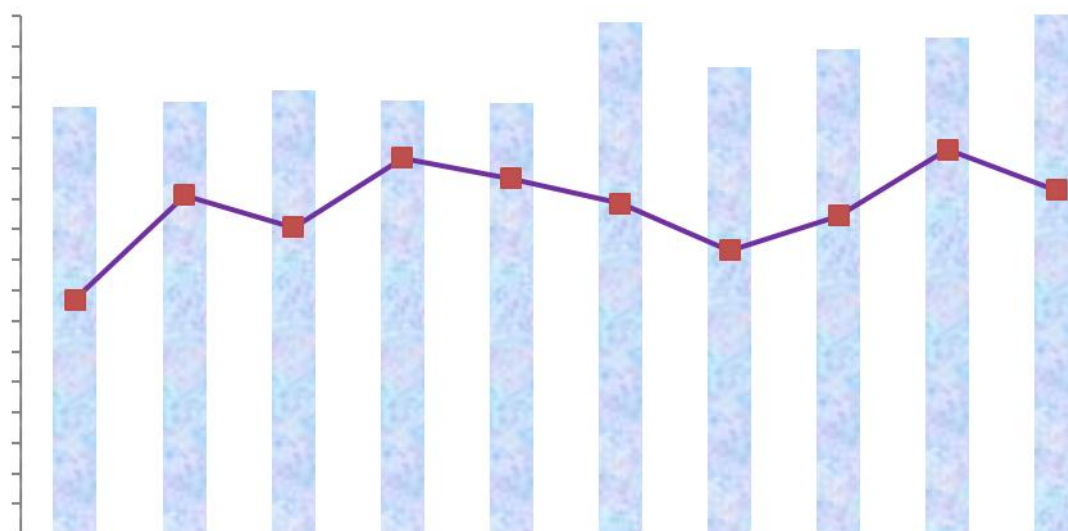




MONTHLY REPORT ON FISCAL-MACRO POSITION

April, 2013



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Executive Summary

The April 2013 issue of the report on Fiscal-Macro position contains relevant data and analysis regarding the movements of major macroeconomic variables with reference to the current month as well as the same period of the previous year. A rundown of the report on the basis of four sector analysis is given below:

Fiscal Sector

Government revenue earnings posted notable growth by the end of the first ten months of FY13. In April 2013 total revenue earnings grew by 12.27 percent compared to the same period of previous fiscal year. During the same period, total government spending grew by 7.79 percent.

Monetary Sector

Broad Money supply increased by 18.4 percent in April 2013 compared to the same period of previous year mainly due to 13.6 percent growth in domestic credit. Reserve money growth during this period was 18.7 percent.

External Sector

Export growth was 10.16 percent over that of the corresponding period of the previous fiscal. Import payments in April, 2013 decreased by 5.6 percent. The growth in remittance earning was 16.01 percent in April 2013 resulting in an increase in foreign exchange reserve to US\$ 14839.11 million that is equivalent to import payments for 4.98 months.

Real Sector

In FY13, inflation has come down and in April 2013, the rate of inflation (national) on point-to-point basis was 7.93 percent, of which, food and non-food inflation were 8.57 percent and 6.81 percent respectively. Significant growth in industrial sector resulted in a positive change in Quantum Index of Industrial Production which was 561.84 in April 2012 and became 571.15 in April 2013.

1. FISCAL SECTOR

1.1 Revenue Earnings

Continuing with last year's trend, total revenue earnings grew by 12.27 percent during July-April period of FY13 compared to the same period of last fiscal year (table 1.1). Growth in NBR tax revenue was comparatively high (around 14 percent) over the same period of the previous year.

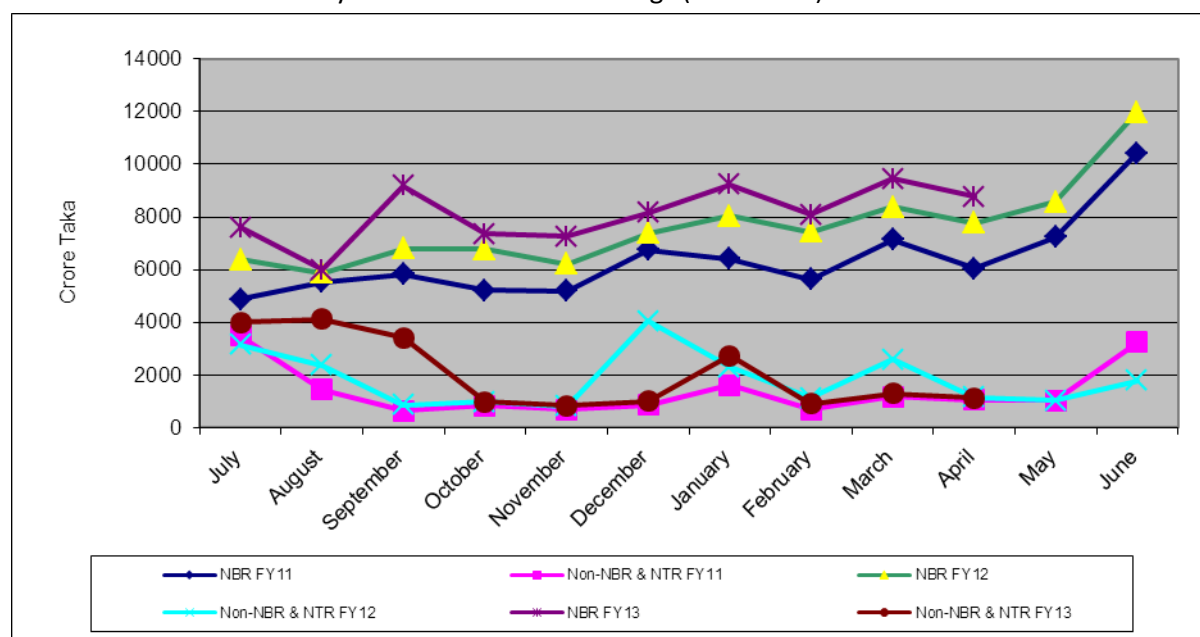
Table 1.1: Revenue Earning

(Taka in Crore)

	Tax Revenue		Non-Tax Revenue	Total Revenue
	NBR	Non-NBR		
2010-11	76248.3	3299.9	13444.7	92992.9
2011-12	91596	3633	18550	113779
Growth (%)	20.1	10.1	38	22.4
July to April, FY12	72939	2900	16471	90410
July to April, FY13	81068	3302	17132	101502
Growth(%) over July to April, FY12	11.14	13.86	4.01	12.27

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

Chart 1.1: Monthly Trend of Revenue earnings (FY11-FY13)



1.2 Grants

Grants receipts recorded a notable increase of 45.3 percent in FY 12 compared to FY11. However, total grant receipt decreased by 8.98 percent to TK. 1468 crore during July- April of FY13 against TK. 1613 crore over the corresponding period of the last fiscal year (table 1.2).

Table 1.2: Grants

(Taka in crore)

2010-11	2011-12	Growth (%)	2011-12	2012-13	Growth (%) over July to April, FY12
			July to April	July to April	
2450	3560	45.3	1613	1468	-8.98

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

1.3 Government Expenditure

Total government expenditure, comprising of current and ADP expenditure, increased by 7.79 percent during July-April period of FY13 compared to the same period of previous fiscal year. According to iBAS database, development spending grew by 38.88 percent in April 2013 compared to April 2012 (table-1.3). The current spending, on the other hand grew by 12.91 percent in April 2013 compared to the corresponding month of 2012. Of current spending, spending on subsidies and transfer and interest payment grew at a high rate of 13.66 percent and 19.80 percent respectively. Spending on goods and services also increased by around 19 percent. As percentage of GDP, government expenditure stood at 10.57 percent during July-April of FY13, slightly decreasing from 11.17 percent over the same period of FY12. It may be noted here that, according to the report of Implementation, Monitoring and Evaluation Division (IMED) of Planning Ministry, ADP expenditure stood at TK. 30974 Crore during July-April of FY13, recording 36.38 percent increase over the same period of the last fiscal year.

Table 1.3: Government Expenditures

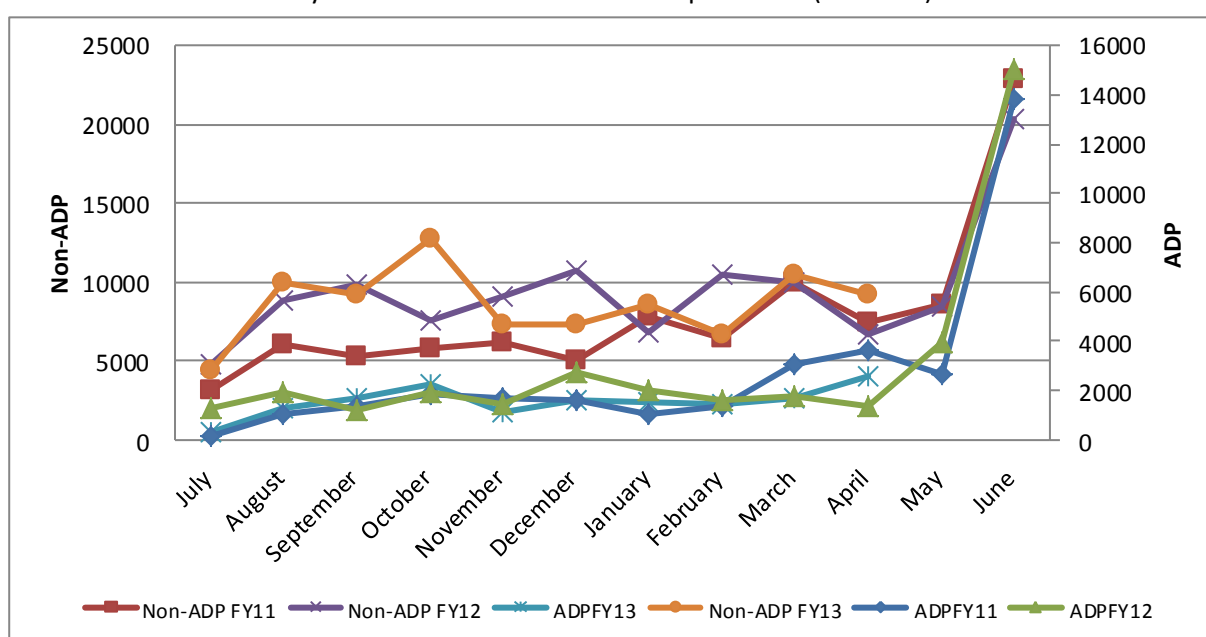
(Taka in crore)

	2010-11	2011-12	Growth	2011-12	2012-13	Growth (%) over July to April, FY12
				July to April	July to April	
1. Current Spending	77479	88222	13.9	63832	72075	12.91
Pay and Allowances	19918	20877	4.8	17454	18111	3.76
Goods and Services	10160	10772	6	6364	7556	18.73
Interest Payment	15637	20137	28.8	15133	18130	19.80
Domestic	14214	18589	30.8	14068	16853	19.80
Foreign	1423	1548	8.8	1065	1277	19.91
Subsidy and Transfer	31483	36259	15.2	24769	28153	13.66
Others	281	177	-37	112	125	11.61
2. Food Accounts	2383	1233	-48.3	4994	3263	-34.66
3. Non-ADP Capital & Spending	15132	24191	59.9	16037	10764	-32.88

Non-ADP Capital	5390	6963	29.2	4403	2424	-44.95
Net Lending	7256	14060	93.8	10875	7830	-28.00
Non-ADP Project	866	1465	69.2	466	250	-46.35
FFW	719	1144	59.1	74	0	-
Structural Adjustment	37	0	-100	0	0	-
Development Expenditure under Revenue Budget	864	559	-35.3	219	260	18.72
4. Development Spending	33282	36269	9	17281	23999	38.88
Total (1+2+3+4)	128276	149915	16.9	102144	110101	7.79
Total Spending (Percent of GDP)	16.3	16.4		11.17	10.57	

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

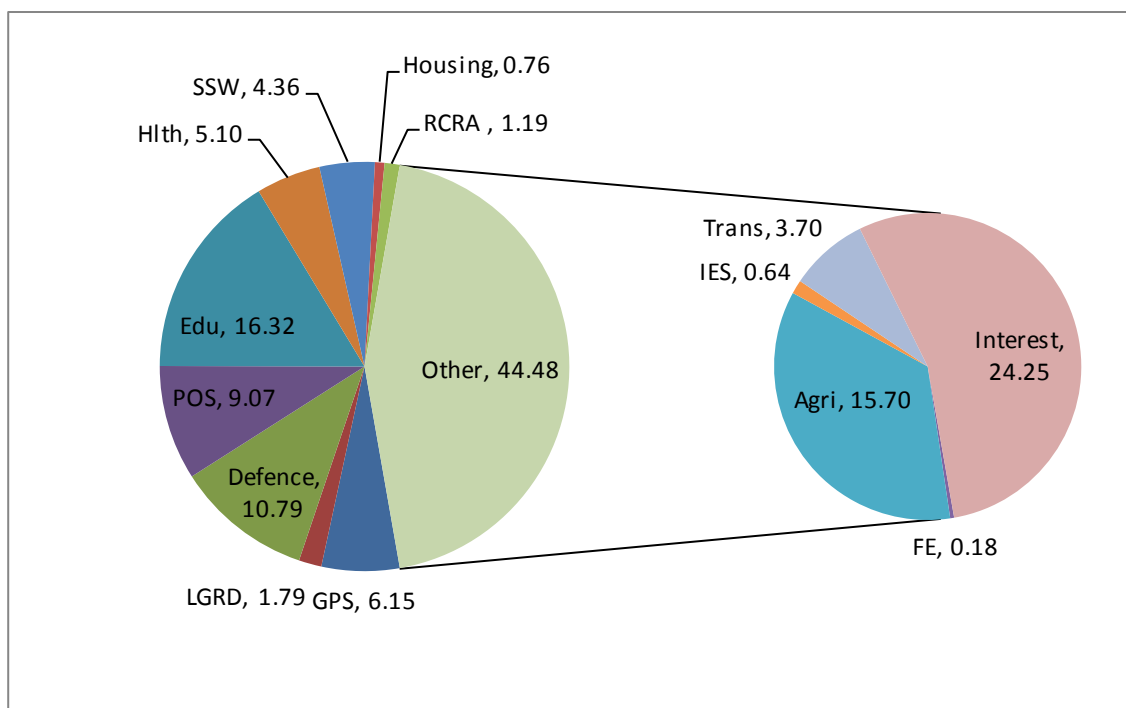
Chart 1.2: Monthly Trend of ADP and Non-ADP Expenditure (FY 11-13)



1.4 Structure of Revenue Expenditure

Sector wise analysis of revenue expenditure (July to April, FY13) shows (chart 1.3) that Interest payment (24.25%) was the highest spending item followed by Education and Technology sector (16.32%) and agriculture sector (15.7%).

Chart 1.3: Sector wise share (%) of Non-Development expenditure (July to April, FY 13)

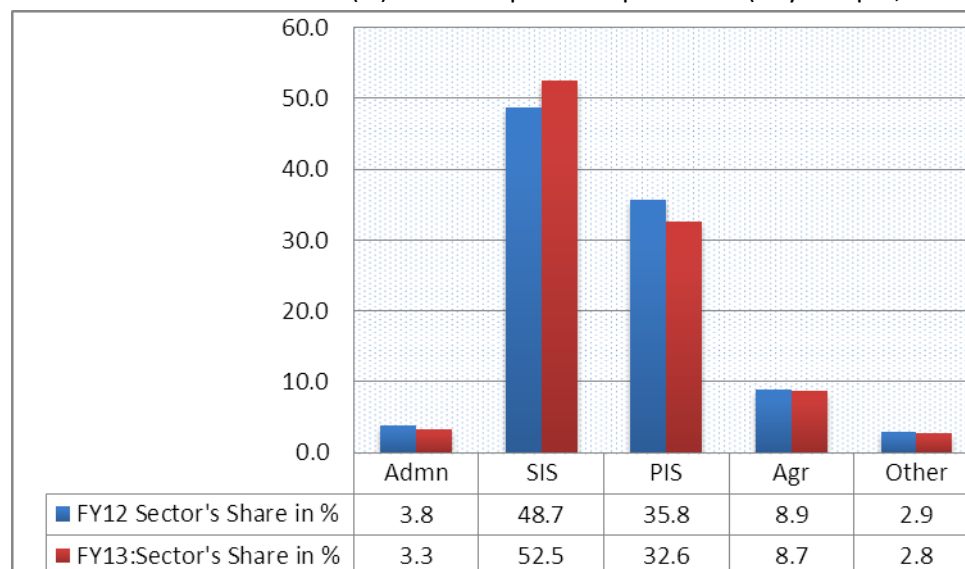


GPS = General Public Services, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, HIth = Health, SSW = Social Security and Welfare, RCRA = Recreation, Culture and Religious Affairs, Agri = Agriculture, Fisheries and Livestock, Land, Water Resources and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

1.5 Structure of ADP Expenditure

Sector wise analysis of ADP expenditure shows that, during July- April of FY13, highest share of spending went to Social Infrastructure (52.5%) followed by expenditure on Physical Infrastructure (32.6%) and Agricultural sector (8.7%).

Chart 1.4: Sector wise share (%) of Development expenditure (July to April, FY13)



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; Agr= Agricultural sector and others include RCRA and IES

1.6 Budget Deficit

Overall budget deficit at the end of FY12 stood at 4.0 percent of GDP. First ten months (July-April) of current FY13 started with a consolidation in overall deficit balance, which stood at 0.83 percent of GDP.

Table 1.4: Budget Balance

(Taka in crore)

Year	Overall Balance	Overall Balance as % of GDP
2010-11	-35281	-4.5
2011-12	-36136	-4.0
July- April, FY12	-11734	-1.28
July- April, FY13	-8599	-0.83

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

1.7 Deficit Financing

Budget deficit was mainly financed by domestic bank borrowings during FY11 and FY12. Bank borrowing was 71.4 percent of total deficit financing in FY 11 which increased to 75.2 percent in FY12 (table 1.5). In the current fiscal (FY13), during the period of July-April, share of external financing has gone up compared to the same period of the previous fiscal. Bank borrowing has declined during this period.

Table 1.5: Deficit Financing

(In Crore Taka)

	External (net)	Domestic		Total Financing	Financing as % of GDP
		Bank	Non-Bank		
2010-11	5081	25210	4994	35285	4.5
2011-12	5956	27191	2990	36137	4.0
July- April, FY12	501	20049	-8814	11736	1.28
July- April, FY13	1797	10725	-7281	5241	0.83

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

1.8 Net Sales of NSD Certificates

Sale of NSD certificate during July-April of FY 13 stood at Tk. 19581.03 crore which is around 29 per cent higher than the amount sold in the same period of the preceding fiscal year (table 1.6). The net borrowing of the government through NSD certificates during July-April FY13 stood at TK. 679.03 crore against TK. 379.59 crore during the same period of preceding year.

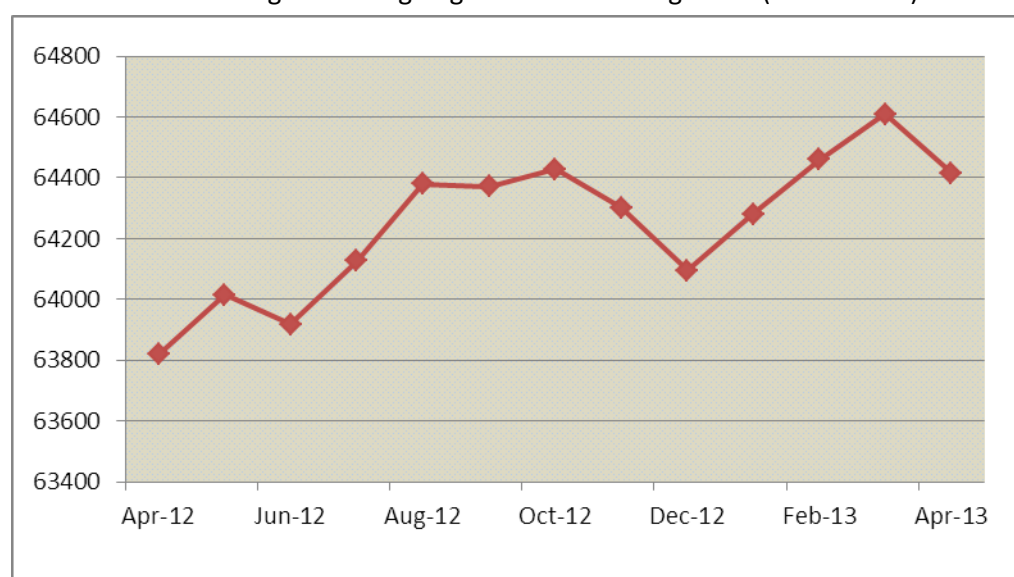
Table 1.6 Net Sales of NSD Certificates

(Taka in crore)

	Sales	Repayment (Principal)	Net Sale	Outstanding at the end of period
2010-11	17232.03	15175.13	2056.90	63438.32
2011-12	18955.35	18476.33	479.02	63917.34
Growth (%)	10.00	21.75	-76.71	0.76
2012-13				
April	1975.4	1988.93	-13.53	64416.62
July-April	19581.03	18902.00	679.03	64416.62
Growth (%) (July-April)	28.77	27.48	78.88	0.94

Source: National Savings Directorate

Chart 1.5: Outstanding borrowing of government through NSD (In Crore TK.)



2. MONETARY SECTOR

2.1 Monetary and credit development

Broad money (M2) growth in April, 2013 was 18.4 percent (table 2.1) compared to the same period of previous year. This was mainly due to the growth of both Net Foreign Asset and Domestic Assets of banking system recording 44.7 and 13.7 percent increase respectively. During the month, domestic credit expanded (13.6 percent), due to growth of credit to private sector (12.6 percent).

Table-2.1 Monetary and credit development (In Crore Taka)

	Outstanding Stock at the end of period			Changes in Outstanding Stock	
	June,2011	June, 2012	April, 2013	July – April, 2013	April,2013 over April, 2012
Net Foreign Assets of Banking System	70620.0	78860.3	108748.6	29929.9 (37.9)	33626.5 (44.7)
Net Domestic Assets of Banking System	369899.9	438249.2	476368.2	38077.4 (8.6)	57683.2 (13.7)
Domestic Credit	433525.9	518214.3	567567.3	49231.9 (9.5)	68031.3 (13.6)
Public Sector	92813.2	110312.7	127349.3	16915.5 (15.3)	18477.1 (16.9)
Govt. (net)	73436.1	91906.8	100885.2	8857.3 (9.6)	10951.1 (12.1)
Other Public Sector	19377.1	18405.9	26464.1	8058.2 (43.7)	7526.0 (39.7)
Private Sector	340712.7	407901.6	440218.0	32316.4 (7.9)	49554.2 (12.6)
Net other items	-63626.0	-79965.1	-91199.1	-11154.5 (13.9)	-10348.1 (12.8)
Broad Money	440519.9	517109.5	585116.8	68007.3 (13.9)	91309.7 (18.4)

Source: Bangladesh Bank, Note: Figure in brackets indicate percentage changes

2.2 Reserve money and money multiplier

Reserve money grew by 18.79 percent in April 2013 (table 2.2) compared to the same period of previous year.

Table 2.2: Reserve money and money multiplier

	Outstanding Stock at the end of period			Change in Outstanding Stock	
	2010-11	2011-12	2012-13 (March)	July-Apr, 2013	April,2013 over April, 2012
Reserve money	89734.4	97802.7	108189.60	11115.80 (11.37%)	17226.70 (18.79%)
Reserve money multiplier	4.91	5.33	5.35	0.08	-0.01

Source: Bangladesh Bank.

3. EXTERNAL SECTOR

3.1 Export and its Components

Total export receipts during July-April of FY13 increased by USD 2079.15 million to USD 21883.09 million achieving 10.14 percent growth over that of the corresponding period of the previous fiscal.

Table 3.1: Export Performance

(In million US\$)

	2010-11	2011-12	2012-13	
			April	July-April
Export	22928.2	24287.6	2079.15	21883.09
Growth (%)*	41.5	5.9	9.95	10.14

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

Chart 3.1: Monthly Trend of Export (Million US\$)

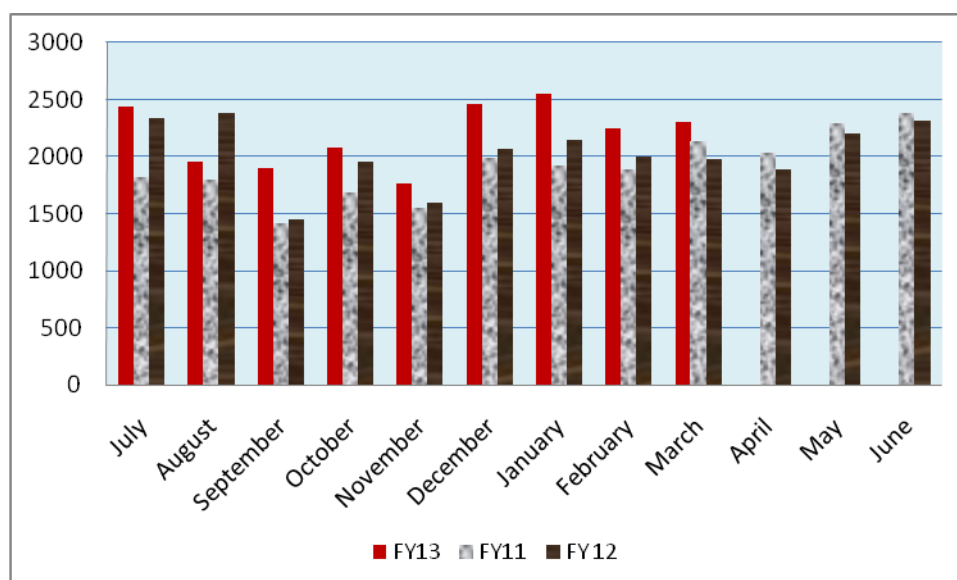
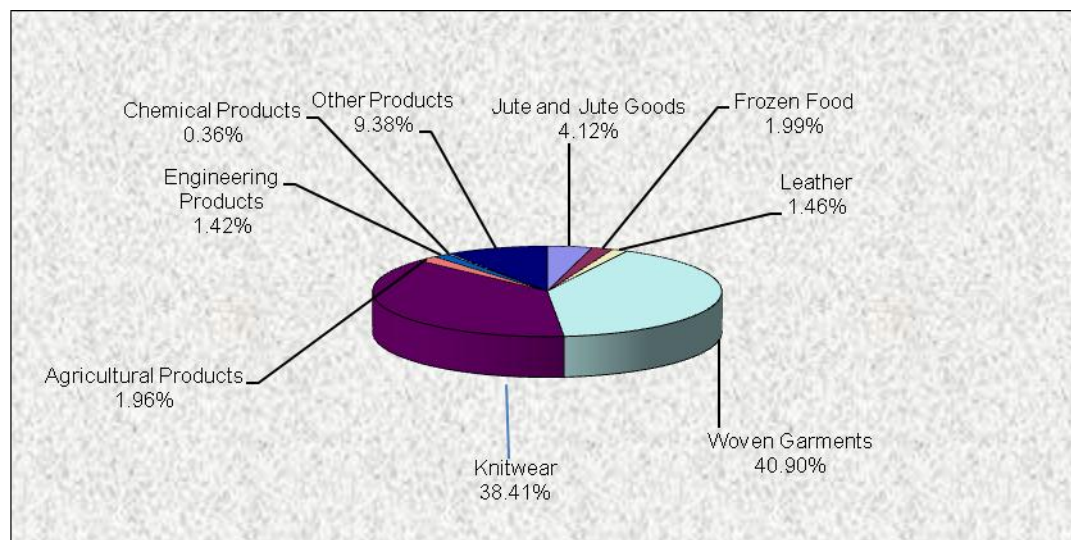


Chart 3.2: Structure of Exports (July-April, FY13)



3.2 Imports (c & f)

Import payments in April, 2013 was 2841.1 US\$ million or -5.6 percent to the figure in April 2012. Fresh opening of import LCs and LC's settled decreased in this period.

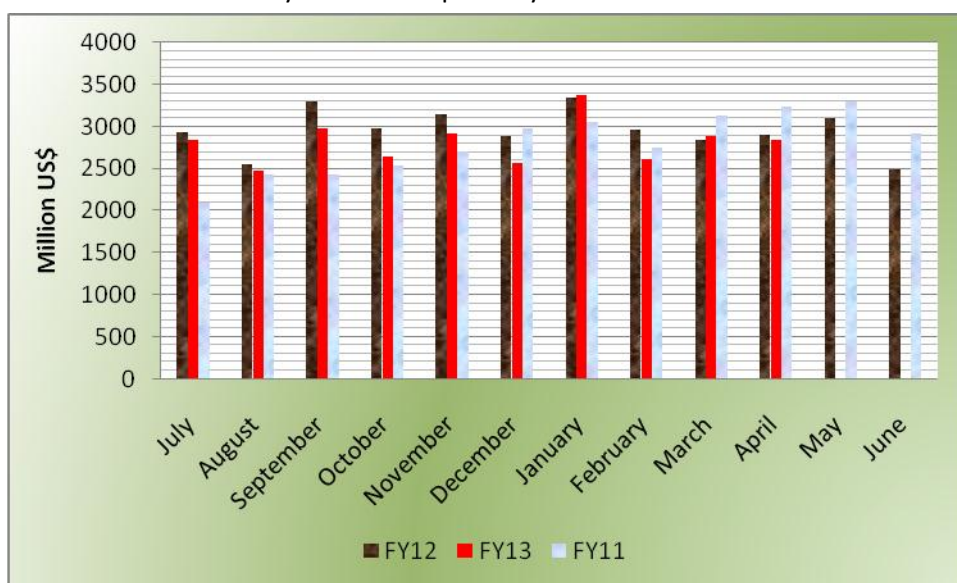
Table 3.2: Import Scenario

(In million US\$)

	2010-11	2011-12	2012-13	
			April	July- April
Import payments	33657.5	35516.3	2841.1	28172.40
Growth (%)	41.8	5.5	-2.3	-5.6
LCs Opened	38582.3	37035.8	3288.8	29928.4
Growth (%)	34.0	-4.0	6.1	-1.4
LCs Settled	31953.1	34814.5	2792.2	26780.7
Growth (%)	38.6	8.9	1.1	-9.3

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

Chart 3.3: Monthly Trend of Import Payments



3.3 Remittances

Remittances in April 2013 stood at USD 1194.4 million indicating 10.2 percent growth against April 2012. The respective growth was healthy 16.01 percent during July-April of FY13 compared to the corresponding period of the previous fiscal.

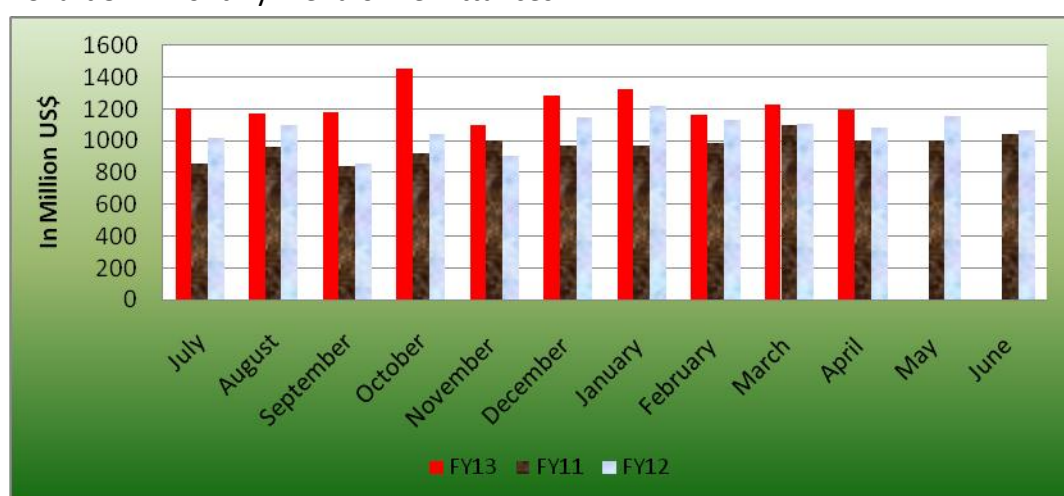
Table-3.3: Remittance Performance

(In million US\$)

	2010-11	2011-12	2012-13	
			April	July- April
Remittances	11650.32	12843.4	1194.4	12315.71
Growth (%)	6.0	10.2	10.2	16.01
As % of GDP	10.4	11.1	-	-
As % of Export	50.8	52.8	42.55	43.46

Source: Bangladesh Bank and EPB

Chart 3.4: Monthly Trend of Remittances



3.4 Exchange Rate Movements

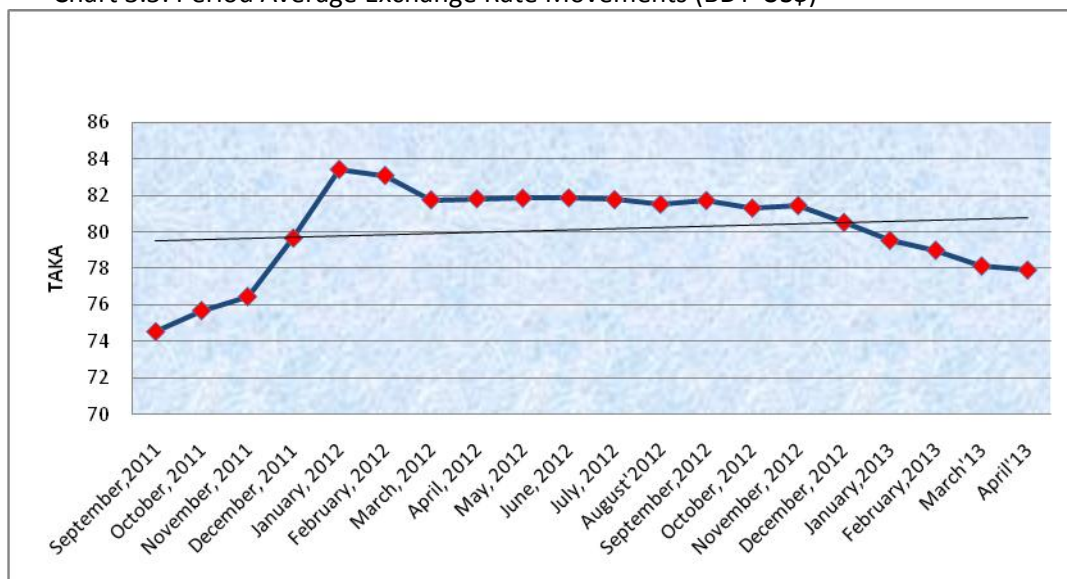
The exchange rate movement (monthly average) from August 2011 to April 2013 has been shown in Chart 3.5 (BDT against USD). Exchange rate of Taka per USD remains market based and volatility is reduced since April 2012. However, at the end of April 2013, Taka has appreciated by 0.28 percent from its level at the end of March 2013 mainly due to reasonable growth in remittance, foreign aid and low pressure on imports.

Table 3.4: Exchange Rate Movements (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	79.10	81.87
2012-13		
July	81.77	81.70
August	81.52	81.71
September	81.72	81.64
October	81.31	81.21
November	81.45	81.38
December	80.53	79.75
January	79.55	79.20
February	79.01	78.85
March	78.58	78.15
April	78.03	77.93

Source: Bangladesh Bank

Chart 3.5: Period Average Exchange Rate Movements (BDT-US\$)



3.5 External Reserve

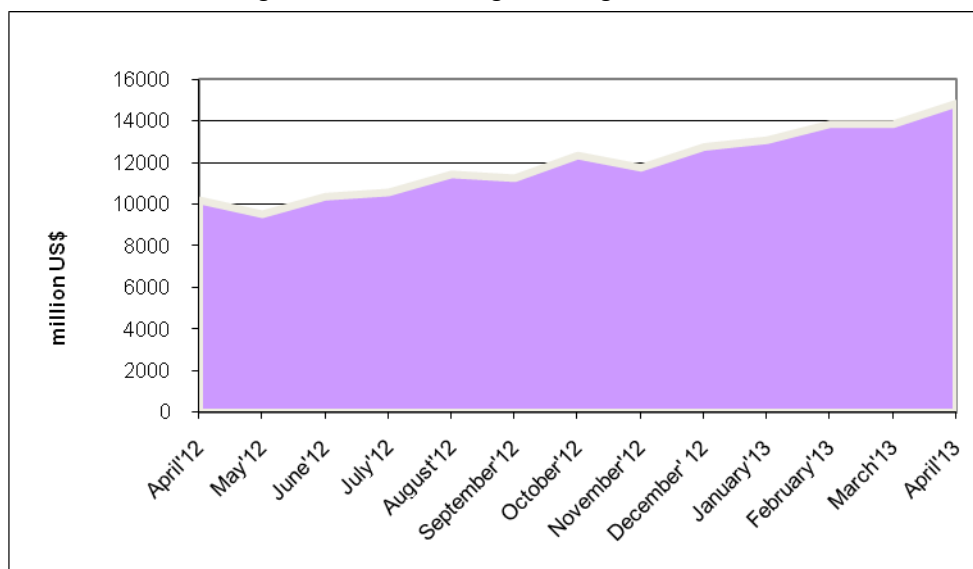
The gross foreign reserves (with ACU liability of USD 776.33 million) increased substantially and stood at USD 14839.11 million by the end of April 2013, compared to USD 10193.04 million at end of April 2012 (table 3.5). Gross foreign reserves, without ACU liability was equivalent to import payments of 4.98 months based on the preceding 12 months average (May-April 2012-13).

Table 3.5: Foreign Exchange Reserve (In million US\$)

	2010-11	2011-12	As on end of April, 2013
Reserve	10911.5	10364.43	14839.11
In month of import payment	3.9	3.2	4.98

Source: Bangladesh Bank.

Chart 3.6: Outstanding Stock of Gross Foreign Exchange Reserve at the end of the month



3.6 Balance of Payments

The current account balance in the first ten months of FY13 was in surplus. Both financial account surplus of USD 2396 million and current account surplus of USD 2161 million accounted for a surplus of USD 4429 million in overall balances during July-April 2012-13 against a deficit of USD 106 million over the corresponding period of FY12.

Table 3.6: Balance of Payments (In million US\$)

	2010-11 (July-June)	2011-12 ^R (July-June)	2011-12 ^R (July-April)	2012-13 ^P (July-April)
Trade Balance	-7744	-7995	-7532	-5921
Current Account Balance	885	1630	-181	2161

Capital Account	642	469	388	416
Financial Account	-1920	-955	1122	2396
Overall Balance	-656	494	-106	4429

Source: Bangladesh Bank. R=Revised

4. REAL SECTOR

4.1 Quantum Index of Industrial Production

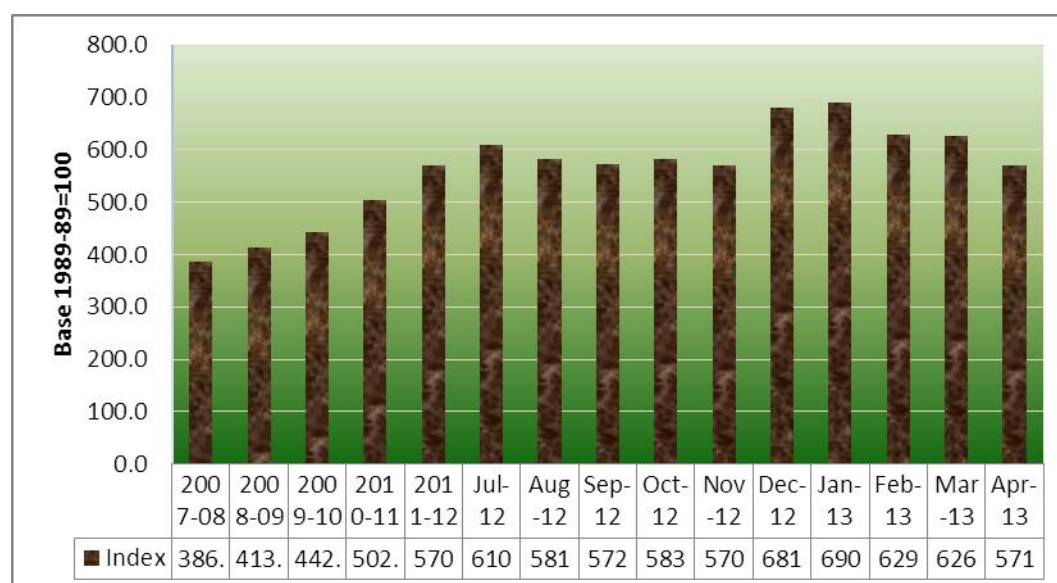
Significant growth in industrial sector resulted in a positive change in Quantum Index of Industrial Production which was 561.84 in April 2012 and became 571.15 in April 2013 (table 4.1). The growth rate of the Quantum Index of Industrial Production (Large and Medium Scale Manufacturing Industry) was 13.43 percent in FY 12 which was 13.74 percent in FY 11.

Table 4.1: Quantum Index of Industrial Production (Base: 1989-89=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	570.44	13.43
April, 2012	561.84	3.71
April, 2013	571.15	1.65

Source: BBS, *Growth over the same period of the previous fiscal year

Chart 4.1: Quantum Index of Industrial Production



Source: BBS

4.2 Inflation

In FY12 the average rate of inflation (Twelve-Month Average Basis) was 10.62 percent (table-4.2). The food and non-food inflation were 10.47 percent and 11.15 percent respectively. In FY13, inflation has come down and in April 2013, the rate of inflation (national) on point-to-point basis was 7.93 percent, of which, food and non-food inflation were 8.57 percent and 6.81 percent respectively.

Table-4.2 Twelve-Months Average Inflation (National) (Base 1995-96)

FY	Twelve-Months Average Basis		
	National	Food	Non-Food
2007-08	9.94	12.28	6.32
2008-09	6.66	7.19	5.91
2009-10	7.31	8.53	5.45
2010-11	8.80	11.34	4.15
2011-12	10.62	10.47	11.15
2012-13	Twelve-Months Average Basis		
July	10.37	9.87	11.57
August	10.08	9.41	11.62
September	9.69	8.77	11.70
October	9.33	8.16	11.81
November	8.98	7.68	11.71
December	8.74	7.43	11.45
January	8.40	7.14	10.99
February	8.19	7.10	10.44
March	8.00	7.11	9.85
April	7.85	7.16	9.28

Source: Bangladesh Bureau of Statistics.

Chart 4.2: Trends of Point to Point Inflation (Base 1995-96)

