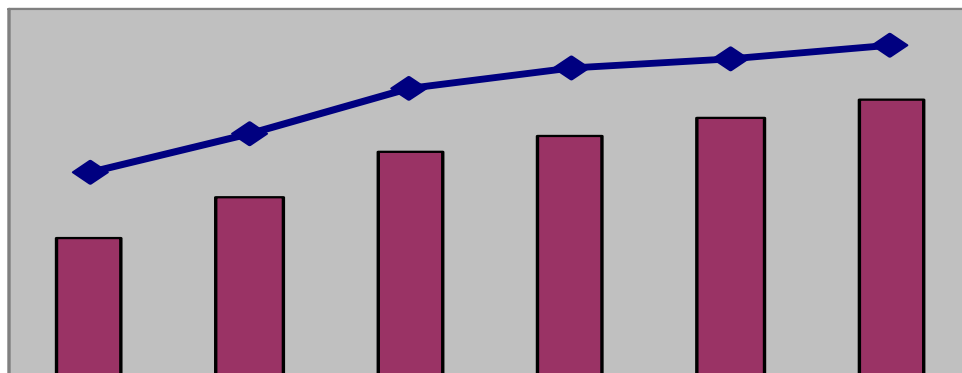


MONTHLY FISCAL-MACRO UPDATE

SEPTEMBER, 2009



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Issue-9, Year: 2009
As on November 25, 2009

A. FISCAL SECTOR

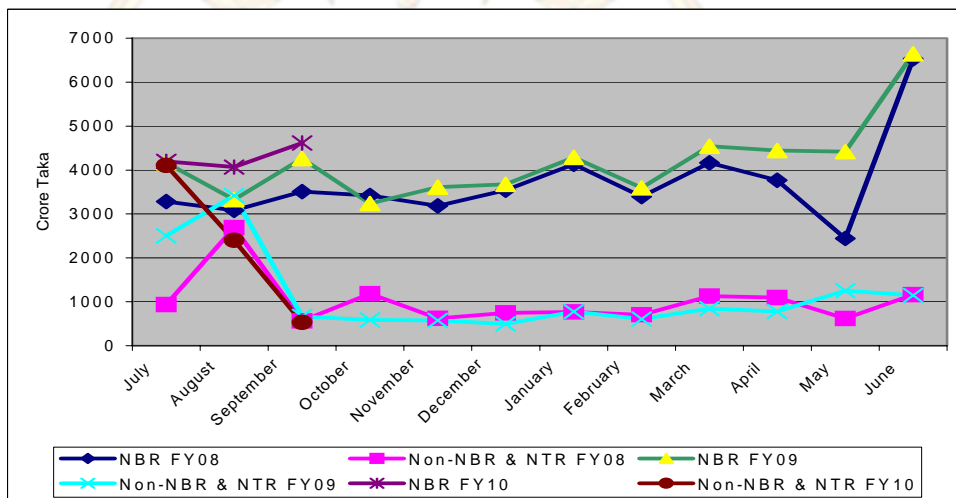
a.1 Revenue Earnings

(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				
September	4618.3	163.0	372.1	5153.4
July-September	12881.5	656.4	6412.4	19950.4
(Growth over July-Sept. FY 09)	(9.6%)	(-5.3%)	(7.9%)	(8.5%)

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

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



- Up to September, FY10 growth of total revenue is 8.5 percent.
- NBR Tax revenue growth up to September FY 10 is 9.6 percent.
- Non-NBR Tax revenue decreased by 5.3 percent.
- Interest, fees, tolls mainly contributes growth (7.9%) in Non-Tax revenue.

a.2 Grants

(in crore Tk.)

2007-08	2008-09	Growth (%)	2009-10	
			September	July-September (Growth over July-September FY 09)
2007.4	1273.5	-36.56	30.3	45.6 (43.98%)

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

a.3 Government Expenditure

(in crore Tk.)

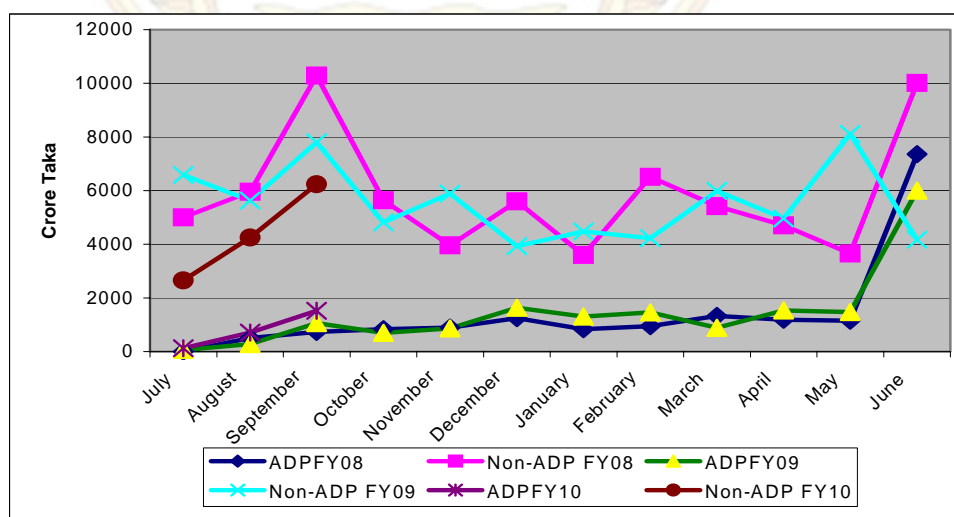
	2007-08	2008-09	Growth (%)	2009-10	
				September	July-September
1. Non-Development	61965.7	64955.1	9.10	6152.8	12985.2 (-11.69%)
Interest	8072.2	10317.4	27.81	1267.7	3468.9 (-5.79%)
Domestic	6910.5	9188.1	54.73	1205.2	3181.3 (-5.44%)
Foreign	1161.7	1129.3	-2.78	62.5	287.6 (-9.57%)
Subsidies & Current Transfer	17760.6	20097.1	13.2	1965.5	3427.0 (-24.60%)
2. ADP	18282.7	17559.9	-0.42	1527.5	2360.2 (68.83%)
3. Non-ADP FFW	449.7	145.1	-68.19	0.0	0.0
4. Net Outlay on Food A/C	1416.8	4912.9	124.52	345.7	1147.6 (-17.23%)
5. Loans & Advances	10970.1	1832.6	-82.98	-23.5	114.3 (-92.67%)
Total	89858.5	84236.5	-3.15	7763.6	15560.3 (-10.70%)

Source: Integrated Budgeting & Accounting System (iBAS), Finance Division. Figures in parentheses indicate growth over July-September, FY 09

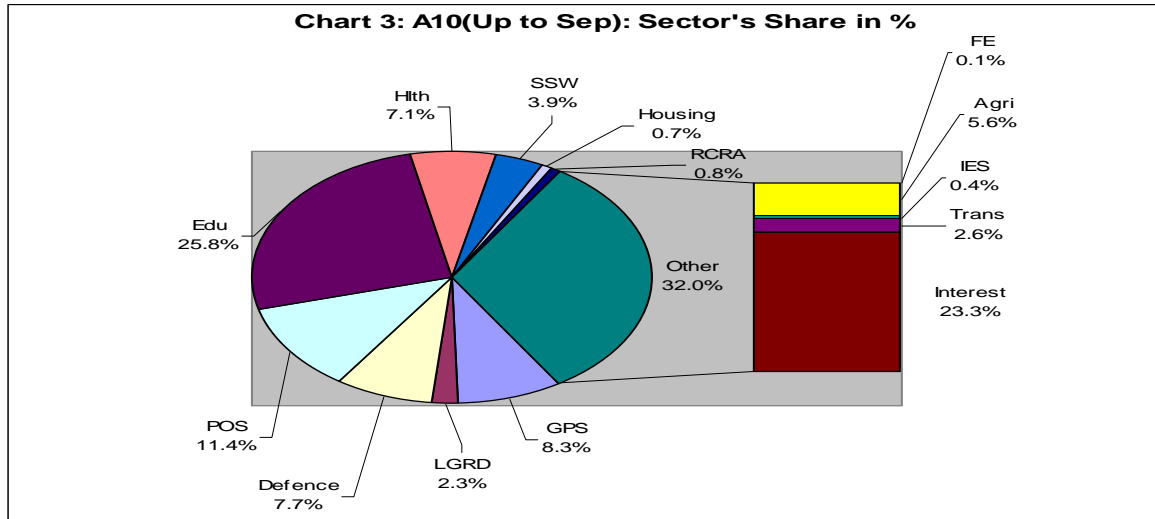
Up to September, FY 10,

- Non Development expenditure decreased by 11.69 percent, of which
 - Subsidies and transfer (growth: -24.60%)
 - Interest payments (growth: -5.79%).

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



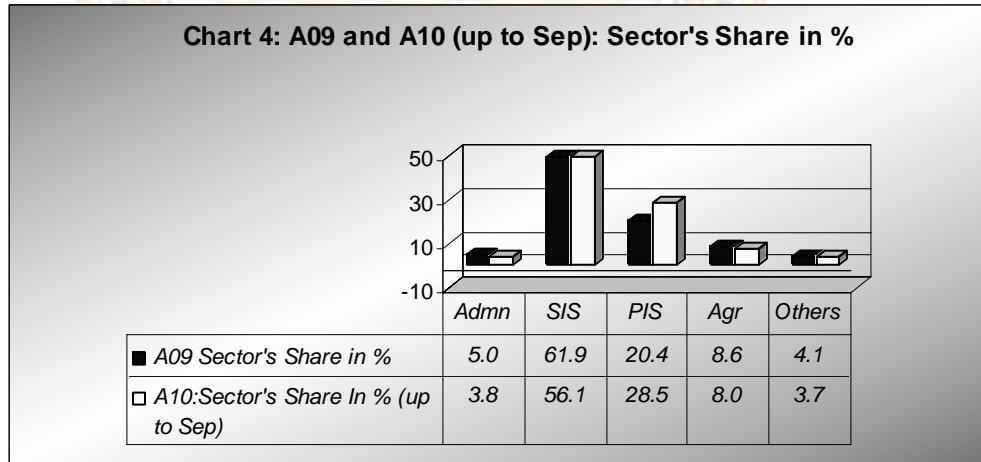
a.3.1 Structure of Revenue Expenditure



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 Education (25.8%), Interest payment (23.3%) and POS (11.4%).

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 September FY10, highest share are in SIS (56.1%) and next highest expenditure is in PIS (28.5%).

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		
September	-1198.5	-0.17
Up to September	-963.0	-0.14

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

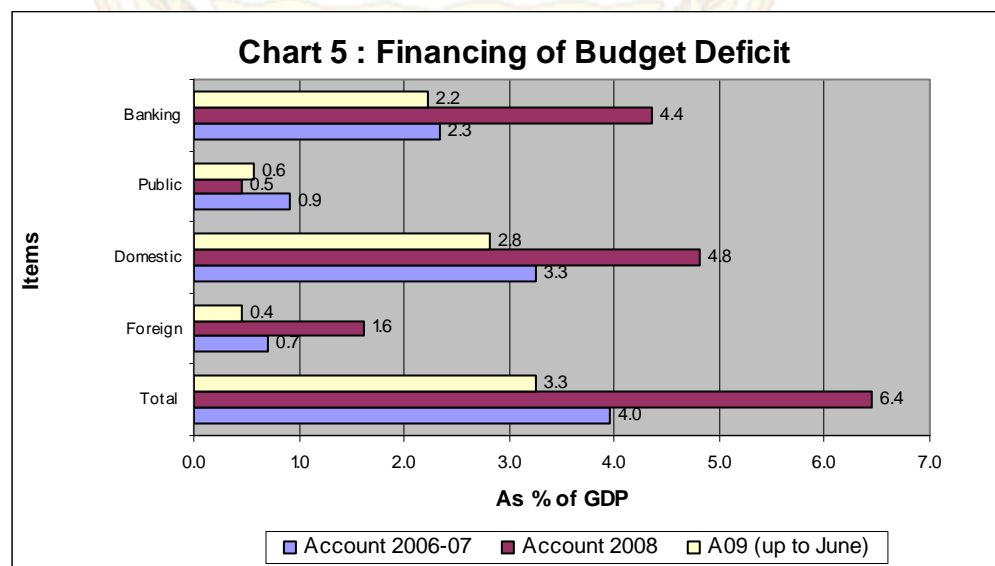
a.5 Deficit Financing

(in crore Tk.)

	External (net)	Domestic		Total Financing	Financing as % of GDP
		Bank	Non-Bank		
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					
September	47.9	259.0	891.6	1198.5	0.17
Up to Sept.	-169.9	3047.3	-1914.2	963.0	0.14

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

*including BPC ** excluding BPC



MONTHLY FISCAL-MACRO UPDATE

a.5 Net Sales of NSD Certificates

(in crore Tk.)

	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				
September	2070.71	939.39	1131.32	52600.75
Up to September Growth over July-Sept. FY09	6075.09 (66.65%)	3265.13 (13.12%)	2809.96 (270.29%)	52600.75 (12.12%)

Source: National Savings Directorate.

- Up to September FY10, the growth rate in net sale is 270.29 percent 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				
	2007-08	2008-09	Growth (%)	2009-10 (Sept. ^p)	Growth(%) over Sept., FY09
Net Foreign Asset	37845.40	47964.50	26.74	55855.10	47.68
Net Domestic Asset	210949.50	248535.40	17.82	256201.80	11.84
Domestic credit	248767.80	288552.30	15.99	296255.90	12.38
Public Sector	58632.00	70624.90	20.45	69450.70	8.40
Govt. (net)	46999.60	58185.20	23.80	56511.60	11.58
Other Public Sector	11632.40	12439.70	6.94	12939.10	-3.58
Private Sector	190135.80	217927.40	14.62	226805.20	13.65
Broad Money	248794.90	296499.90	19.17	312056.90	16.92

Source: Bangladesh Bank. p. Provisional

- At the end of September, 2009 broad money growth stands to 16.92 percent.
- Growth in Net Foreign Asset is 47.68 percent.
- Share of Net Foreign Asset in M₂ is 17.90 percent.
- There has been higher growth in Govt. (net) (11.58%).
- Growth in private sector credit is 13.65 percent.

b.2 Reserve money and money multiplier

	Outstanding Stock at the end of period				
	2007-08	2008-09	Change	2009-10 (September)	Change over Sept. FY09
Reserve money	52789.60	69390.10	31.45%	74601.50	24.77%
Reserve Money multiplier	4.71	4.27	-0.44	4.18	-0.28

Source: Bangladesh Bank.

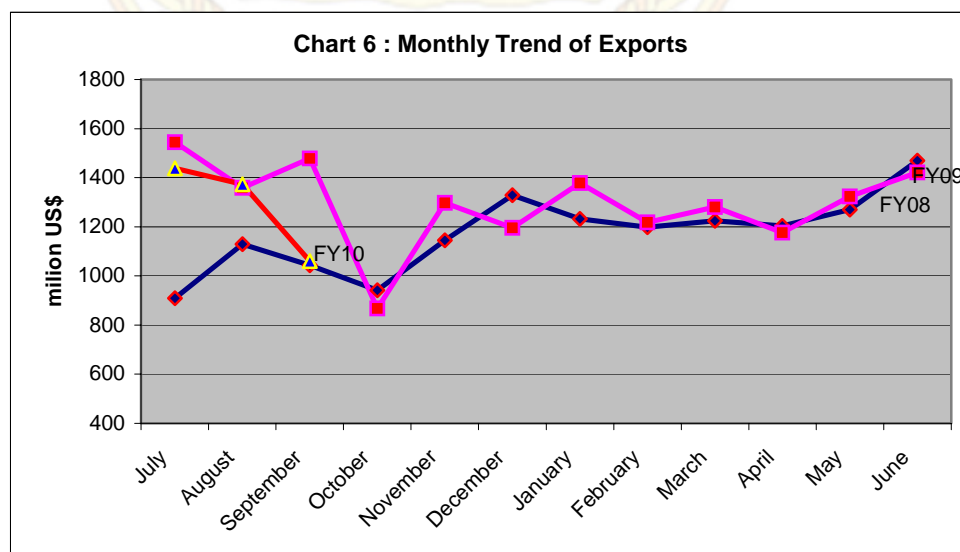
B. EXTERNAL SECTOR

c.1 Export

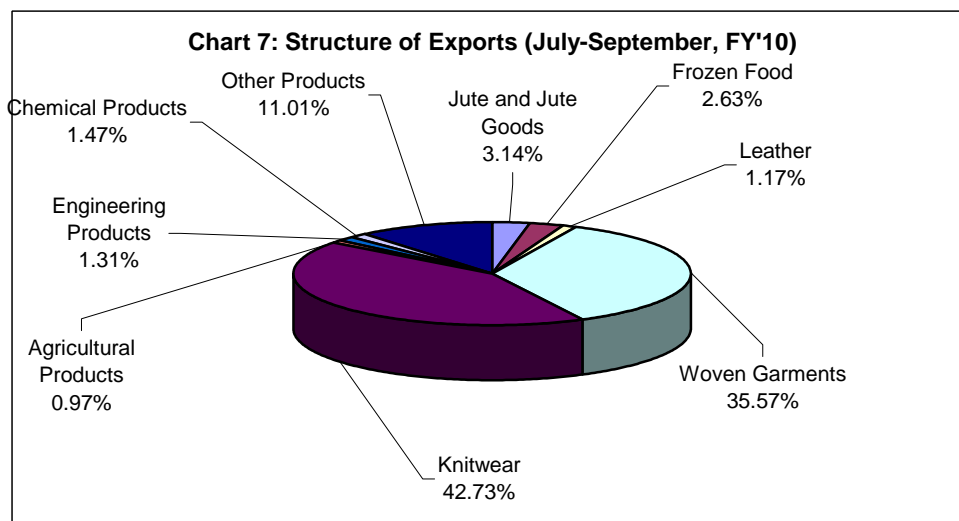
(in million US\$)

	2007-08	2008-09	2009-10	
			September	July-September
Export	14110.80	15565.19	1060.22	3870.68
Growth (%)	15.87	10.31	-28.27	-11.66

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



c.1.1 Structure of Exports



- In the first quarter of FY10, export earnings decreased by 11.66 percent due to decrease in export earnings of Knitwear (9.67%), Woven Garments (9.74%), Engineering products (10.45%), Frozen food (37.92%), Leather (24.55%) and Chemical products (57.95%).
- Exports of Jute goods, other primary commodities and other manufacturing goods increased by 5.18 percent, 25.78 percent and 4.26 percent respectively.

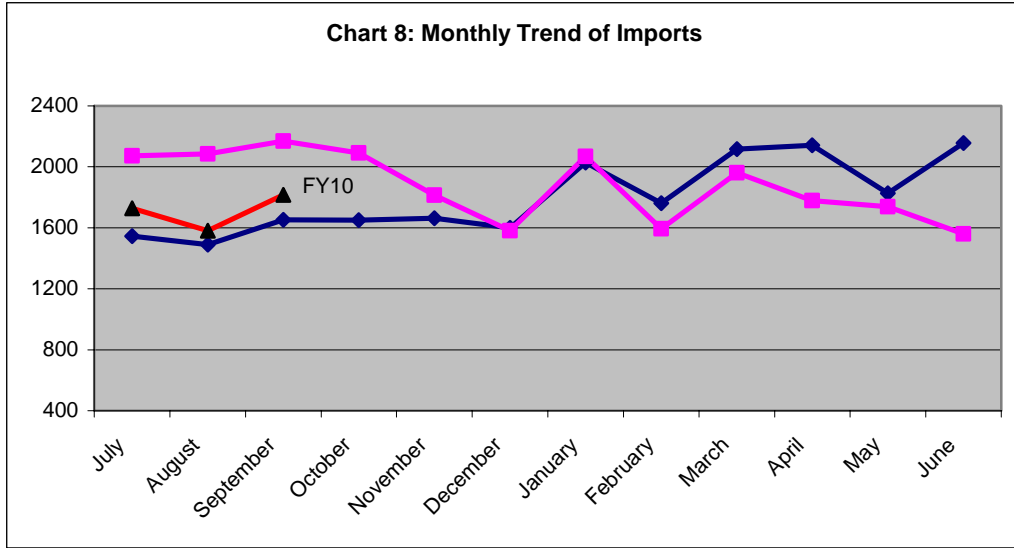
c.2 Imports (c&f)

(in million US\$)

	2007-08	2008-09 ^P	2009-10	
			September	July-September
Import payments	21629.00	22507.10	1816.10	5124.60
Growth (%)	26.07	4.06	-16.24	-18.97
LCs Opened	24435.61	21802.74	2022.05	6438.35
Growth (%)	40.02	-10.77	-14.22	-2.93
LCs Settled	20372.60	21444.35	1598.57	4847.24
Growth (%)	27.56	5.26	-23.29	-18.28

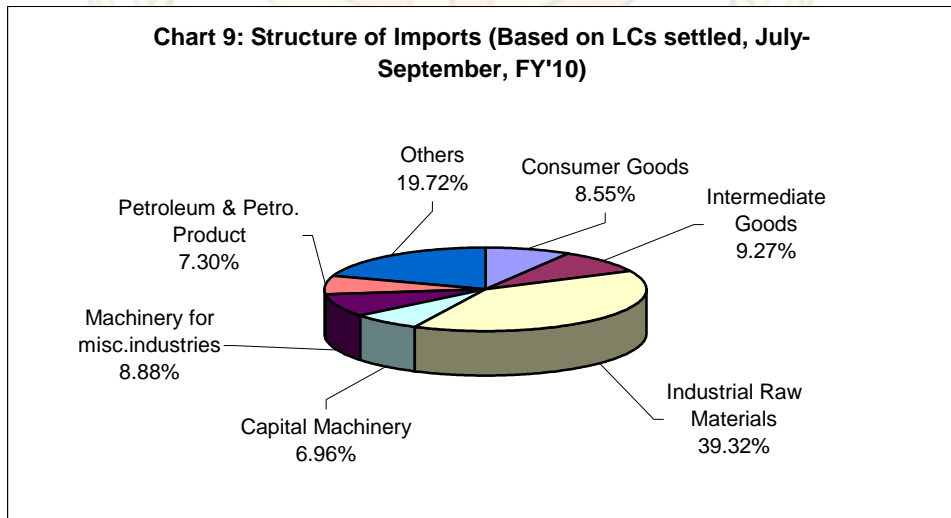
Source: Bangladesh Bank.

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 quarter of FY10 import payment decreased by 18.97 percent compared to the same period of FY09.

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



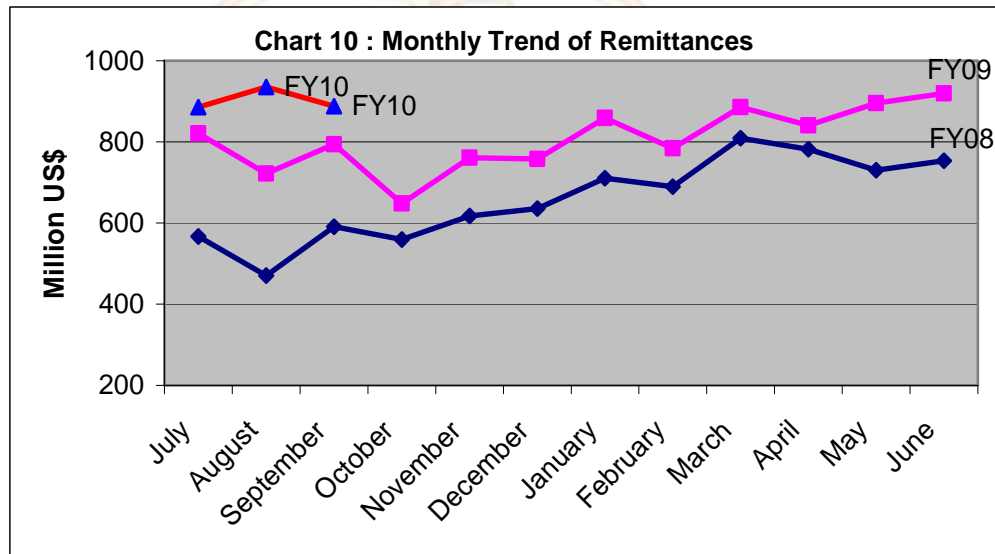
- In the first quarter of FY 10 import of consumer goods recorded an increase of 5.36 percent.
- Import of intermediate goods decreased by 8.17 percent.
- Import growth of industrial raw materials is 23.00 percent.
- Growth in capital machinery and machinery for misc. industry decreased by 7.61 percent.

c.3 Remittances

(in million US\$)

	2007-08	2008-09	2009-10	
			September	July-September
Remittances	7914.78	9689.26	887.57	2708.10
Growth ^a (%)	32.39	22.42	11.76	15.90
As % of GDP	10.02	10.82	-	-
As % of Export	56.09	62.25	83.72	69.96

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

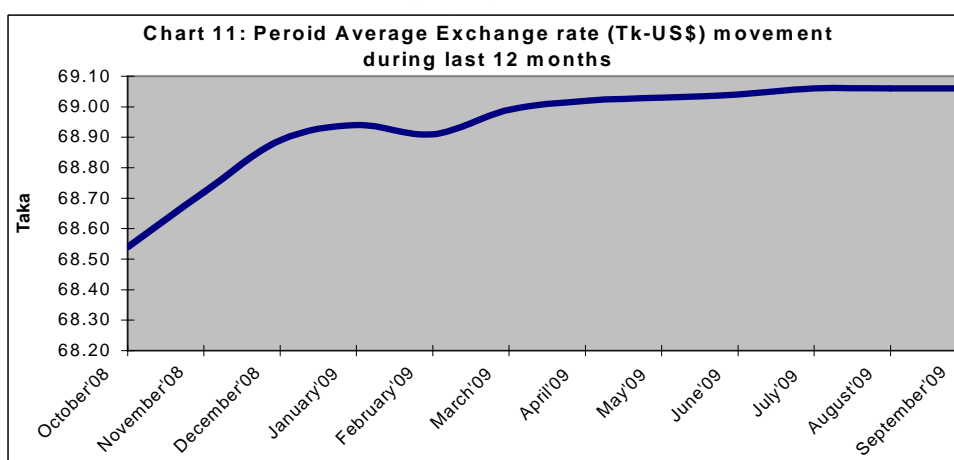


- In FY 09 remittances inflow records a robust growth of 22.42 percent.
- In FY09 remittances as percent of GDP and Export were 10.82 percent and 62.25 percent respectively which are relatively higher than previous fiscal year.
- In the first quarter of FY10 remittances inflow records a growth of 15.90 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		
July	69.0602	69.0600
August	69.0600	69.0600
September	69.0600	69.0600

Source: Bangladesh Bank.



- Slight depreciation of taka at September, 2009 against US dollar compared to the same period of the previous year.

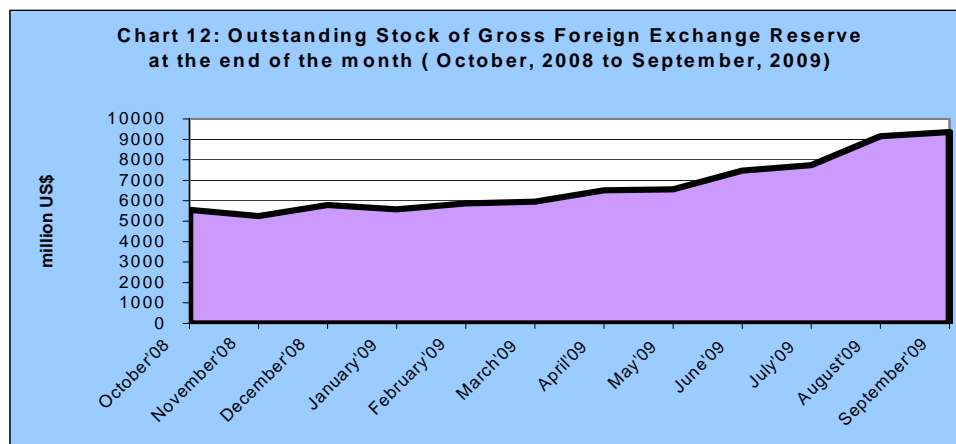
c.5 Foreign Exchange Reserve

(in million US\$)

	2007-08	2008-09	As on end of Sept., 2009
Reserve	6148.82	7470.96	9362.57
in month of import payment	3.41	3.98	5.48

Source: Bangladesh Bank.

- On the basis of import payment of July-September FY 10 the foreign exchange reserve (end September) is equivalent to 5.48 months import payments.

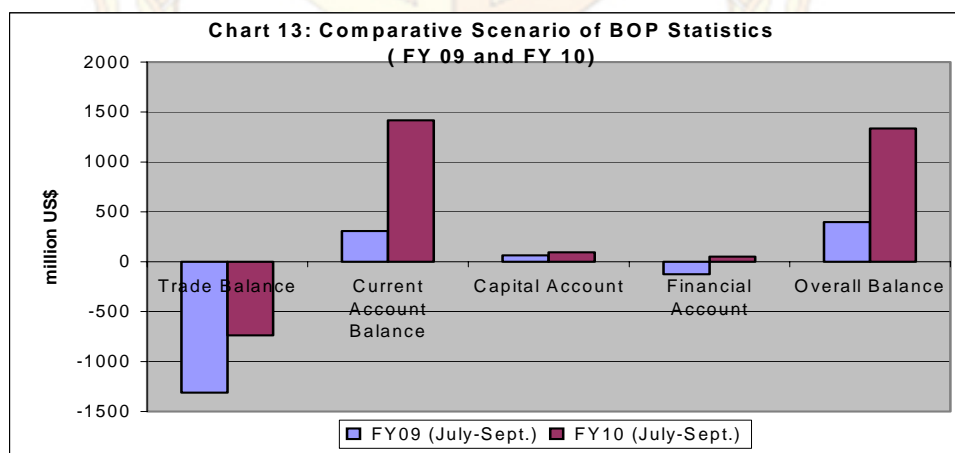


c.6 Balance of Payments

(in million US\$)

	2007-08	2008-09 ^p	2008-09 (July-Sept.)	2009-10 (July-Sept.)
Trade Balance	-5330	-4708	-1310	-738
Current Account Balance	680	2536	308	1416
Capital Account	576	451	64	95
Financial Account	-457	-808	-125	51
Overall Balance	331	2058	396	1334

Source: Bangladesh Bank. p- provisional



- Current account balance records a surplus of US\$ 2536 million in FY 09, which was a surplus of US\$ 680 million in the same period of the previous fiscal year.
- In the first quarter of FY10, Current account balance records a surplus of US\$ 1416 million, which was a surplus of US\$ 308 million in the same period of the previous fiscal year.

A. REAL SECTOR

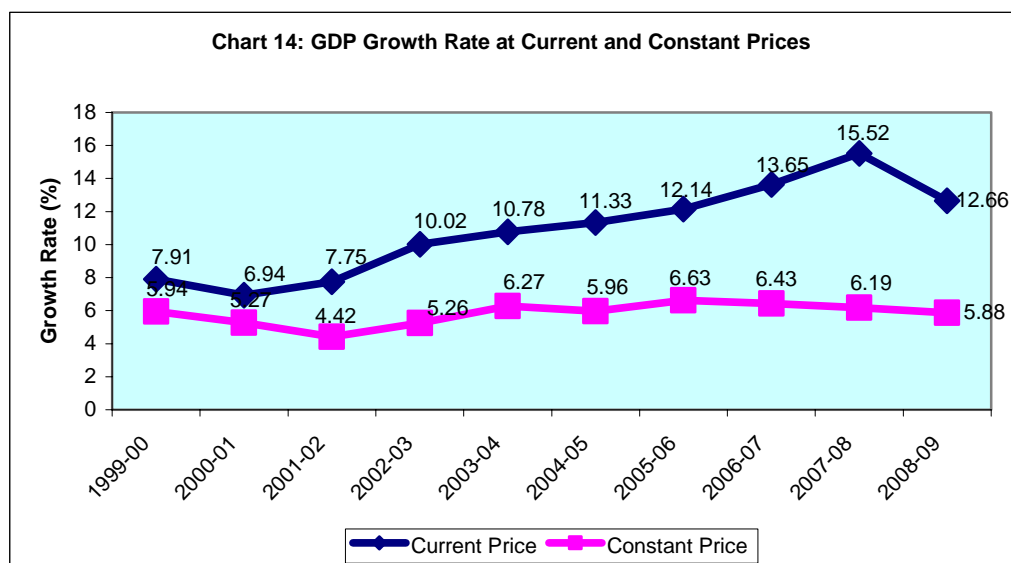
d.1 Gross Domestic Product

(Crore Taka)

	2005-06	2006-07	2007-08	2008-09 ^P
GDP at constant prices	284673	302971	321726	340652
Growth (%)	6.63	6.43	6.19	5.88
Agriculture	4.94	4.56	3.20	4.63
Industry	9.74	8.38	6.78	5.93
Service	6.40	6.92	6.49	6.25
GDP at current prices	415728	472477	545822	614943
Growth (%)	12.14	13.65	15.52	12.66
GNI at current prices	442935	507752	594212	683231
Per capita GDP (Tk.)	29955	33607	38330	42638
Per capita GNI (Tk.)	31915	36116	41728	47373
Per capita GDP (US\$)	447	487	559	621
Per capita GNI (US\$)	476	523	608	690

Source: Bangladesh Bureau of Statistics. P- Provisional.

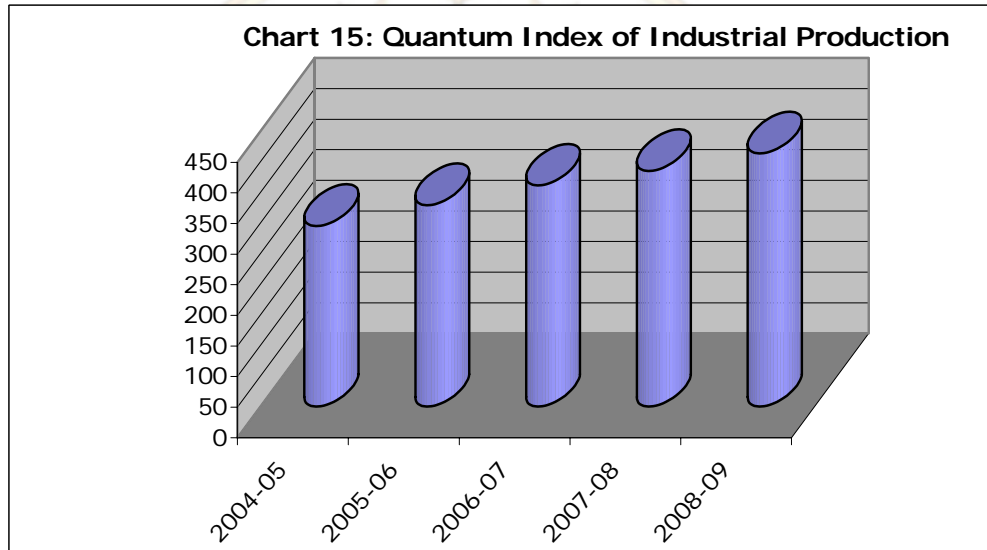
- Real GDP growth in FY 09 provisionally estimated to be 5.88 percent of which
 - Growth in Agriculture has been estimated at 4.63 percent
 - Growth in Industry is estimated 5.93 percent
 - Service sector growth is estimated at 6.25 percent.
- Per capita GDP in FY 09 exceeded US\$ 600 mark and reached to US\$ 621.



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

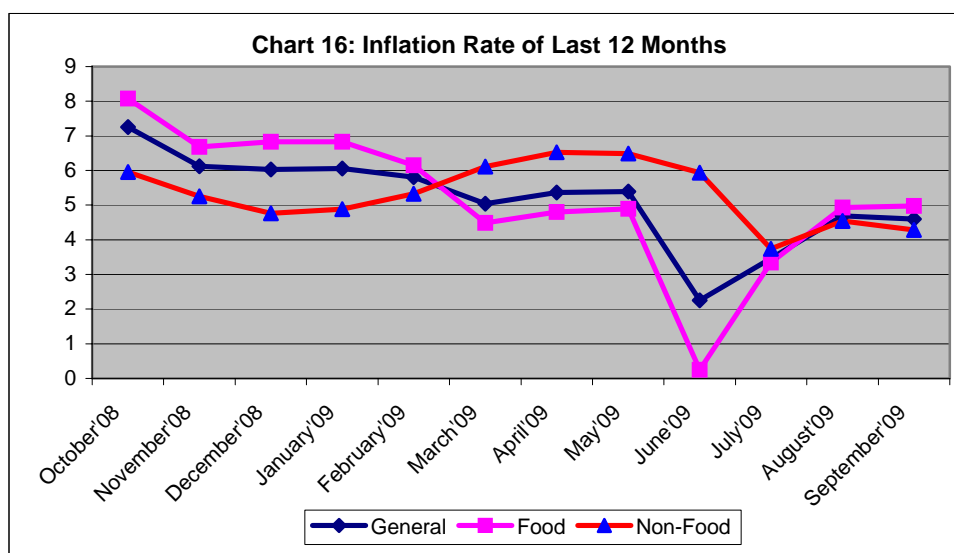


- The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) is 9.74 percent in FY 07 which was 11.41 percent in FY 06.
- In FY 08, the average index is 384.82 which is 6.80 percent higher compared to the same period of FY 07.
- In FY 09, the average 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				
July	214.01	3.46	3.34	3.74
August	216.99	4.69	4.93	4.54
September	219.80	4.60	4.98	4.28

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 September FY10 the rate of inflation was 4.60 percent. The food and non-food inflation were 4.98 percent and 4.28 percent respectively.