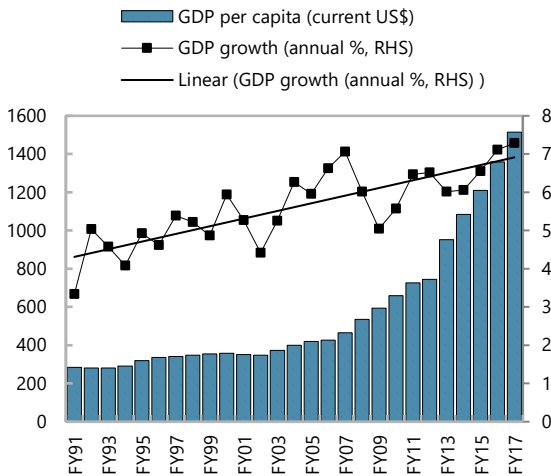


### Bangladesh: Selected Indicators

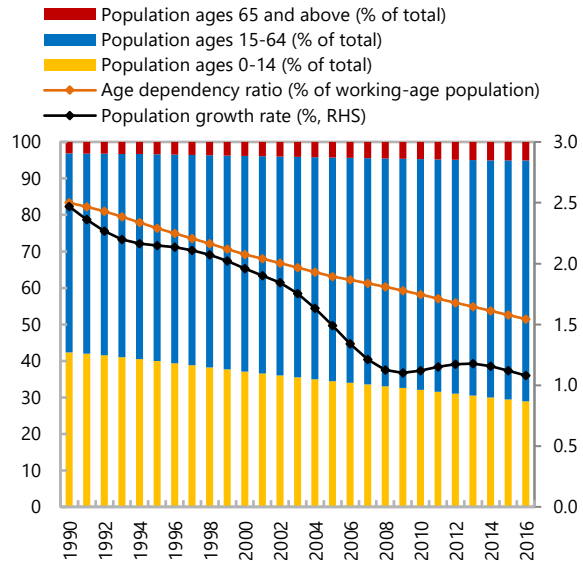
Bangladesh economy maintained an average annual growth rate of six percent plus over the last decade, with 7.28% outturn in FY17

2.5% population growth rate in 1990 declined to 1.1% in 2016, with population reaching 163 million

**Trend of Real GDP Growth and GDP per capita 1/**  
FY91-FY17 (y/y, in percentage points)



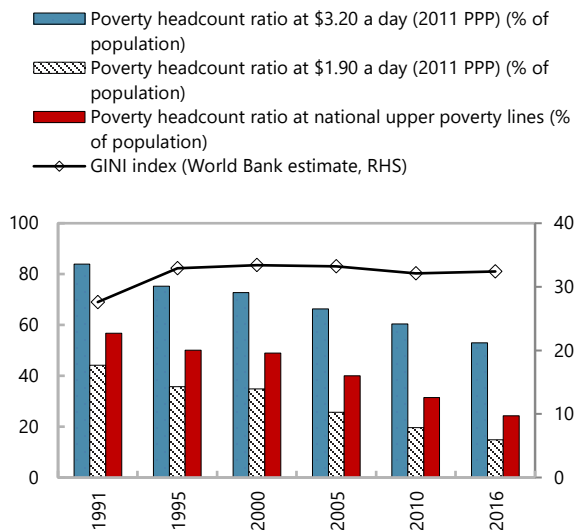
**Trend of Demographic Indicators**  
1990-2016



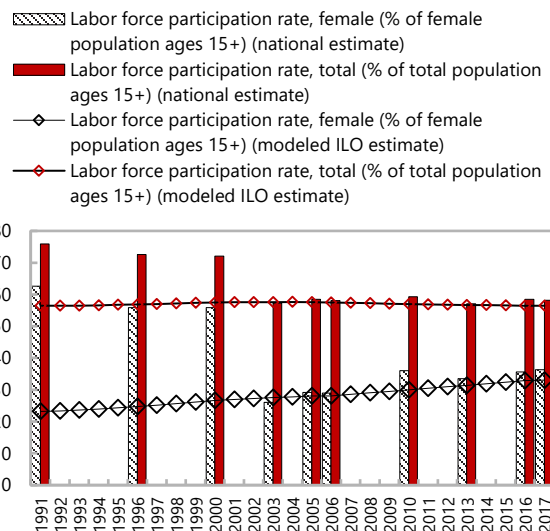
Income poverty incidence (national measure-upper poverty line) came down from 57% in 1991 to 24% in 2016

ILO estimates 56.5% of population aged 15+ are in labor force in 2017; the female participation rate is only 33.04%

**Trend of Poverty Reduction and Gini Index 2, 3/**  
1991-2016



**Trend of Labor Force Participation 4/**  
1991-2017



1/ July-Jun period is considered as FY in Bangladesh. In calculating GDP per capita, population data is taken from the WDI. To calculate FY17 WDI population data, FY17 national population growth rate is used. 2/ National measures of poverty for year 1991 and 1995 are taken, respectively, from Household Expenditure Survey 1991-1992 and Household Expenditure Survey 1995-1996. In national measure, up to 1991 a person having an intake of less than 2,122 kilo-calories daily was considered as absolute poor (upper poverty line), and one having an intake of below 1,805 kilo-calories was considered as hard-core poor. Since 1995, the 'Cost of Basic Needs (CBN)' method has been used. 3/ Gini Index ranges from 0 to 100, higher value shows higher inequality. Gini index of 0 means perfect equality, while an index of 100 indicates perfect inequality. 4/ National estimates of labor force participation rate for 2016 and 2017 are respectively of FY2016 and FY2017.

Sources: Bangladesh Bureau of Statistics (BBS), World Development Indicators (WDI); and IMF staff calculations

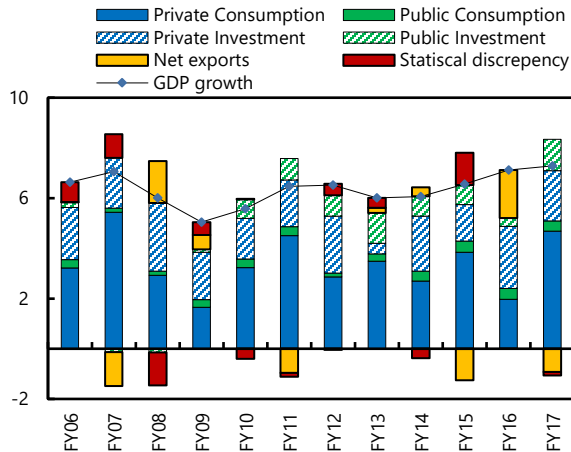
## Bangladesh: Real Sector Developments

Private consumption contributed about 2/3<sup>rd</sup> of FY17 GDP growth, while worsening net exports weakened the momentum

Consumption-GDP ratio fell from 80.81% in FY08 to 74.67% in FY17, while during this period investment-GDP ratio edged up from 26.2% to 30.51%.

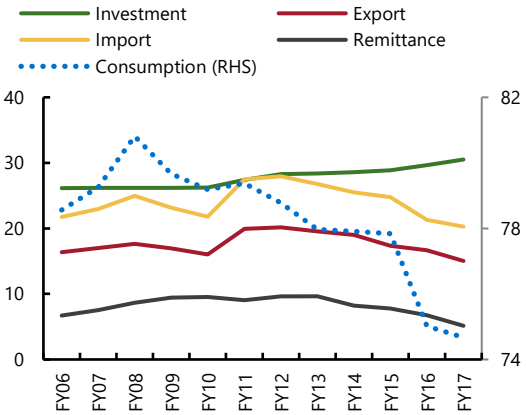
### Contributions to Real GDP Growth

FY06-FY17 (y/y, in percentage points)



### Selected indicators' share in Nominal GDP

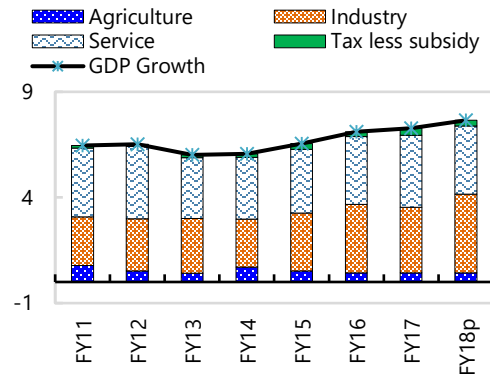
FY06-FY17 (in percentage points)



On the production side, service sector contributed 3.41% of 7.28% GDP growth in FY17, and industry sector 3.1%. Authorities' provisional estimate of 7.65% GDP growth in FY18 stems from higher contribution from manufacturing led industrial sector.

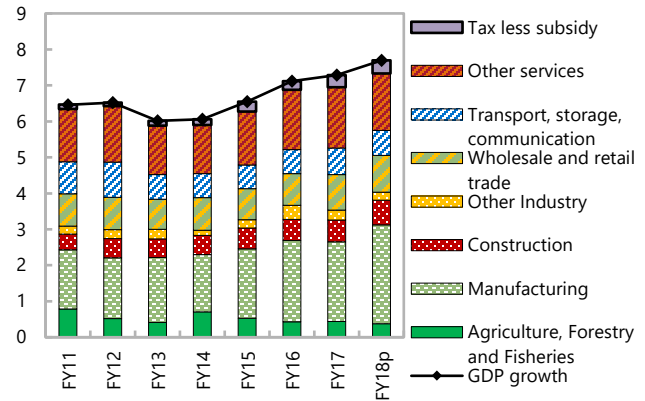
### Sectoral Contributions to Real GDP Growth 1/

FY11-FY18p (y/y, in percentage points)



### Sectoral Contributions to Real GDP Growth (Contd.) 1/

FY11-FY18p (y/y, in percentage points)

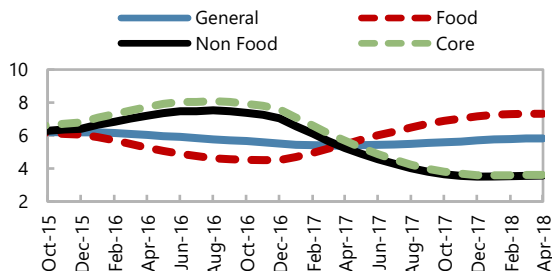


Headline inflation is gradually approaching toward FY18 H2 target upper limit 6 percent, standing at 5.83 percent in Apr 2018

In Apr 2018, y/y inflation of food, non-food and core items slightly edged down

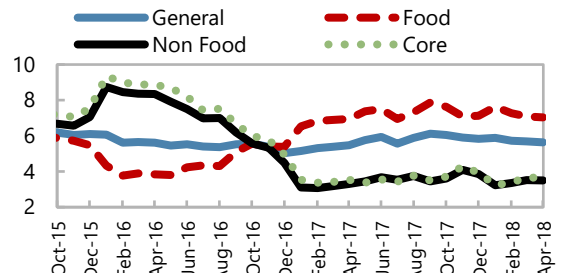
### Twelve Month Average Inflation

Oct 15-Apr 18 (y/y, in percentage points)



### Point-to-Point Inflation

Oct 15-Apr 18 (y/y, in percentage points)



1/ FY18p stands for provisional estimate by the authorities.

Sources: Bangladesh Bureau of Statistics (BBS), Bangladesh Bank; and IMF staff calculations

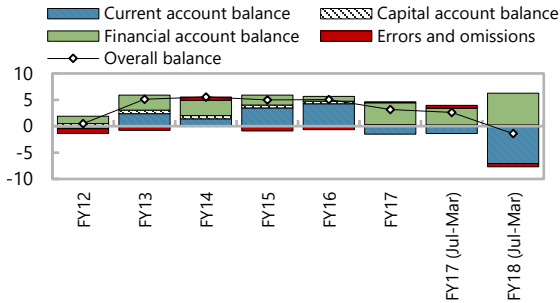
## Bangladesh: External Sector Developments

In FY18 (Jul-Mar) BOP deficit stands at USD 1.41 billion, driven by current account (CA) deficit of USD 7.08 billion. 88.72% of CA deficit is met by financial and capital account surplus

### Balance of Payments Components

FY12-FY18 (Jul-Mar)

(in billion USD, unless otherwise mentioned)

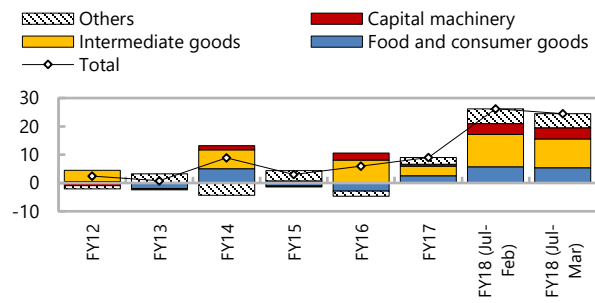


Intermediate goods account for 55.18% of USD 40.3 billion imports during Jul-Mar of FY18, while food and consumer goods account for 13.28%, followed by 10.34% for capital machinery

### Item-wise Contributions to Import Growth

FY12-FY18 (Jul-Mar)

(y/y growth, in percentage points)

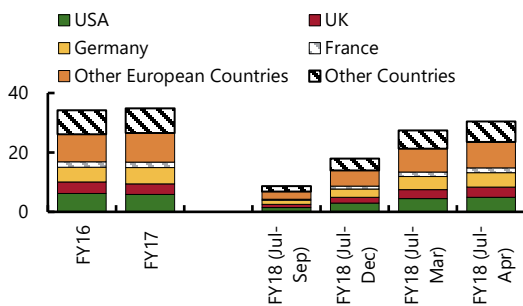


Exports to Europe, destination for 61.05% of exports, contributed about 6.13% of total 6.41% exports growth during Jul-Apr of FY18

### Destination of Goods Exports

FY16-FY18 (Jul-Apr)

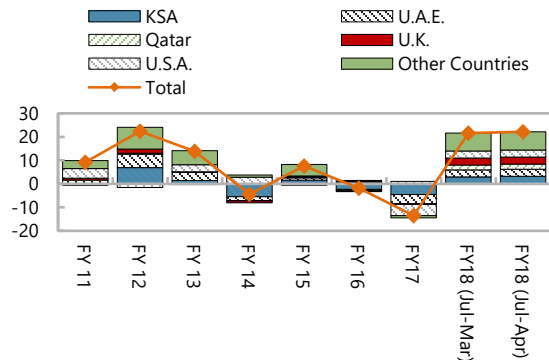
(country/regional share, billion USD)



In FY18 (Jul-Apr), y/y remittance inflows in domestic currency increased by 22.1%, where KSA, UAE, Qatar, UK and USA altogether contributed 14.42%

### Contributions to Workers' Remittances

FY11-FY18 (Jul-Apr), (y/y percentage change)

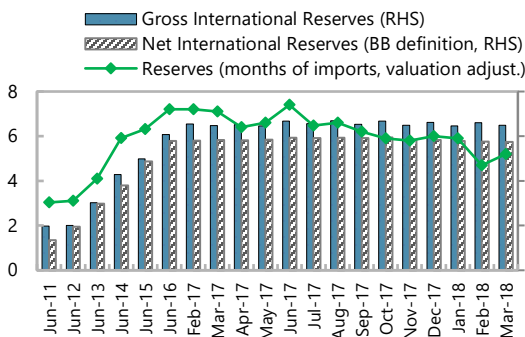


In Feb 2018, import months' coverage fell to 4.7, but increased to 5.2 months in Mar 2018

### International Reserves

Jun 2011-Mar 2018 1/

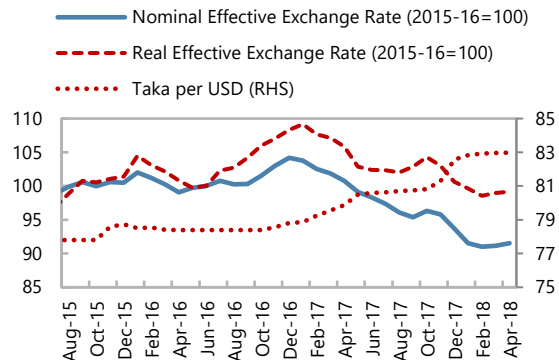
(In billions of USD, unless otherwise indicated)



In 2018 (Jan-Apr), BB mopped up Taka 72.06 billion from the market through USD transactions, containing depreciation of BGD Taka

### Exchange Rates 2/

Aug 2015-Apr 2018



1/ March 2018 data are provisional. Net international reserve (NIR) is gross international reserves (excluding investment on bonds below the grade BBB, Silver Acquisition A/C, deposit with Rupali Bank, Pakistan & deposit with Sonali Bank, UK) minus total liabilities. Total liabilities comprise reserve liabilities in ACU, IMF Trust Fund Account (ECF) and other foreign currency clearing accounts, and deposits of IBRD/IDA, and SDR allocation. 2/ Apr 2018 REER is estimated.

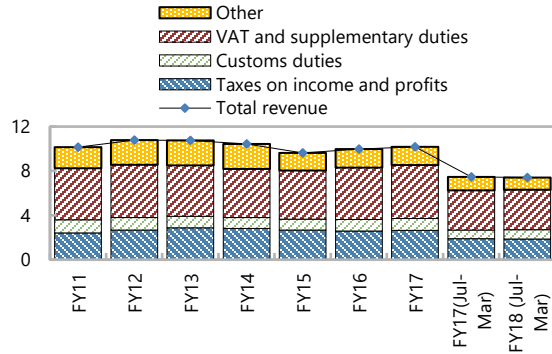
Sources: Bangladesh Bank; and IMF staff calculations

## Bangladesh: Fiscal Sector Developments

In FY18 (Jul-Mar), revenue-GDP ratio stands at 7.41% compared to 7.45% in the same period of FY17

### Central Government Revenue

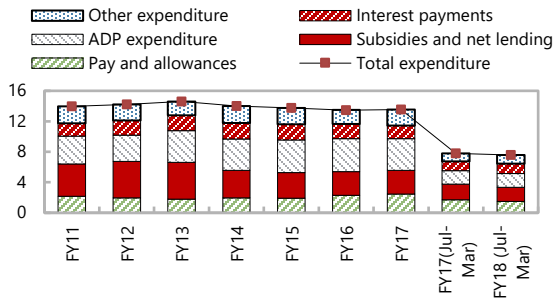
FY11-FY18 (Jul-Mar) (In percent of GDP) 1/



Budget execution is 7.58% of GDP in FY18 (Jul-Mar) compared to 7.79% in the same period of FY17, with ADP of 1.81% of GDP compared to 1.75% in the same period of FY17

### Central Government Expenditure

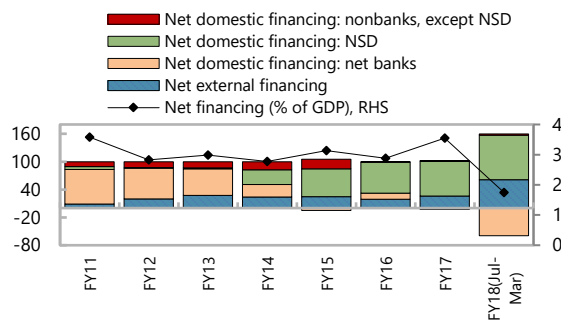
FY11-FY18 (Jul-Mar) (In percent of GDP) 1/



In FY18 (Jul-Mar), NSD tools contributed 96.03% of net financing (1.75% of GDP), external sources contributed 61.16%, while bank borrowing was negative 59.78%

### Fiscal Balance and Sources of Financing

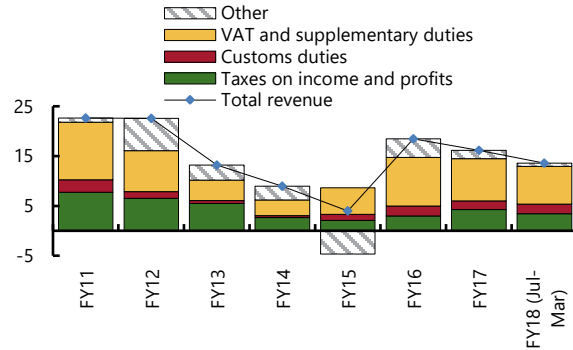
FY11-FY18 (Jul-Mar) (Percent of net financing, unless otherwise indicated) 1, 2 /



Revenue grew by 13.6% in FY18 (Jul-Mar), significantly lower than targeted 43% for FY18

### Contributions to Total Revenue Generation

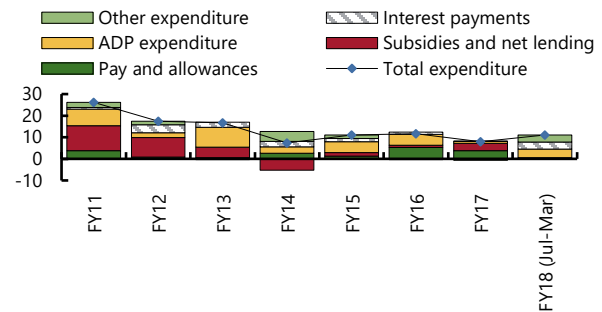
FY11-FY18 (Jul-Mar) (y/y, in percentage points) 1/



11.09% growth of spending in FY18 (Jul-Mar) is significantly lower than targeted 58% for FY18

### Contributions to Total Expenditure Growth

FY11-FY18 (Jul-Mar) (y/y, in percentage points) 1/

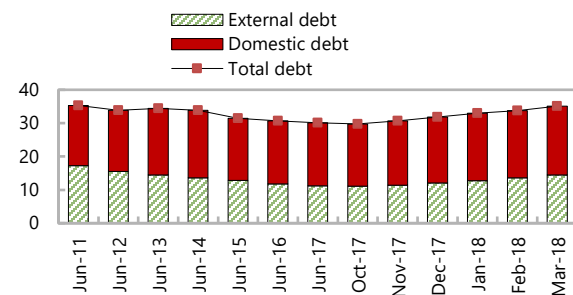


In Mar 2018, central government debt in percent of GDP increased to 35.12% from 29.76% in Oct 2017

### Central Govt. Debt

Jun 2011-Mar 2018

(In percent of GDP) 3/



1/ FY17 (Jul-Mar) GDP data is annualized using actual GDP for FY17; FY18 (Jul-Mar) GDP data is annualized using FY17 actual GDP and IMF staff projected GDP for FY18. 2/ Net external financing is net MLT data taken from the Balance of Payments; National Savings Directorate (NSD) tools data and other domestic financing data are taken from Bangladesh Bank. 3/ Central govt. debt data are calculated as per note 2/.

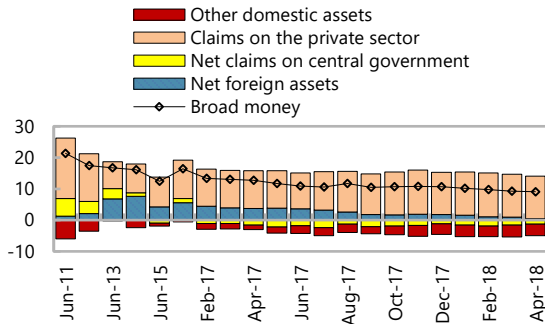
Sources: Office of the Controller General of Accounts (CGA), Ministry of Finance; Bangladesh Bank; and IMF Staff calculations

## Bangladesh: Monetary and Financial Market Developments

Broad money growth in Apr 2018 reached 9.08%, below 13.3% target, with about 13.62% contribution from buoyant private sector credit

### Contributions to Broad Money Growth

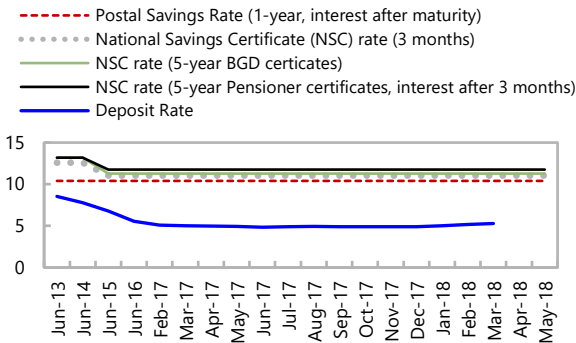
Jun 2011-Apr 2018 (y/y, in percentage points)



As high as 11.76%, the return from NSD instruments propels excess demand, placing stress on core liquidity in the banking system

### Postal Savings, NSC and Commercial Banks' Rates

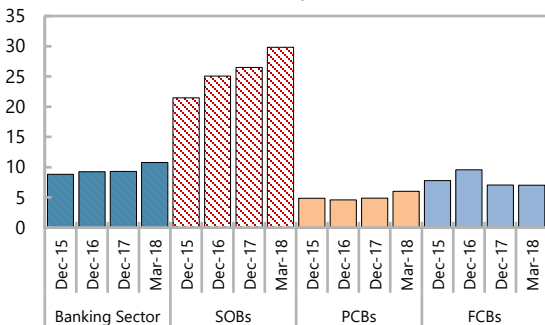
Jun 2013-May 2018 (in percentage points)



In Mar 2018, the NPL ratio rose to 10.78% from 9.31% in Dec 2017, with rise in case of SOBs from 26.52% to 29.84%, and for private commercial banks (PCBs) from 4.87% to 6%

### Non-Performing Loan (NPL) Ratio

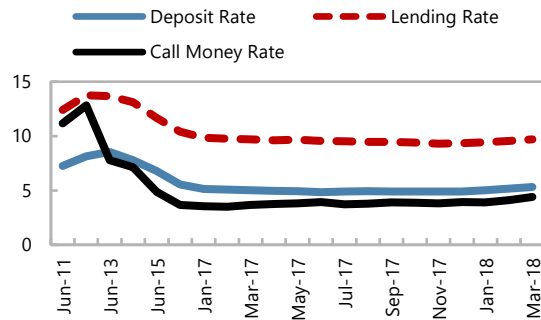
Dec 15-Mar 2018 (in percent of loans)



Upward edging of interest rates indicates tightening liquidity market

### Lending Rate, Deposit Rate and Call Money Rate

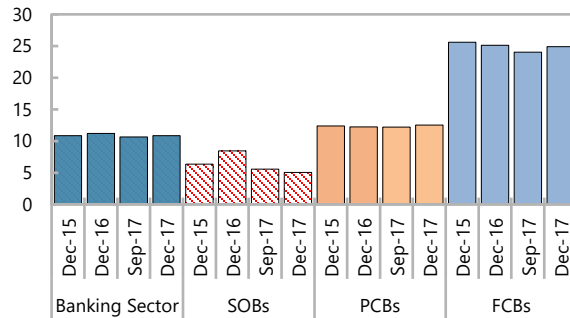
Jun 2011-Mar 2018 (in percentage points)



At end Dec 2017, state owned banks (SOBs) maintained 5.04% CAR- below regulatory requirement of 10%

### Capital Adequacy Ratio

Dec15-Dec 2017 (in percentage points)

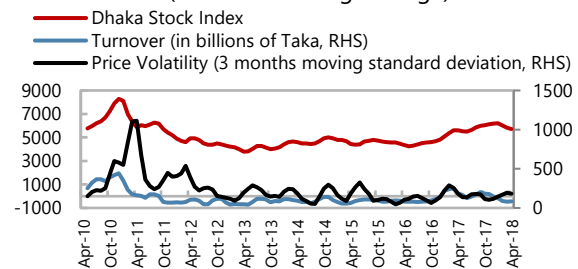


Market capitalization of country's stock bourses- Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively, amounts to 19.2% and 15.8% of GDP in FY17. The 3-mma DSE turnover has been falling since Sep 2017, with slight upturn in Apr 2018

### Dhaka Stock Market Performance

Apr 2010-Apr 2018

(3-month moving average)



Sources: Bangladesh Bank; and IMF Staff calculations