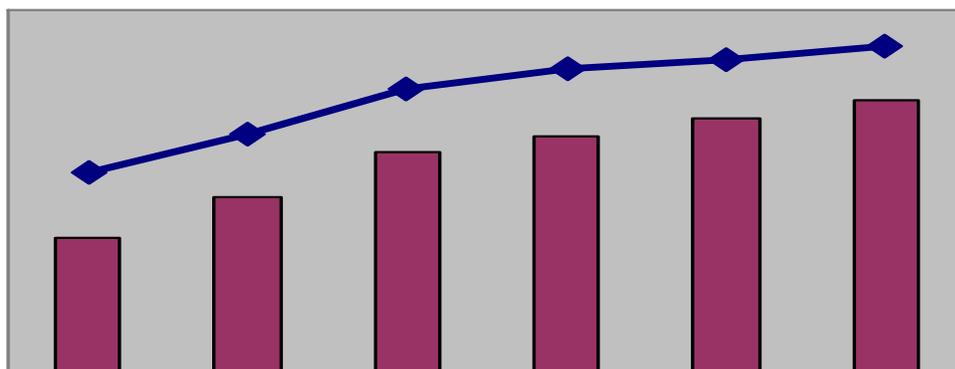


MONTHLY FISCAL-MACRO UPDATE

NOVEMBER, 2008



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Ministry of Finance

Issue-9, Year: 2008

As on January 25, 2009

A. FISCAL SECTOR

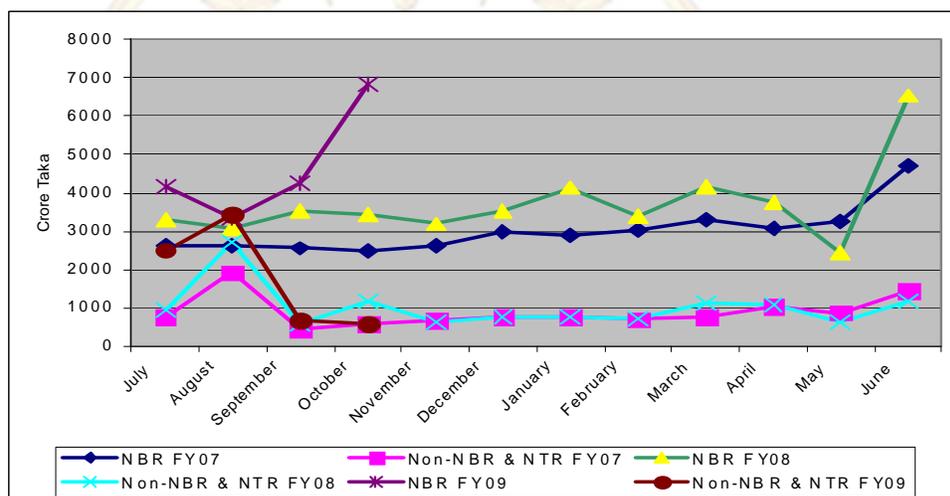
a.1 Revenue Earnings

(in crore Tk.)

Fiscal Year	Tax Revenue		Non-Tax Revenue	Total Revenue
	NBR	Non-NBR		
2006-07	36172.1	1854.7	8779.7	46806.6
2007-08	45777.0	2313.0	10080.0	58170.0
Growth (%)	26.6	24.7	14.8	24.3
2008-09				
October	3237.7	158.2	426.1	3821.9
July- October	14988.3	851.6	6326.5	22166.4
Growth over July- Oct., FY 08	(12.7%)	(31.7%)	(33.7%)	(18.7%)

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

Chart 1: Monthly Trend of Revenue earnings (FY07-FY09)



- Up to October, FY09 growth in revenue (18.7%) continues.
- NBR Tax revenue growth up to October FY 09 is 12.7 percent.
- Non-NBR Tax revenue growth up to October FY 09 is 31.7percent.
- Dividend and profit mainly contributes growth (33.7%) in Non-Tax revenue.

a.2 Grants

(in crore Tk.)

2006-07	2007-08	Growth (%)	2008-09		
			October	July- Oct.	Growth over July- October, FY 08
1037.4	2007.4	93.50	96.0	127.6	32.05

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

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a.3 Government Expenditure

(in crore Tk.)

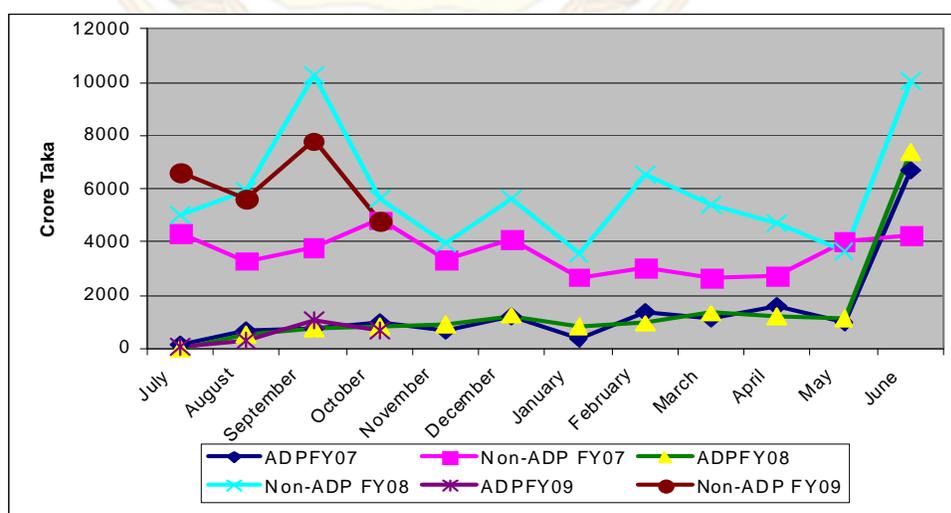
	2006-07	2007-08	Growth (%)	2008-09	
				October	July- October
1. Current	40867.9	49992.0	22.34	3915.2	16782.4 (23.92%)
Interest	9403.4	12461.9	32.53	1030.73	4712.98 (3.04%)
Domestic	8063.1	11063.4	37.21	855.80	4250.04 (1.63%)
Foreign	1340.3	1398.5	4.34	144.93	462.94 (18.05%)
Subsidies & Current Transfer	12228.0	17758.2	45.23	2014.38	6559.59 (73.62%)
2. ADP	16833.0	17067.5	7.60	704.2	2109.9 (5.36%)
3. Non-ADP Capital Exp. & Net lending	2782.7	-5671.7	-230.09	187.6	1896.3 (-76.45%)
4. Net Outlay on Food A/C	388.0	2192.0	1401.37	765.0	2152.0 (123.47%)
5. Extraordinary Exp	32.2	788.3	2348.14	0.00	0.00
6. Check float	222.3	20452.8	1635.9	-54.1	4008.7 (6.22%)
Total (1+2+3)	59932.0	84821.1	41.53	5517.9	26949.2 (-6.60%)

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. Figures in parentheses indicate growth over July-October, FY 08

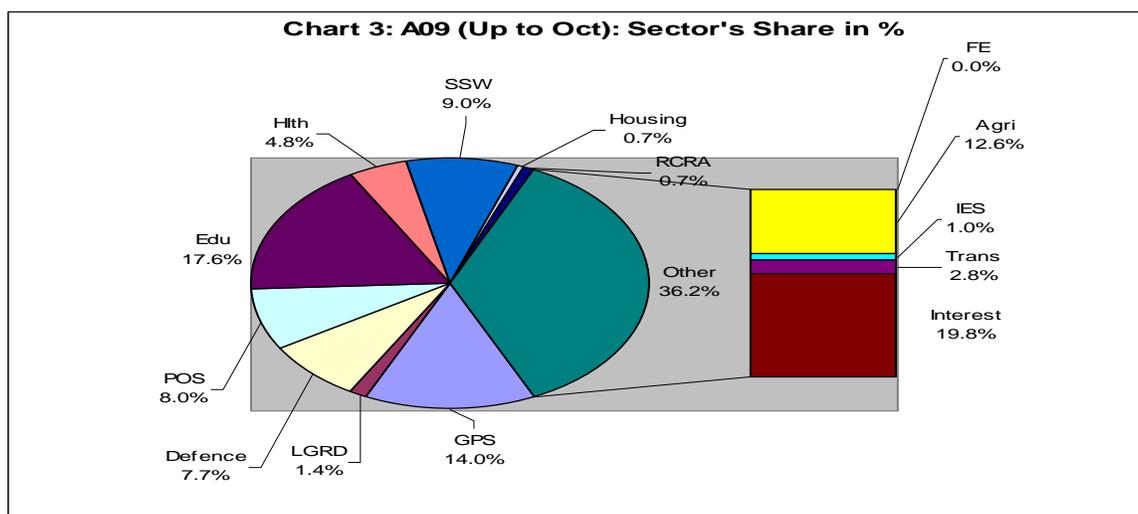
Up to October, FY 09,

- Current expenditure records a growth (growth: 23.92 %), of which
 - Subsidies and transfer (growth: 73.62%)
 - Interest payments (growth: 3.04%).

Chart 2: Monthly Trend of ADP and Non-ADP Expenditure (FY 07-FY09)



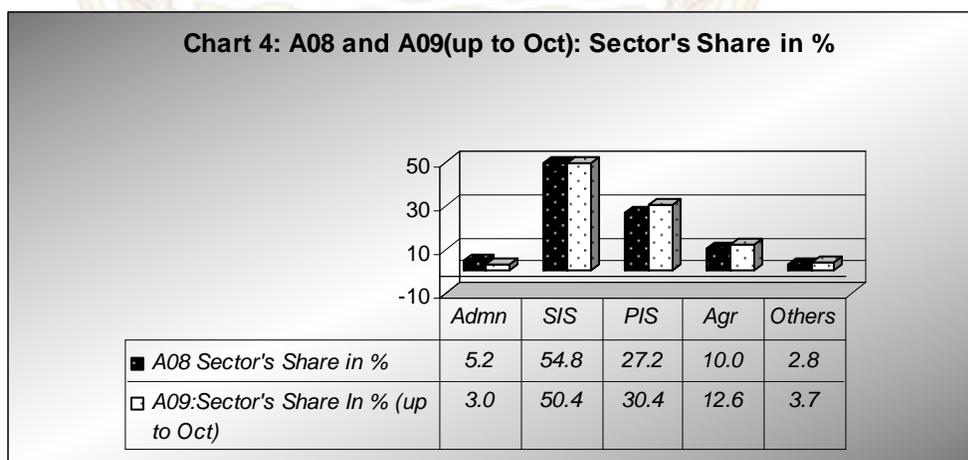
a.3.1 Structure of Revenue Expenditure



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 (19.8%), Education (17.6%), and General Public Service (14.0%).

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 highest share are in Social Infrastructure (50.4%) and next highest expenditure is in Physical Infrastructure (30.4%).

a.4 Budget Deficit

(in crore Tk.)

	Overall Balance	Overall Balance as % of GDP
2006-07	-13125.4	-2.8
2007-08	-26650.9 (including BPC) -19328.4 (excluding BPC)	-4.9(including BPC) -3.5(excluding BPC)
2008-09		
October	-1696.0	-3.6
Up to October	-4782.8	-2.5

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

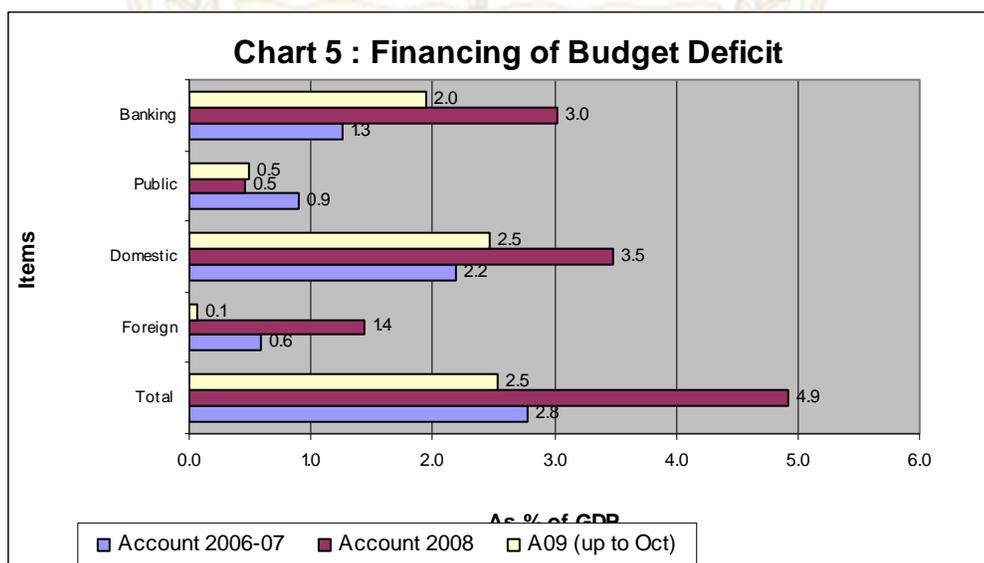
a.5 Deficit Financing

(in crore Tk.)

	External (net)	Domestic		Total Financing	Financing as % of GDP
		Bank	Non-Bank		
2006-07	2790.0	5982.3	4353.1	13125.4	2.8
2007-08	7775.5	16349.3* 9026.7**	2526.1	26650.9* 19328.4**	4.9* 3.5**
2008-09					
October	-88.3	1578.7	205.7	1696.0	3.6
Up to Oct.	130.8	3676.9	975.2	4782.8	2.5

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

* including BPC ** excluding BPC



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a.5 Net Sales of NSD Certificates

(in crore Tk.)

	Sales	Repayment	Net Sale	Outstanding at the end of period
2006-07	15123.53	10948.61	4174.92	43639.18
2007-08	14105.79	11587.50	2518.29	46157.47
Growth	-6.73%	+5.83%	-39.68%	+5.77%
2008-09				
November	1578.85	995.35	583.50	47692.10
July- November (Growth over July- Nov. FY 08)	6260.24 (10.71%)	4725.61 (-4.76%)	1534.63 (121.46%)	47692.10 (7.58%)

Source: National Savings Directorate.

- In July- November, FY09, there is a huge growth in net sale (121.46%) compared to the same period of the previous fiscal year.

A. MONETARY SECTOR

b.1 Monetary and credit development

(in crore Tk.)

	Outstanding Stock at the end of period				
	2006-07	2007-08	Growth	2008-09 (Nov. ^p)	Growth(%) over November, FY08
Net Foreign Asset	32888.40	37845.40	15.07	33414.20	2.82
Net Domestic Asset	179097.80	210949.50	18.10	234733.00	24.15
Domestic credit	204267.60	248767.80	20.95	270200.30	23.14
Public Sector	53495.40	58632.00	9.60	66902.70	19.71
Govt. (net)	36040.00	46999.60	30.41	53457.90	23.34
Other Public Sector	17455.40	11632.40	-33.36	13444.80	7.19
Private Sector	150772.20	190135.80	24.94	203297.60	24.31
Broad Money	211986.20	248794.90	17.63	268147.20	21.02

Source: Bangladesh Bank. p. Provisional

- At the end of November, 2008 broad money growth stands to 21.02 percent.
- Growth in Net Foreign Asset is 2.82 percent.
- Share of Net Foreign Asset in M₂ is 12.46 percent.
- There has been higher growth in Govt. (net) (23.34%).
- Strong growth in private sector credit (24.31%) continues.

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b.2 Reserve money and money multiplier

	Outstanding Stock at the end of period				
	2006-07	2007-08	Change	2008-09 (November)	Change over November FY08
Reserve money	44073.1	52789.60	19.78 %	55151.10	23.96
Reserve Money multiplier	4.80	4.71	-0.09	4.86	-0.12

Source: Bangladesh Bank.

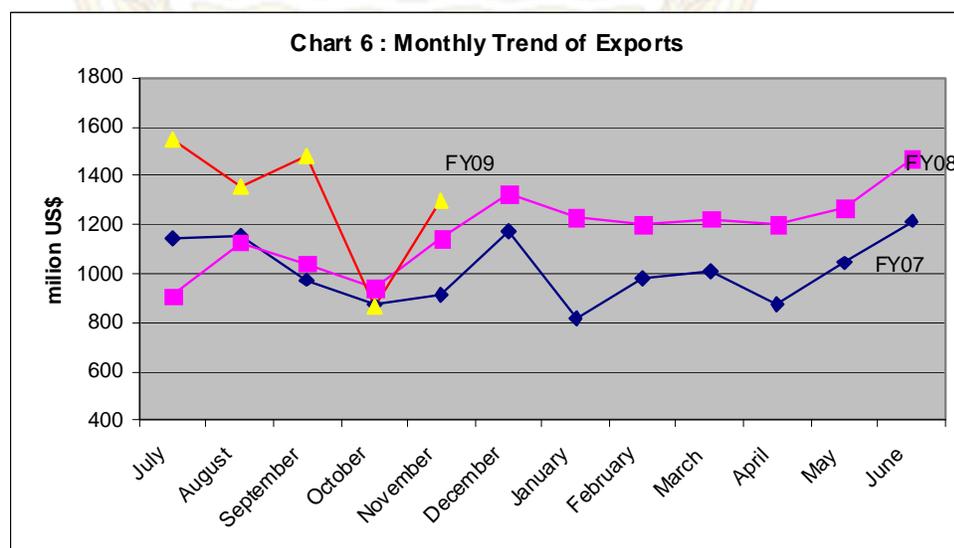
B. EXTERNAL SECTOR

c.1 Export

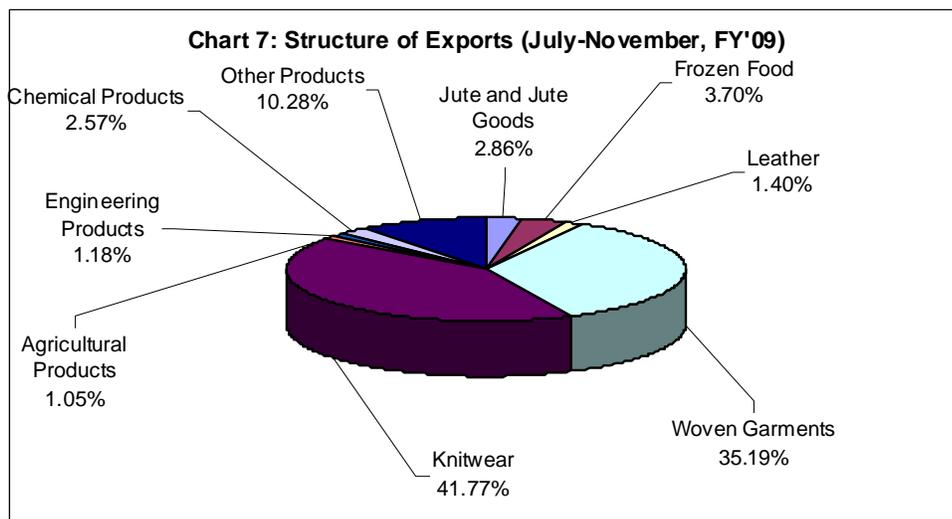
(in million US\$)

	2006-07	2007-08	2008-09	
			November ^P	July- November ^P
Export	12177.86	14110.80	1297.47	6551.45
Growth (%)	15.69	15.87	13.37*	26.80*

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



c.1.1 Structure of Exports



- Strong growth in export is mainly due to increase in Knitwear (34.57%), Woven Garments (24.76%), Frozen food (5.28%) and Chemical products (120.38%).
- Exports of engineering products, Leather, and Raw Jute & Jute goods declined by 3.08 percent, 17.95 and 10.60 percent respectively.

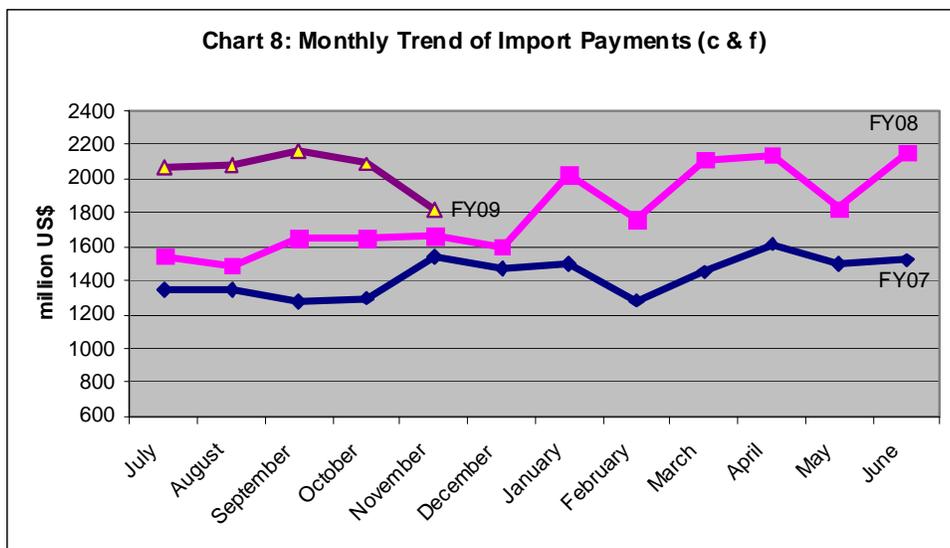
c.2 Imports (c&f)

(in million US\$)

	2006-07	2007-08	2008-09 ^P	
			November	July- November
Import payments	17156.80	21629.00	1816.50	10231.10
Growth (%)	16.35	26.07	9.31	27.90
LCs Opened	17451.01	24435.61	1765.06	9771.14
Growth (%)	14.47	40.02	-3.07	10.46
LCs Settled	15971.35	20372.60	1686.28	9585.09
Growth (%)	14.49	27.56	8.04	26.78

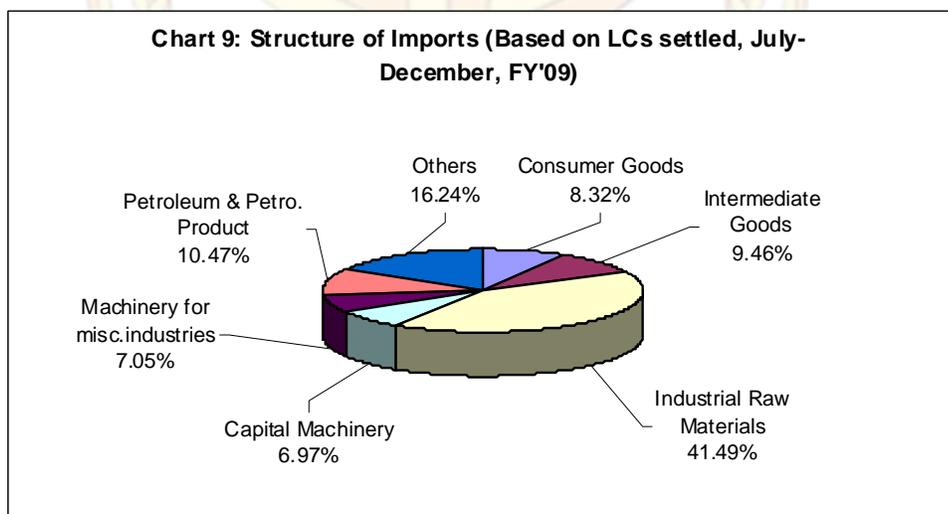
Source: Bangladesh Bank.

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



- In the fiscal year 2007-08, the import sector records massive growth of 26.07 percent.
- Up to first five months, FY09 import payments increased by 27.90 percent compared to the same period of the previous fiscal year.

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



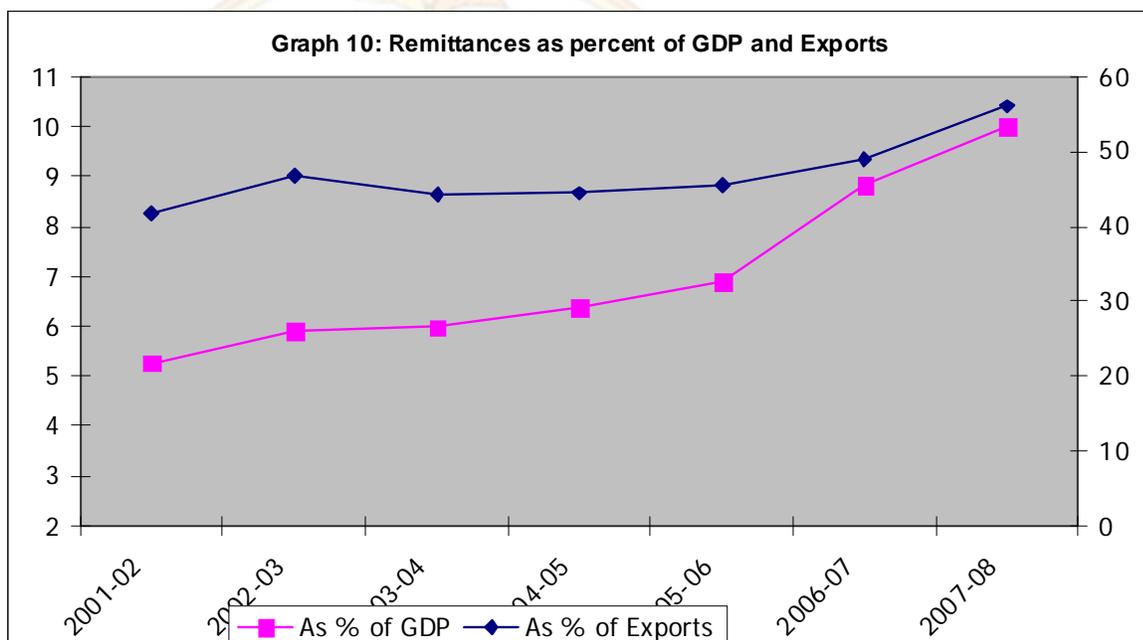
- Up to December, FY'09 import of consumer goods recorded a decrease of 22.93 percent.
- Import of intermediate goods increased by 62.94 percent.
- Import growth of industrial raw materials is 33.77 percent.
- Growth in capital machinery and machinery for misc. industry recorded an increase of 16.78 percent.

c.3 Remittances

(in million US\$)

	2006-07	2007-08	2008-09	
			November	July- November
Remittances	5978.47	7914.78	761.38	3746.70
Growth ^a (%)	24.50	32.39	23.32	33.56
As % of GDP	8.83	10.02	-	-
As % of Export	49.09	56.09	-	-

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

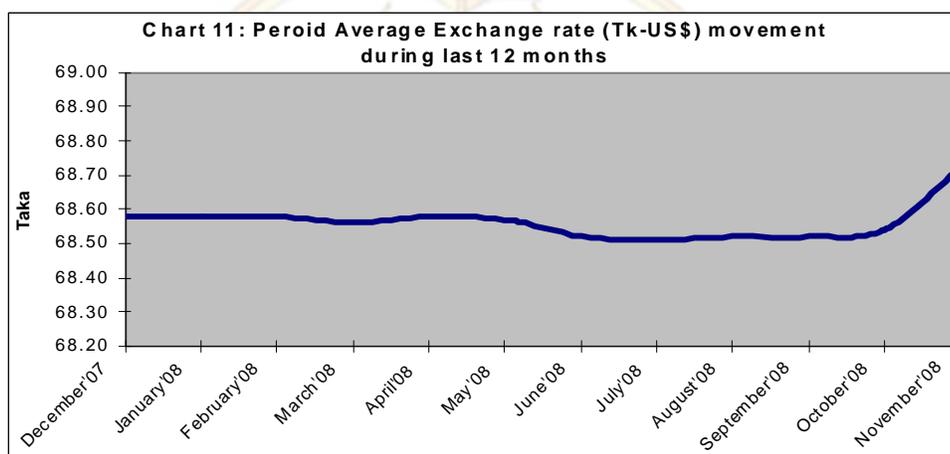


- In FY 08 remittances inflow records a robust growth of 32.39 percent.
- In FY08 remittances as percent of GDP and Export were 10.02 percent and 56.09 percent respectively which are relatively higher than previous fiscal year.
- Up to November, FY 09 remittances inflow records a robust growth of 33.46 percent.

c.4 Exchange Rate Movement

	Average	End of the period
2005-06	67.08	69.67
2006-07	69.03	68.80
2007-08	68.60	68.52
2008-09		
July	68.5107	68.5189
August	68.5181	68.5200
September	68.5167	68.5150
October	68.5431	68.6450
November	68.7172	68.8000

Source: Bangladesh Bank.



- Slight depreciation of taka at November, 2008 against US dollar compared to the same period of the previous year.

c.5 Foreign Exchange Reserve

(in million US\$)

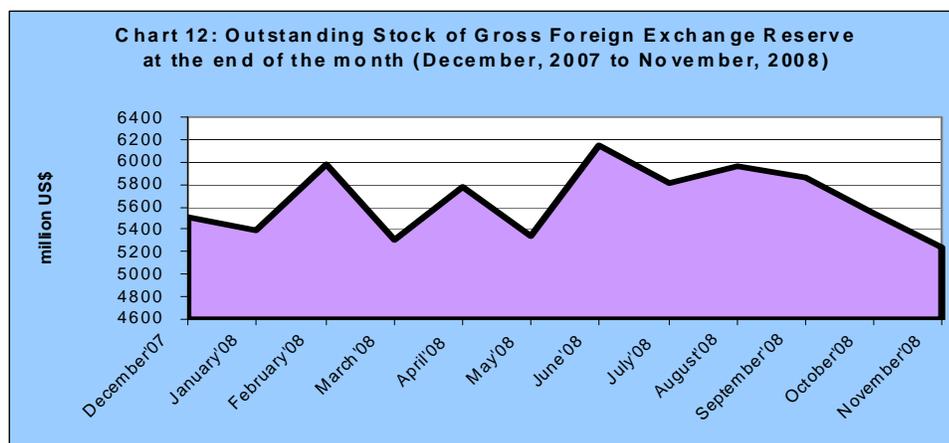
	2005-06	2006-07	As on end of November, 2008
Reserve	3483.78	5077.24	5245.40
in month of import payment	2.83	3.55	2.7*

Source: Bangladesh Bank.

* Calculation based on settlement of LCs up to September, FY 09.

- On the basis of import LCs settled in the first four months of FY 09 the foreign exchange reserve (end November) is equivalent to 2.7 months import payments.

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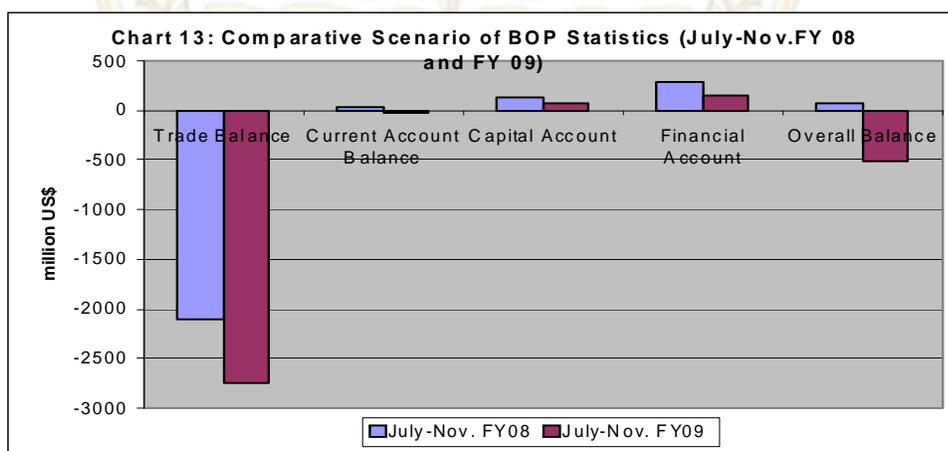


c.6 Balance of Payments

(in million US\$)

	2006-07	2007-08 ^p	2007-08 (July-November)	2008-09 (July-Nov.)
Trade Balance	-3458	-5541	-2103	-2739
Current Account Balance	936	672	39	-24
Capital Account	490	576	133	74
Financial Account	762	-431	289	148
Overall Balance	1493	604	77	-515

Source: Bangladesh Bank. p- provisional



- Current account balance records a deficit of 24 million US\$ in the first five months of FY 09, which was a surplus of 39 million US\$ in the same period of the previous fiscal year.
- Compare to FY 07, in FY 08 trade gap widens significantly due to the larger increase in import.

A. REAL SECTOR

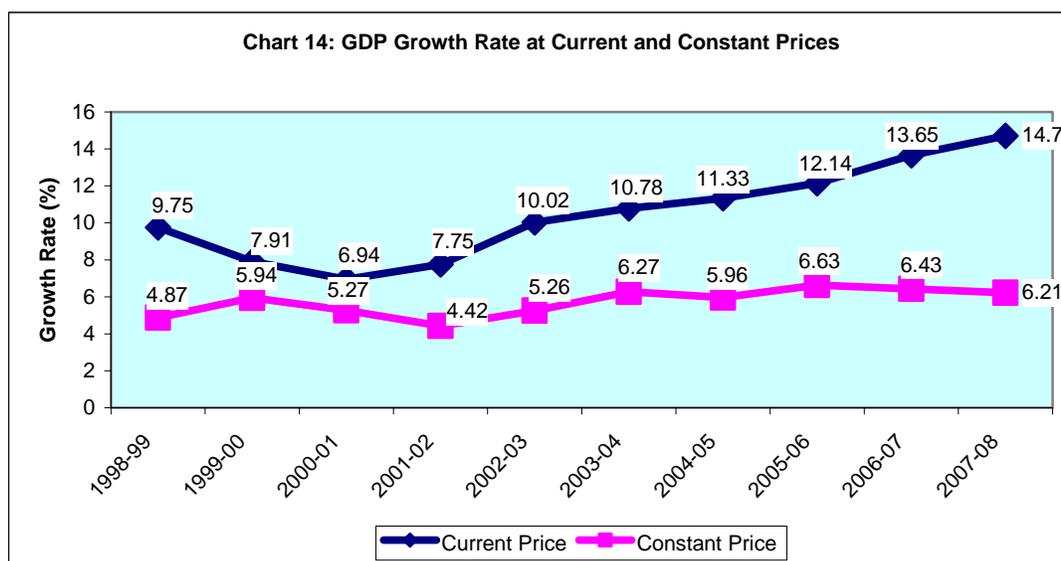
d.1 Gross Domestic Product

(Crore Taka)

	2004-05	2005-06	2006-07	2007-08 ^P
GDP at constant prices	266974	284673	302971	321786
Growth (%)	5.96	6.63	6.43	6.21
Agriculture	2.21	4.94	4.56	3.61
Industry	8.28	9.74	8.38	6.87
Service	6.36	6.40	6.92	6.69
GDP at current prices	370707	415728	472477	541919
Growth (%)	11.33	12.14	13.65	14.70
GNI at current prices	389635	442935	507752	585318
Per capita GDP (Tk.)	27061	29955	33607	38056
Per capita GNI (Tk.)	28443	31915	36116	41103
Per capita GDP (US\$)	441	447	487	554
Per capita GNI (US\$)	463	476	523	599

Source: Bangladesh Bureau of Statistics. P- Provisional.

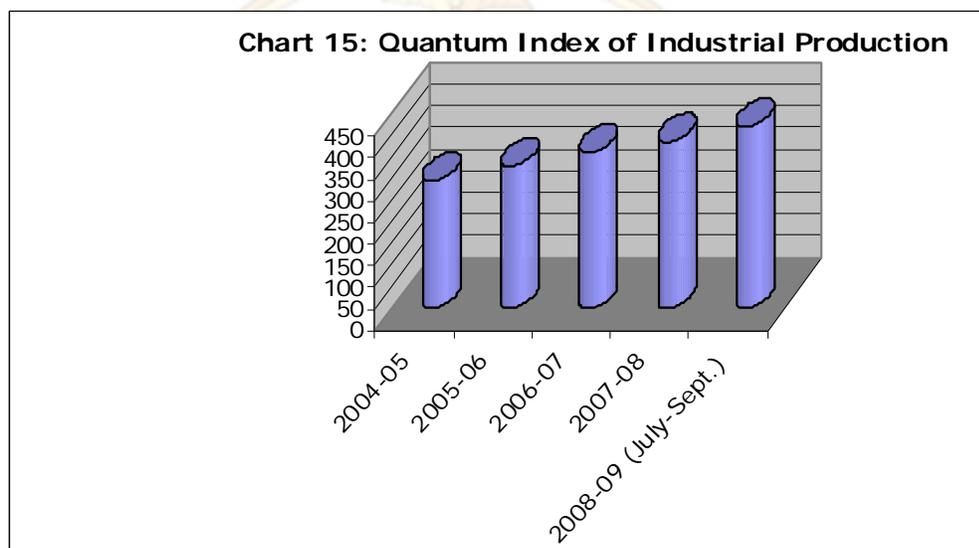
- Real GDP growth in FY 08 provisionally estimated to be 6.21 percent of which
 - Growth in Agriculture has been estimated at 3.61 percent
 - Growth in Industry is estimated 6.87 percent
 - Service sector growth is estimated at 6.69 percent.
- Per capita GDP in FY 08 exceeded US\$ 500 mark and reached to US\$ 554.



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
2007-08 ^P		
September	414.63	14.10
July-September (Average)	419.59	13.52

Source: BBS

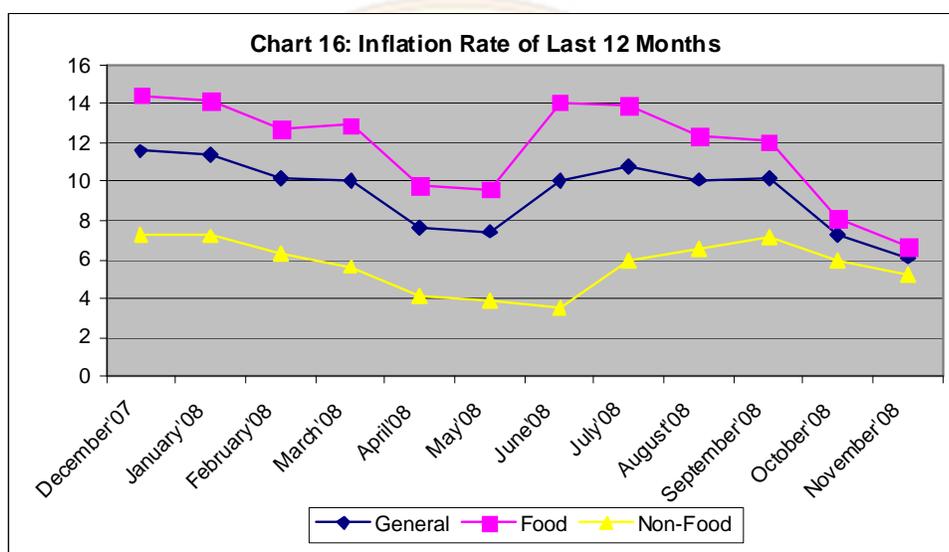


- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) is 9.74 percent in FY 07 which was 11.41 percent in FY 06.
- In FY 08, the average index is 384.82 which is 6.80 percent higher compared to the same period of FY 07.
- In the first quarter of FY 09, the average index is 419.59 which is 13.52 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				
July	206.86	10.82	13.92	5.93
August	207.27	10.11	12.36	6.55
September	210.14	10.19	12.07	7.19
October	209.31	7.26	8.08	5.95
November	207.14	6.12	6.68	5.25

Source: Bangladesh Bureau of Statistics.



- In FY08 the average rate of inflation recorded at 9.93 percent.
- Upward inflationary pressure continues in the first three months of the FY 09.
- But there has been a decreasing trend since October 2008. In November, 2008 the rate of inflation come down to 6.12 percent. The food and non-food inflation were 6.68 percent and 5.25 percent respectively.