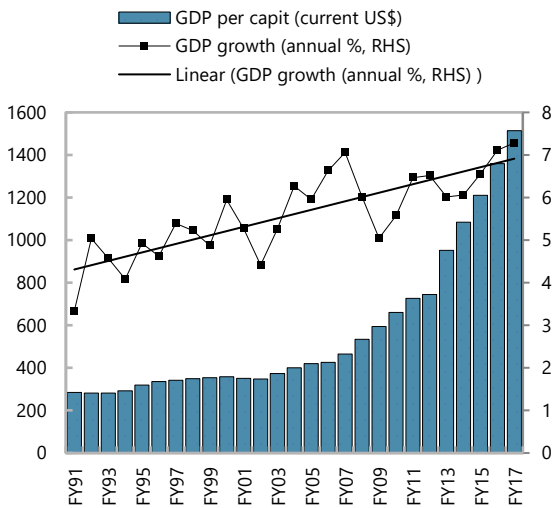


### Bangladesh: Selected Indicators

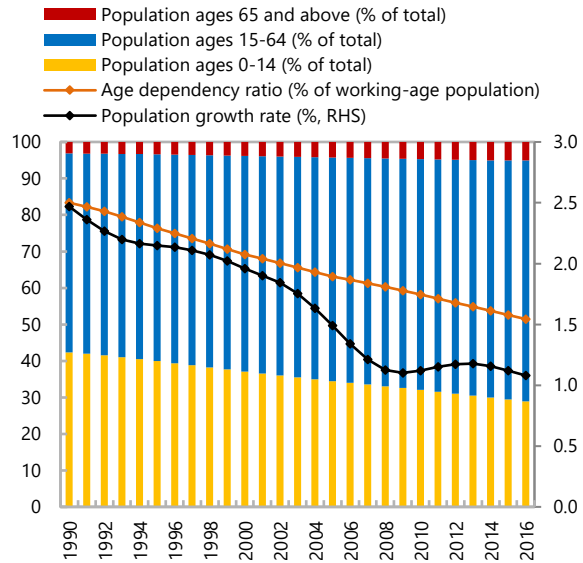
Bangladesh economy maintained an average annual growth rate of six percent plus over the last decade, with 7.28% outturn in FY17

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)



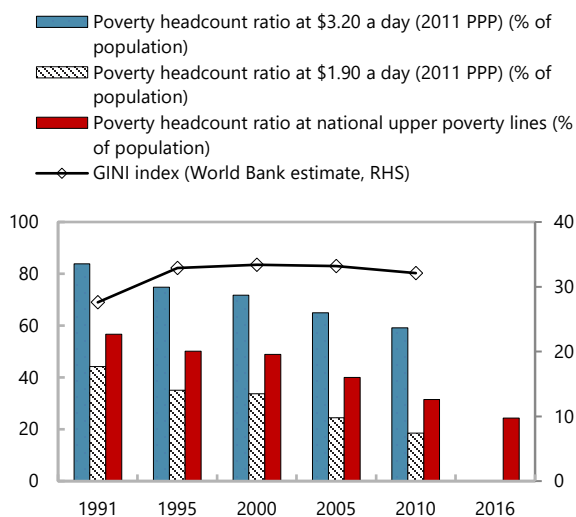
**Trend of Demographic Indicators**  
1990-2016



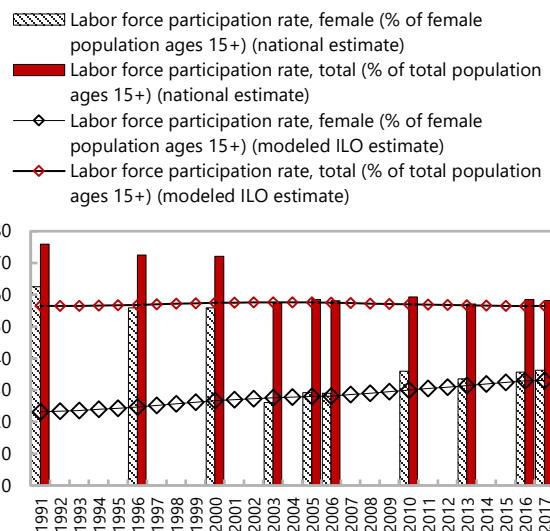
Income poverty incidence (national measure-upper poverty line) came down from 57% in 1991 to 24% in 2016

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/ In national measure, up to 1991 a man having intake of less than 2,122 kilo-calories daily was considered as absolute poor (upper poverty line), and one having 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

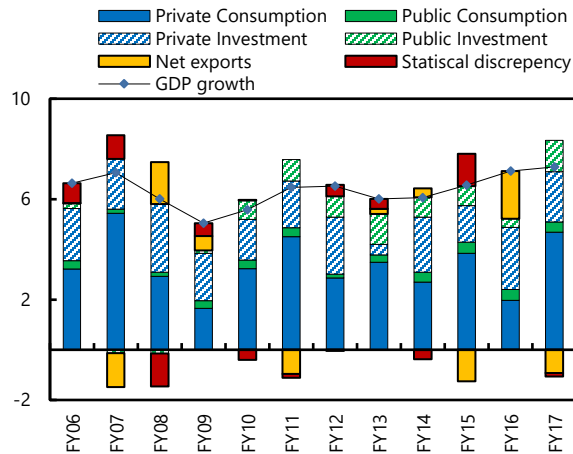
## Bangladesh: Real Sector Developments

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%.

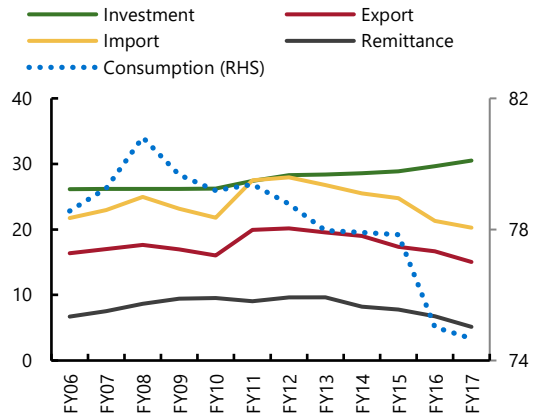
### Contributions to Real GDP Growth

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



### Selected indicators' share in Nominal GDP

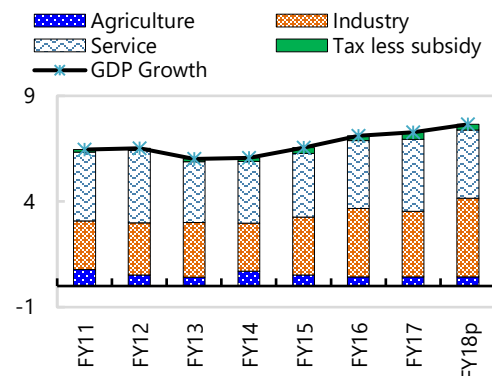
FY06-FY17 (in percentage points)



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

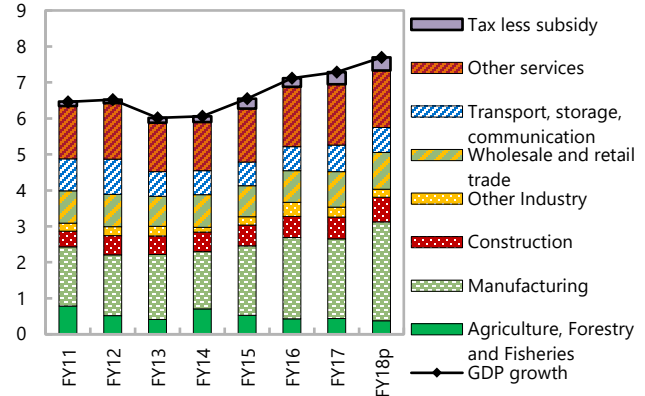
### Sectoral Contributions to Real GDP Growth

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



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

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

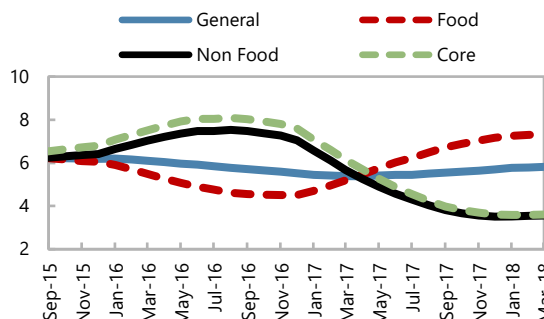


Headline inflation of 5.82 percent in Mar 2018 is below H2FY18 upper limit 6 percent

In Mar 2018 y/y inflation of non-food and core items slightly ticked up, while for food items the rate edged down a little

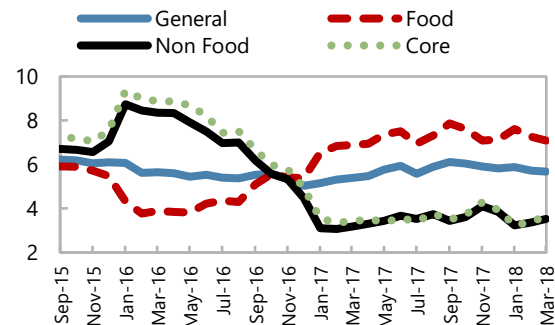
### Twelve Month Average Inflation

Sep 15-Mar 18 (y/y, in percentage points)



### Point-to-Point Inflation

Sep 15-Mar 18 (y/y, in percentage points)



P stands for provisional.

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

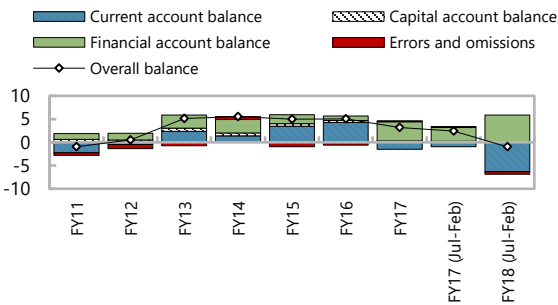
## Bangladesh: External Sector Developments

In FY18 (Jul-Feb) BOP deficit stands at USD 978 million, driven by current account (CA) deficit of USD 6.32 billion. 93.42% of CA deficit is met by financial and capital account surplus

### Balance of Payments Components

FY11-FY18 (Jul-Feb)

(in billion USD, unless otherwise mentioned) 1/

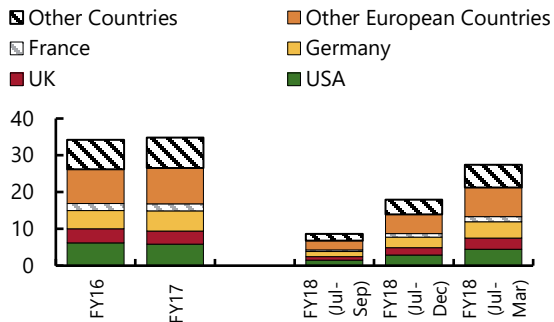


Exports to Europe, destination for 61.22% of exports, contributed about 6.29% of total 6.33% exports growth during Jul-Mar of FY18

### Destination of Goods Exports

FY16-FY18 (Jul-Mar)

(country/regional share, billion USD)

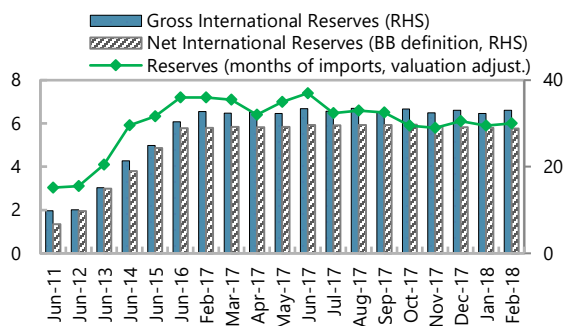


Since early 2017 FX reserves have been hovering around USD 33 billion, currently covering 6 months of imports

### International Reserves

Jun 2011-Feb 2018 2/

(In billions of USD, unless otherwise indicated)



1/ FY17 (Jul-Feb) GDP data is annualized using actual GDP for FY17; FY18 (Jul-Jan), FY18 (Jul-Feb) and FY18 (Jul-Mar) GDP data are annualized using FY17 actual GDP and IMF staff projected GDP for FY18. 2/ 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. 3/ Since Jan 2018, REER is estimated.

Sources: Bangladesh Bank; and IMF staff calculations

Intermediate goods account for 54.99% of USD 35.82 billion imports during Jul-Feb of FY18, while food and consumer goods account for 13.56%, followed by 10.25% for capital machinery

### Item-wise Contributions to Import Growth

FY11-FY18 (Jul-Feb)

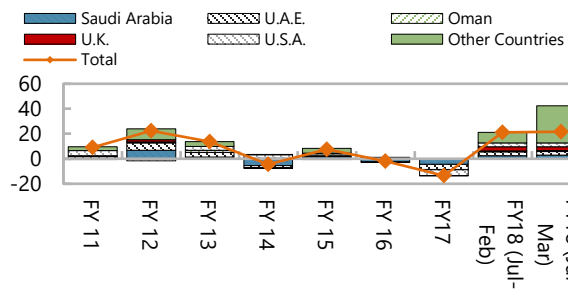
(y/y growth, in percentage points)



GCC countries account for 56.45% of USD 10.76 billion remittance inflows in FY18 (Jul-Mar) where KSA accounts for 17.24% of total inflows, followed by 15.88% from UAE and about 13.25% from USA

### Contributions to Workers' Remittances

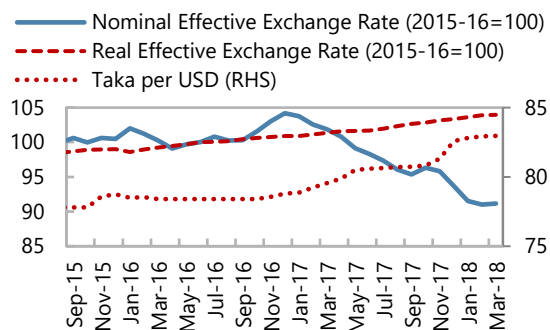
FY11-FY18 (Jul-Mar), (y/y percentage change)



In Q1 2018, BB mopped up Taka 54.22 billion from the market through USD transactions, containing depreciation of BGD Taka

### Exchange Rates 3/

Sep 2015-Mar 2018

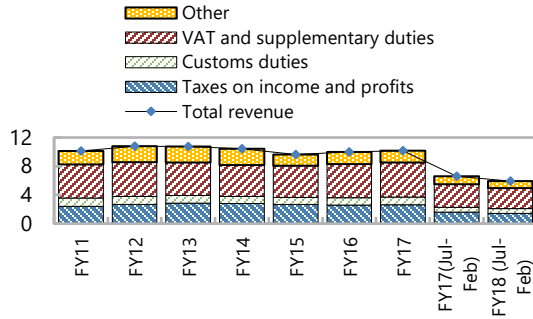


## Bangladesh: Fiscal Sector Developments

In FY18 (Jul-Feb) revenue-GDP ratio stands at 5.93% compared to 6.58% in the same period of FY17

### Central Government Revenue

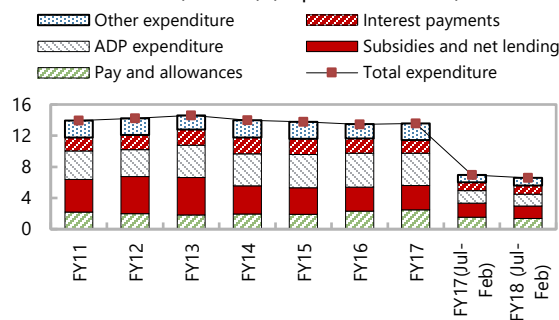
FY11-FY18 (Jul-Feb) (In percent of GDP) 1/



Budget execution is 6.57% of GDP in FY18 (Jul-Feb) compared to 6.97% in the same period of FY17, with ADP of 1.53% of GDP compared to 1.61% in the same period of FY17

### Central Government Expenditure

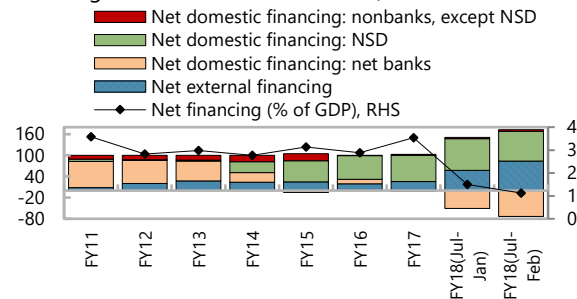
FY11-FY18 (Jul-Feb) (In percent of GDP) 1/



In FY18 (Jul-Feb), NSD tools contributed 85.16% of net financing (Taka 243.2 billion), external sources contributed 83.41%, while bank borrowing was negative 72.92%

### Fiscal Balance and Sources of Financing

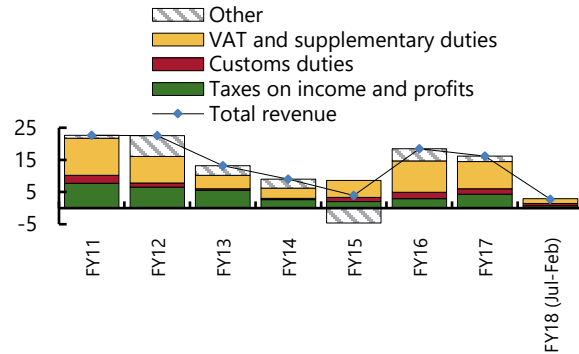
FY11-FY18 (Jul-Feb) (Percent of net financing, unless otherwise indicated) 1,2 /



Revenue grew by 2.78% in FY18 (Jul-Feb), significantly lower than targeted 43% for FY18

### Contributions to Total Revenue Generation

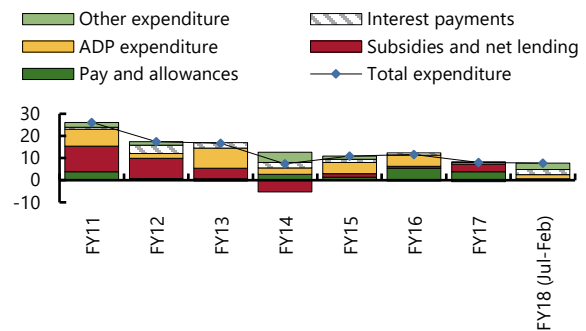
FY11-FY18 (Jul-Feb) (y/y, in percentage points) 1/



7.72% growth of spending in FY18 (Jul-Feb) is significantly lower than targeted 58% for FY18

### Contributions to Total Expenditure Growth

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

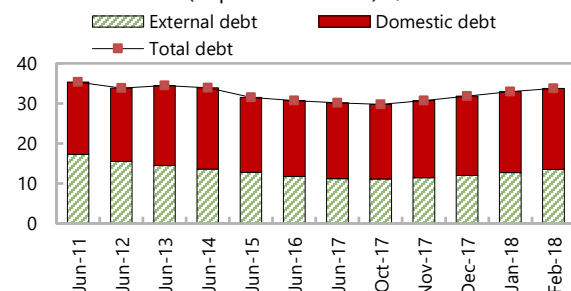


In Feb 2018 central government debt in percent of GDP increased to 33.71% from 29.76% in Oct 2017

### Central Govt. Debt

FY11-FY18 (Jul-Feb)

(In percent of GDP) 3/



1/ FY17 (Jul-Feb) GDP data is annualized using actual GDP for FY17; FY18 (Jul-Jan) and FY18 (Jul-Feb) GDP data are 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/.

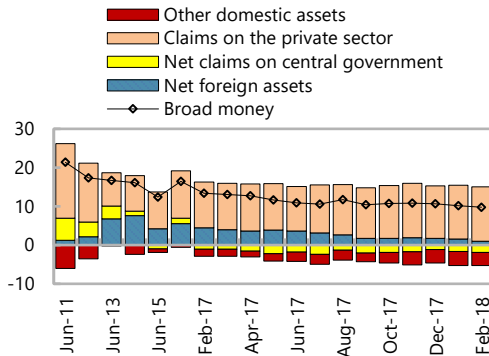
Sources: Office of the Controller General of Accounts (CGA), Ministry of Finance; Bangladesh Bank; and IMF Staff calculations

## Bangladesh: Monetary and Financial Market Developments

Broad money growth in Feb 2018 reached 9.78%, below 13.3% target, with about 14.04% contribution from buoyant private sector credit

### Contributions to Broad Money Growth

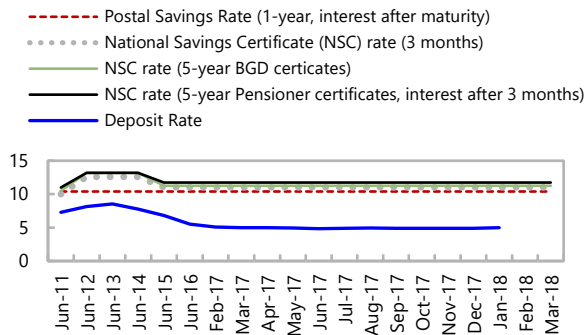
Jun 2011-Feb 2018 (y/y, in percentage points)



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

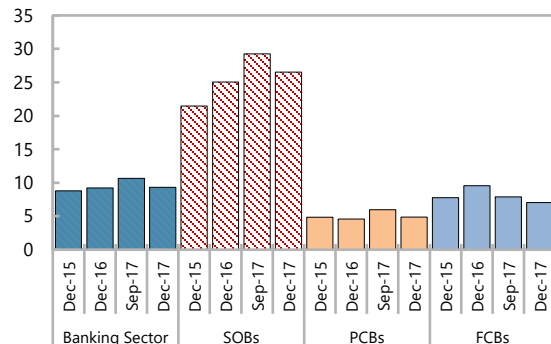
Jun 2011-Mar 2018 (in percentage points)



In 2017, the NPL ratio rose to 9.31% compared to 9.23% in 2016, with rise in case of SOBs from 25.05% to 26.52%, and for private commercial banks (PCBs) from 4.58% to 4.87%

### Non-Performing Loan (NPL) Ratio

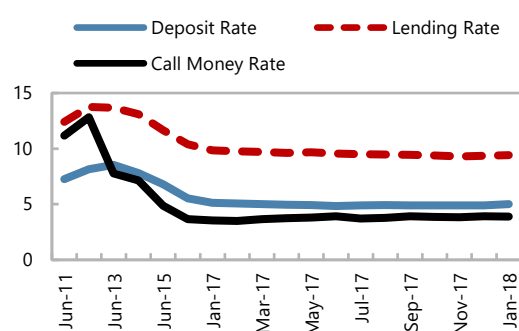
Dec 15-Dec 2017 (in percent of loans)



Upward edging of interest rates indicates tightening liquidity market

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

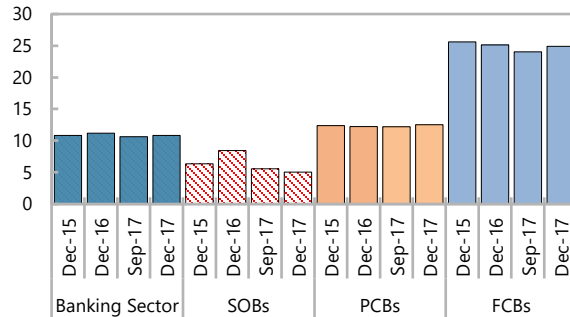
Jun 2011-Jan 2018 (in percentage points)



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)

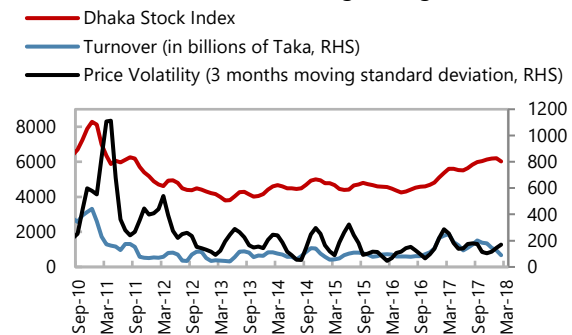


Market capitalization of country's two stock bourses- Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively, amounts to 19.2% and 15.8% of GDP in FY17. The 3-mma DSE turnover has been falling since Sep 2017

### Dhaka Stock Market Performance

Sep 2010-Mar 2018

(3-month moving average)



Source: Bangladesh Bank; and IMF Staff calculations