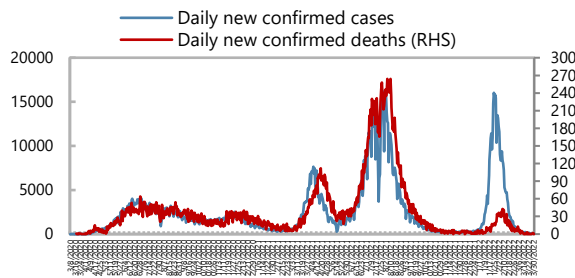


Bangladesh: Selected Indicators

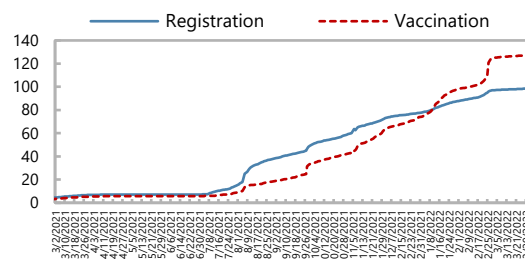
Both infections and deaths, continue trending down and zero covid-related deaths are being reported.

New confirmed cases of and deaths due to COVID-19
Mar 8, 2020 - Mar 31, 2022



The 'Special vaccination drive' has inoculated three-fourths of total population at end-March.

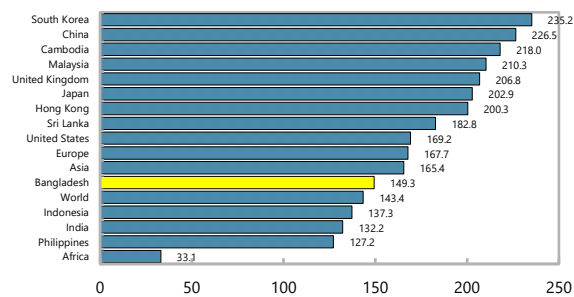
Registrations and people received vaccination 1/
Mar 2, 2021-Mar 31, 2022 (in Millions)



Bangladesh remains below the Asian average but has moved above the world average for vaccine doses administered.

COVID-19 vaccine doses administered

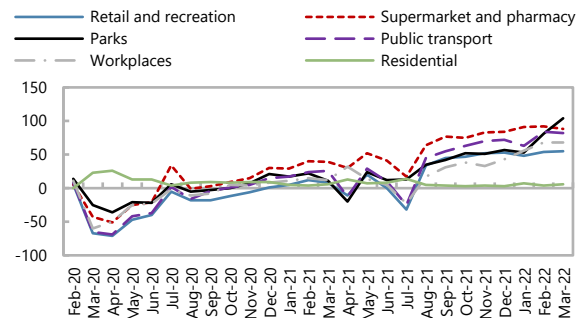
(per 100 people, at March 31 unless otherwise mentioned 2/)



The continued pick-up in mobility, starting August, reflects the pick-up in economic activity in FY22.

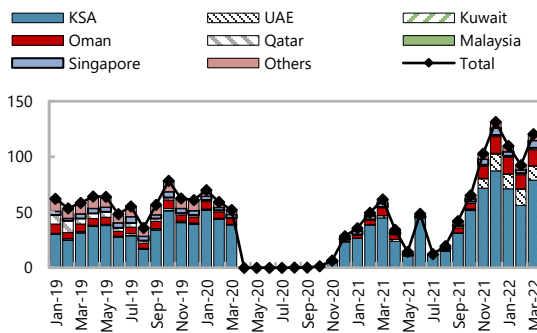
Community mobility changes 3/

Feb 2020-Mar 2022 (percent change from baseline)



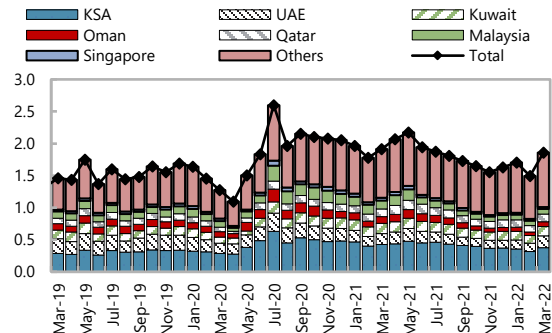
After slowing down around January, migrant worker outflows have bounced back since.

Overseas employment: country-wise migrant outflows
Jan 2019- Mar 2022 (in thousands)



Remittance inflows continue to trend up, but flows remain lower than those from the same period last year.

Wage earners' remittance inflows: country wise
Mar 2019- Mar 2021 (in Billion USD)



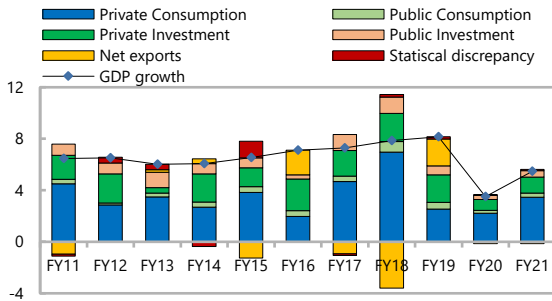
1/ Vaccination data takes into account only the first-dose receivers. As on Mar 31, 2022, 112.36 million people (65.97% of the population) received the second dose. 2/ For vaccines that require multiple doses, each individual dose is counted. As the same person may receive more than one dose, the number of doses per 100 people can be higher than 100. Philippines data is as on Mar 24, 2022, while Sri Lanka data is as on Mar 29, 2022. 3/ The baseline is the median value, for the corresponding day of the week, during the five-week period 3 Jan-6 Feb 2020. Mar 2022 data is as of Mar 31, 2022.

Sources: Directorate General of Health Services, Ministry of Health and Family Welfare, Bangladesh; Our World in Data; Google's COVID-19 Community Mobility Reports; Bureau of Manpower Employment and Training (BMET), Bangladesh; and IMF staff calculations

Bangladesh: Real Sector Developments

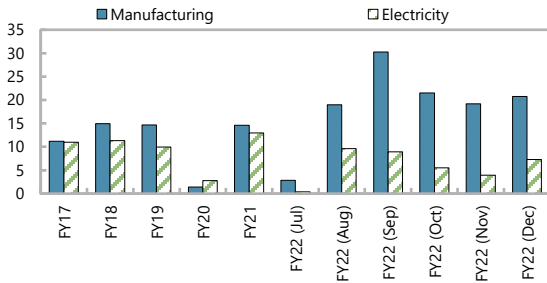
Provisional official data points to growth supported by private consumption, and a slight recovery of private investment and net exports in FY21.

Contributions to Real GDP Growth 1/ FY11-FY21 (y/y, in percentage points)



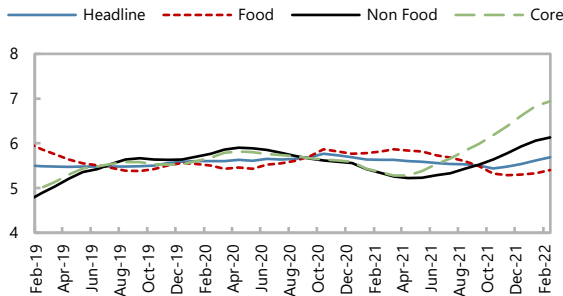
The y/y growth of the quantum indices highlight a pickup in activity in FY22 thus far.

Quantum Index of Medium and Large-Scale Manufacturing Industries and Electricity 1/ FY16-FY22 (Dec) (y/y growth, in percent)



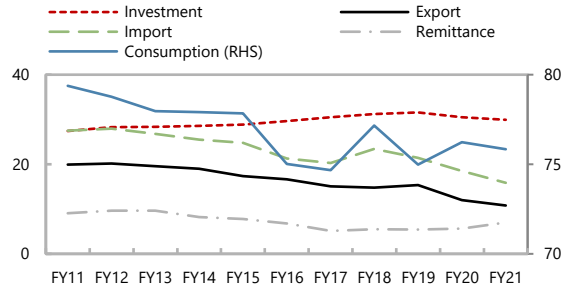
Twelve-month average headline inflation has continued to creep up since the start of the fiscal year.

Twelve Month Average Inflation Feb 2019-Feb 2022 (y/y, in percent)



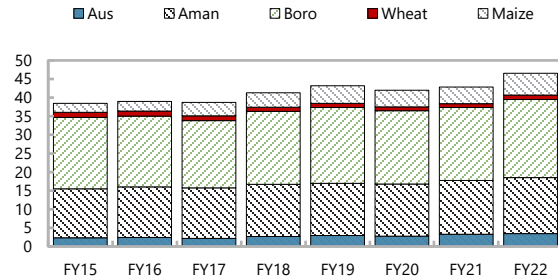
Consumption to GDP ratio, in FY21, fell slightly while the investment to GDP ratio remained flat.

Selected Indicators' Share in Nominal GDP 1/ FY11-FY21 (in percent)



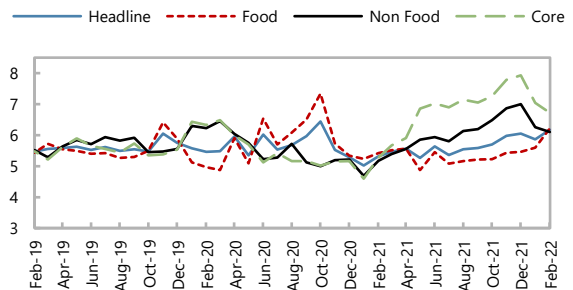
Rice production target, in FY22, was set at 39.5 MMT (reflecting FY21 outturn of 37.4 MMT) while for wheat and maize it was set at 7.1 MMT (reflecting FY21 outturn of 5.5 MMT).

Major Food Grains Production 2/ FY15-FY22 (Million Metric Tons (MMT))



Headline inflation exceeded 6.0 percent with food inflation reaching 6.2 percent and non-food reaching 6.1 percent.

Point-to-Point Inflation Feb 2018-Feb 2022 (y/y, in percent)



1/ FY21 and FY22 data are provisional. 2/ FY21 data are actual, while FY22 data are production targets.

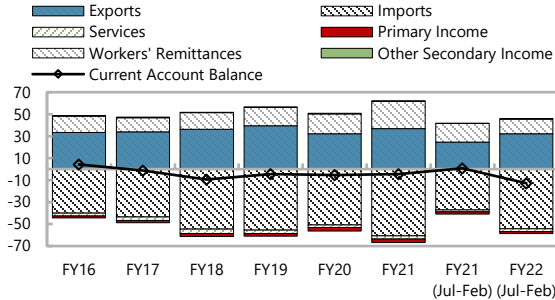
Sources: Bangladesh Bureau of Statistics (BBS); Department of Agriculture Extension, Ministry of Agriculture; Bangladesh Bank; and IMF staff calculations

Bangladesh: External Sector Developments

The CA, in FY22 (Jul-Feb), is in a USD 12.8 billion deficit, compared with the USD 0.8 billion surplus in FY21 (Jul-Feb).

Current Account Balance Components 1/

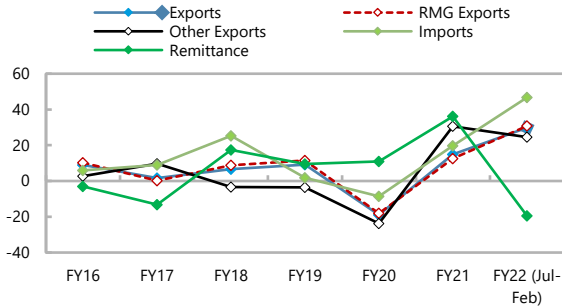
FY16-FY22 (Jul-Feb) (in billion USD)



Remittances, y/y in FY22 (Jul-Feb), declined by 19.5 percent while exports grew by 29.8 percent and imports by 46.7 percent in the same period.

Major Balance of Payments Components 3/

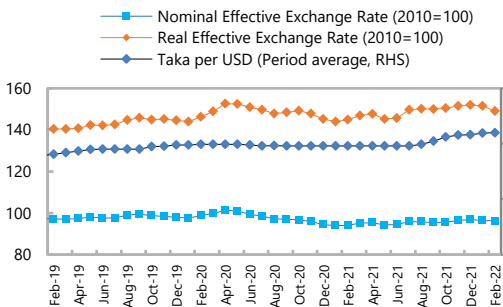
FY16-FY22 (Jul-Feb) (y/y growth, in percent)



Trade competitiveness has somewhat improved, mostly reflecting the depreciation relative to the currency basket of trading partners.

Exchange Rates

Jan 2019-Feb 2022



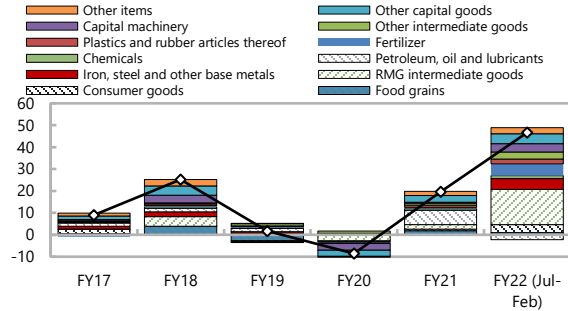
1/ FY22 (Jul-Feb) data are provisional. 2/ Data are recorded by customs. 3/ Exports and imports are f.o.b. data. 4/ Net international reserve (NIR) is gross international reserves (excluding investment on bonds below the grade BBB, Silver Acquisition A/C, deposit with Rupali Bank, Pakistan & deposit 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.

Sources: Bangladesh Bank; Export Promotion Bureau (EPB); and IMF staff calculations

RMG related intermediate goods contributed the most to the overall growth in imports in FY22 (Jul-Feb).

Item-wise Contributions to Import Growth 2/

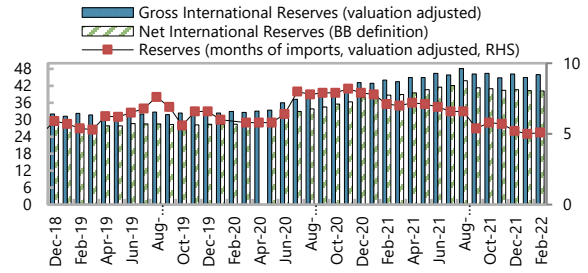
FY17-FY22 (Jul-Feb), (y/y growth, in percentage points)



Reflecting the pick-up in import payments, international reserve coverage continues to decline.

International Reserves 4/

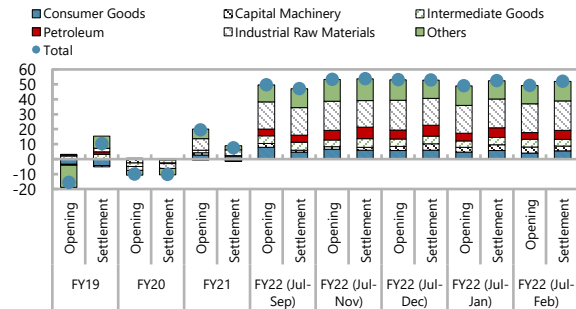
Dec 2018-Feb 2022, (Billion USD)



Both letters of credit (LC) openings, and settlements have been picking up in FY22.

Sector-wise contributions to total LC opening and settlement

FY19-FY22 (Jul-Feb) (y/y, in percentage points)

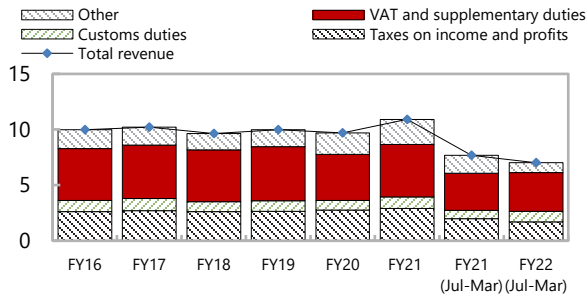


Bangladesh: Fiscal Sector Developments 1/

Total revenue-GDP ratio, in FY22 (Jul-Mar), reached 7.0 percent compared with 7.7 in FY21 (Jul-Mar). VAT and the supplementary duties-GDP ratio, during the same period, increased slightly from 3.3 percent to 3.5 percent.

Central Government Revenue

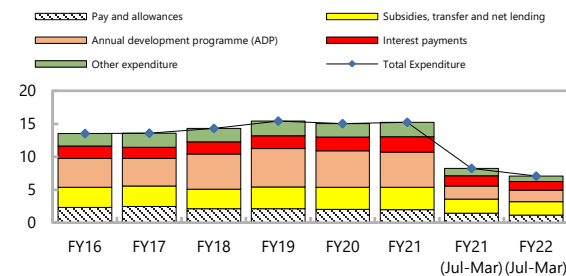
FY16-FY22 (Jul-Mar) (In percent of GDP)



Total expenditure-GDP ratio, in FY22 (Jul-Mar), decreased from 8.2 percent to 7.1 percent. During the same period, ADP execution decreased from 2.0 percent to 1.7 percent of GDP.

Central Government (CG) Expenditure

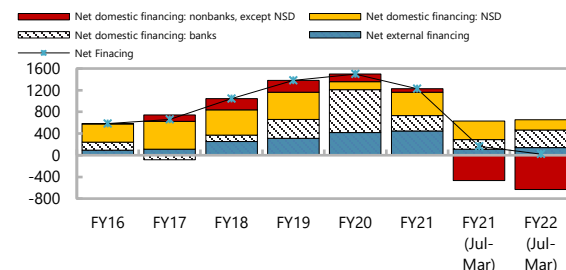
FY16-FY22 (Jul-Mar) (In percent of GDP)



Compared to the same period in the previous FY, the budget deficit in FY22 (Jul – Mar) has been primarily financed by bank borrowing.

Fiscal Balance and Sources of Financing

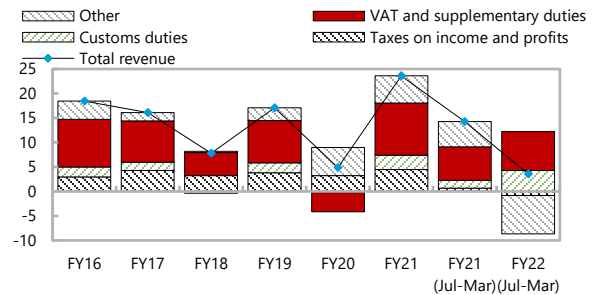
FY16-FY22 (Jul-Feb) (Billion Taka)



Preliminary data suggests that total revenue, in FY22 (Jul-Mar), has increased by 3.6 percent (y/y) and the increase in VAT and supplementary duties has had the largest impact.

Contribution to Total Revenue Generation

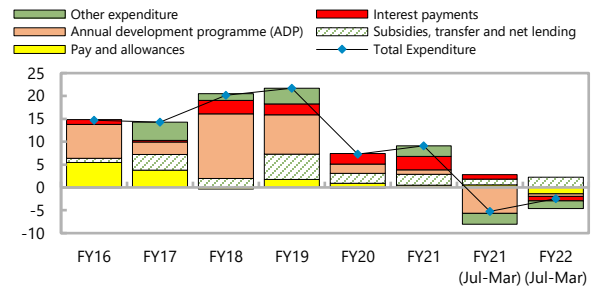
FY16-FY22 (Jul-Mar) (In percentage points)



Total expenditure, in FY22 (Jul-Mar), decreased by 2.4 percent (y/y), where interest payments contributed 1.0 percentage points.

Contributions to CG's Expenditure Growth

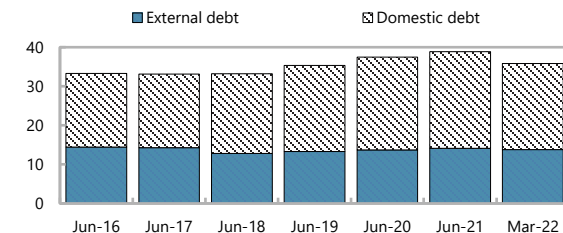
FY16-FY22 (Jul-Mar), (y/y, In percentage points)



Total central government debt, at end-Mar 2022, reached 35.8 percent of GDP from 38.9 percent of GDP at end-Jun 2021. Domestic debt accounts for roughly two thirds of the total central government debt.

Central Government Debt

Jun 2016-Feb 2022 (In percent of GDP)



1/ FY21 fiscal data is provisional output from Bangladesh Bureau of Statistics (BBS) based on FY2005/06. FY22 (Jul-Mar) GDP data is annualized using provisional GDP estimate of Bangladesh Bureau of Statistics (BBS).

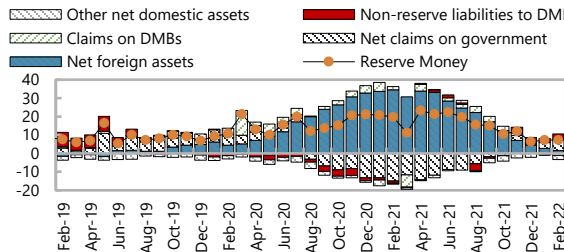
Sources: Office of the Controller General of Accounts (CGA), Ministry of Finance; and IMF Staff calculations

Bangladesh: Monetary and Financial Market Developments

Reserve money, at end-Feb 2022, grew by 7.3 percent (y/y) compared with 19.7 percent (y/y) in Feb 2021, mainly driven by net claims on government.

Contributions to Reserve Money Growth

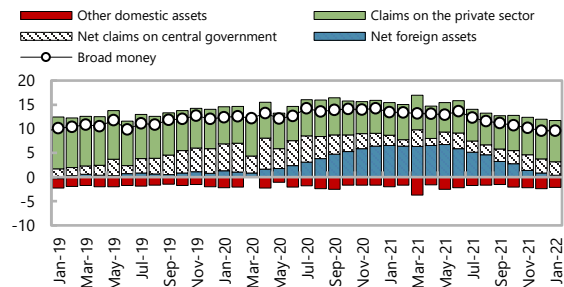
Feb 2019-Feb 2022 (y/y, in percentage points)



Broad money (M2), at end-Jan 2022, grew by 9.6 percent with private sector credit and net claims on government contributing 8.6 and 2.8 percentage points, respectively, to this growth.

Contributions to Broad Money (M2) Growth

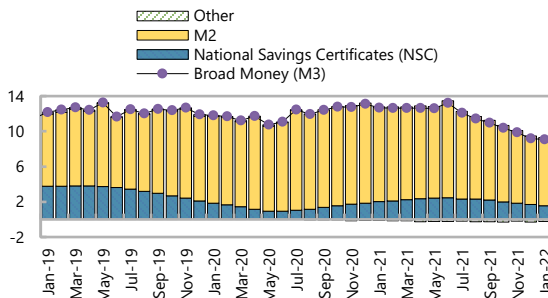
Jan 2019-Jan 2022 (y/y, in percentage points)



Broad money (M3) growth reached 9.1 percent, in Jan 2022, with M2 and NSC sales accounting for 7.8 and 1.6 percentage points respectively.

Contributions to Broad Money (M3) Growth

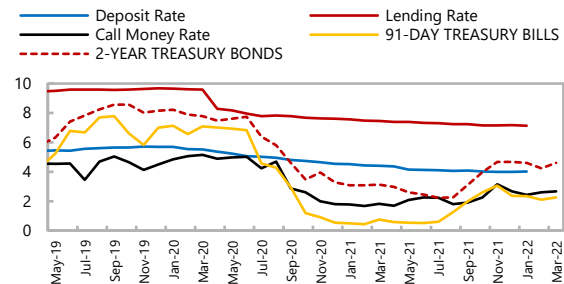
Jan 2019-Jan 2022 (y/y, in percentage points)



Interest rates, which had been on an increasing trend-have remained somewhat stable.

Interest Rates 1/

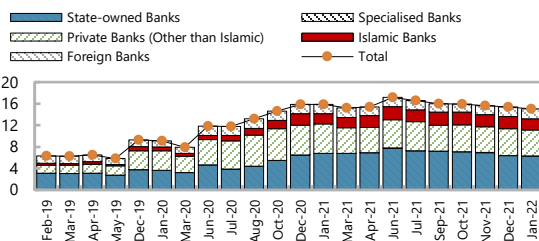
May 2019-Mar 2022 (in percentage points)



Excess liquid assets (as percent of total demand and time liabilities), in Jan 2022, reached 15.1 percent compared with 15.9 percent in Jan 2021.

Excess Liquid Assets (as percent of total time and demand liabilities) 2/

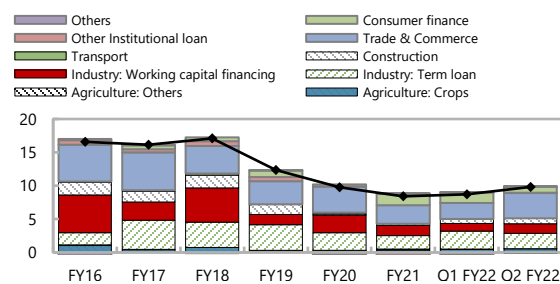
Feb 2019-Jan 2022



Growth of bank advances to the private sector reached at 9.8 percent Q2 FY22, compared to 8.7 percent in Q1. The growth was mostly driven by advances to trade and commerce, and industrial term loan.

Contributions to Growth of Bank Advances (Private Sector) by Economic Purposes

FY16- Q2 FY22 (y/y, in percentage points)



1/ Deposit and Lending rate are as on January 31, 2022.

2/ Excess Liquidity is statutory liquidity eligible liquid assets of banks minus statutory liquidity (excluding cash reserve). Excess Reserve is balance with Bangladesh Bank in local currency minus required cash reserve. These are provisional data taken from Bangladesh Bank's Department of Off-Site Supervision.

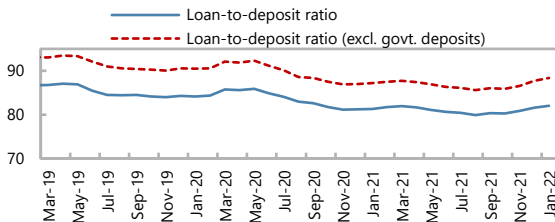
Sources: Bangladesh Bank; and IMF Staff calculations

Bangladesh: Monetary and Financial Market Developments... Contd.

The loan-to-deposit ratio, in Jan 2022, increased to 82.0 percent exceeding the level of Apr 2021. During the period, the ratio (excluding government deposits) also increased from 87.4 percent to 88.3 percent.

Loan-to-Deposit Ratio

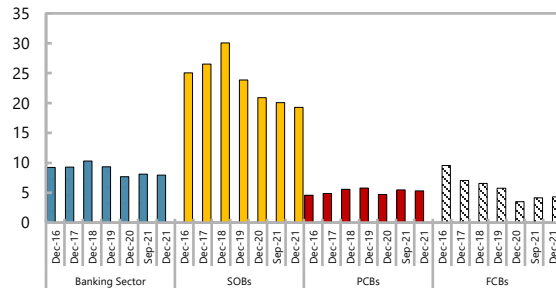
Mar 2019-Jan 2022 (in percent)



Banking sector's NPL ratio, in Dec 2021, increased to 7.9 percent from 7.7 percent in Dec 2020. In SOBs, the ratio decreased to 19.3 percent, and increased to 5.3 percent in the case of PCBs.

Non-Performing Loan (NPL) Ratio 1/

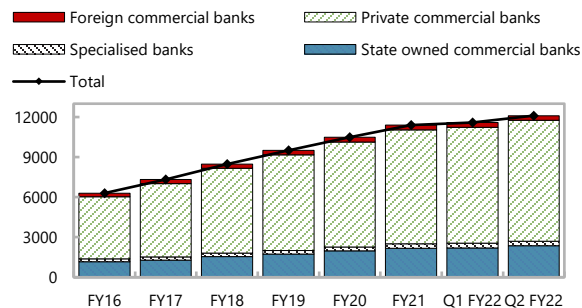
Dec 2016-Dec 2021 (in percent of loans)



Banking sector advances, at end-Q2 FY22, reached Tk.12105 billion, where private commercial banks accounted for Tk. 9050 billion.

Banking Sector Advances

(FY16-Q2 FY22) (in billion Taka)



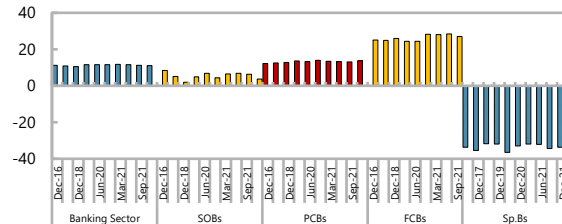
1/ Due to the COVID-19 pandemic, in Apr 2020 there was no stock market transaction.

Sources: Bangladesh Bank; and IMF Staff calculations

CAR of the banking industry, at Dec 2021, decreased to 11.1 from 11.6 percent in Dec 2020. CAR of the SOBs, in Dec 2021, decreased to 3.7 percent from 4.3 percent in Dec 2020 remaining below the regulatory requirement of 10 percent.

Capital Adequacy Ratio (CAR)

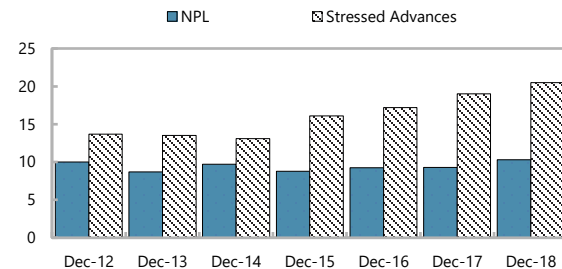
Dec 2016-Dec 2021 (in percent)



Stressed advances in the banking industry (sum of NPLs, rescheduled and restructured loans), at end-Dec 2018, accounted for 20.5 percent of outstanding loans.

Stressed Advances

Dec 2012-Dec 2018 (in percent of loans)



The 3-mma turnover and price volatility, continued to trend down after peaking in the fall of 2021, while DSE broad index remained flat in Feb 2022.

Dhaka Stock Market Performance 1/

Feb 2019-Feb 2022 (3-month moving average)

