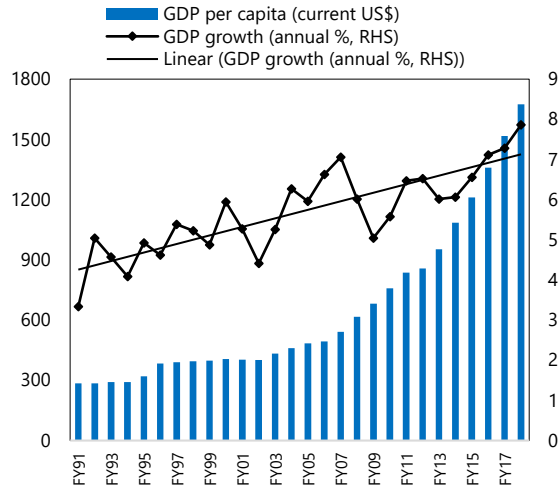


Bangladesh: Selected Indicators

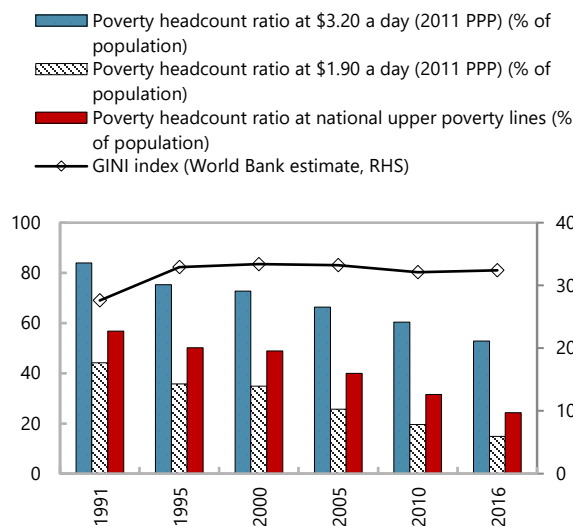
Bangladesh economy maintained an average annual growth rate of six percent plus over the last decade, with 7.86% outturn in FY18. The per capita GDP was USD 1675 in FY18

Trend of Real GDP Growth and GDP per capita 1/
FY91-FY18 (y/y, in percentage points)



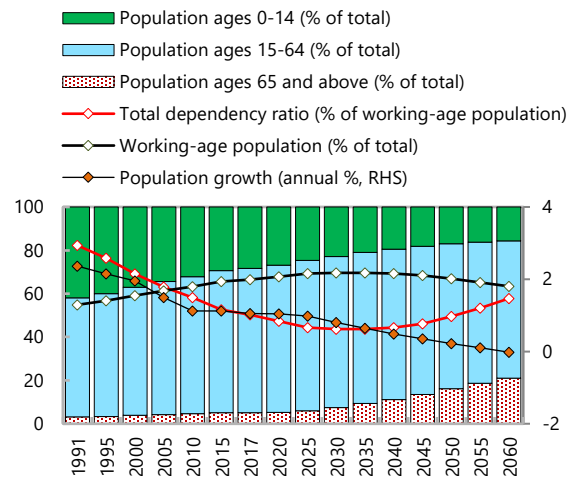
Income poverty incidence (national measure-upper poverty line) came down from 57% in 1991 to 24% in 2016

Trend of Poverty Reduction and Gini Index 3, 4/
1991-2016



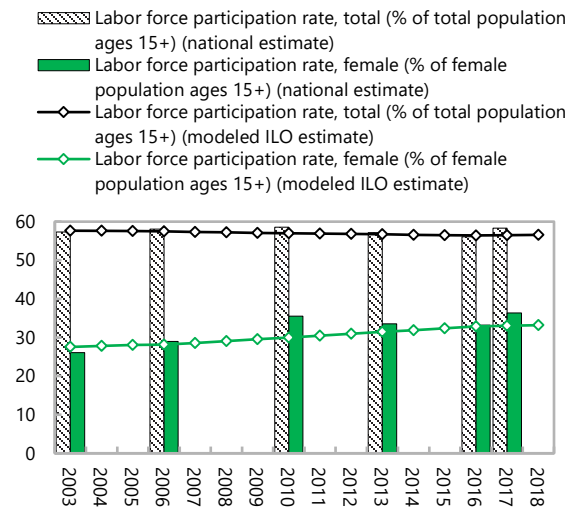
2.4% population growth rate in 1991 declined to 1% in 2017, with population reaching 164.7 million. In 2017, the working-age population (aged 15-64) was 66.5%, while total dependency ratio (population aged below-15 and 65+ per 100 working-age population) was 50.3%

Trend of Demographic Indicators 2/
1991-2060



ILO estimates 56.6% of population aged 15+ are in labor force in 2018; the female participation rate is only 33.2%

Trend of Labor Force Participation 5/
2003-2018



1/ July-June period is considered as fiscal year (FY) in Bangladesh. For FY91- FY17, GDP per capita data are taken from WDI, and for FY18, national measure is used. 2/ Projection data from year 2020 are taken from United Nations, Department of Economic and Social Affairs, Population Division (2017). The population growth rates from year 2020 are five-year average growth projections, e.g. year 2020 data indicates average growth rate in 2015-2020. 3/ 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. 4/ Gini Index ranges from 0 to 100, higher value shows higher inequality. Gini index of 0 means perfect equality. 5/ National estimates of labor force participation rate for 2016 and 2017 are respectively of FY2016 and FY2017.

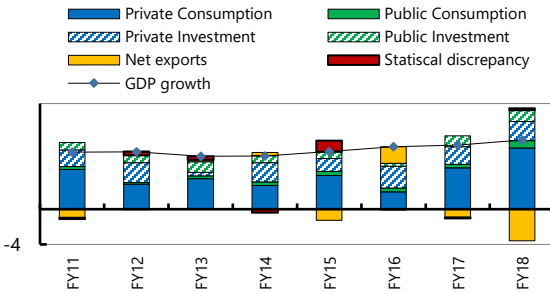
Sources: Bangladesh Bureau of Statistics (BBS); World Development Indicators (WDI); United Nations, Department of Economic and Social Affairs, Population Division (2017); and IMF staff calculations

Bangladesh: Real Sector Developments

Private consumption and private investment, respectively, contributed 7 and 2.2 percent of 7.86 percent real GDP growth in FY18, while public consumption and investment, respectively, contributed 0.8 and 1.3 percent. In FY18, 3.6 percent negative contribution from net exports slowed down the momentum

Contributions to Real GDP Growth

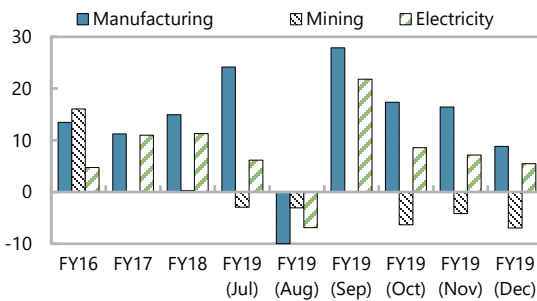
FY11-FY18 (y/y, in percentage points)



In FY19 (Dec), the quantum indices of manufacturing and electricity, respectively, increased by 8.8 and 5.5 percent compared to FY18 (Dec). During this period, the y/y growth in mining index was negative 6.9 percent

Quantum Index of Medium and Large-Scale Manufacturing Industries, Mining and Electricity 1/

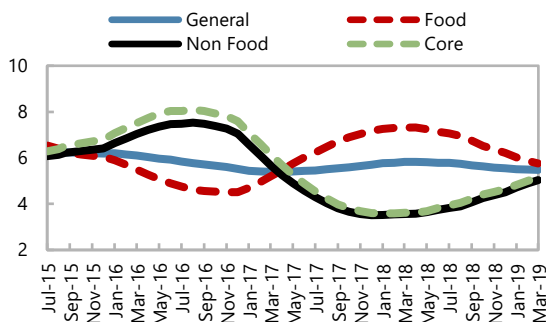
FY16-FY19 (Dec) (y/y growth, in percentage points)



Annual average headline inflation was 5.5 percent in Mar 2019, with steadily falling food inflation, and increasing non-food and core inflation

Twelve Month Average Inflation

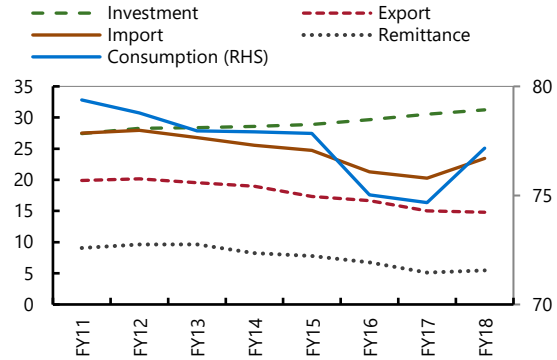
Jul 15-Mar 19 (y/y, in percentage points)



Consumption-GDP ratio picked up to 77.2% in FY18 from 74.7% in FY17, while during this period investment-GDP ratio edged up to 31.2% from 30.5%

Selected indicators' share in Nominal GDP

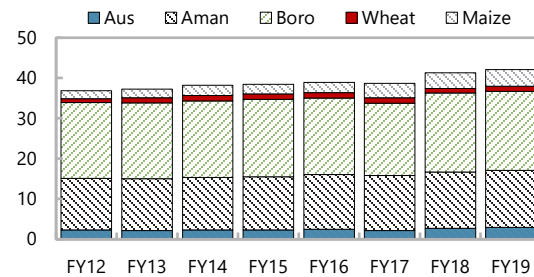
FY11-FY18 (in percentage points)



Rice production target-the sum of Aus, Aman and Boro, is 36.7 MMT for FY19 compared with actual production 36.3 MMT in FY18. Total target for wheat and maize is 5.4 MMT for FY19 against actual outturn 5 MMT in FY18

Major Food Grains Production 2/

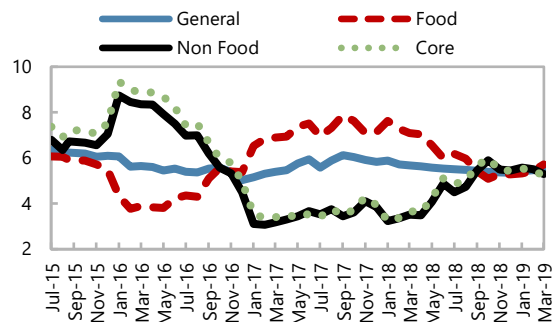
FY12-FY19 (Million Metric Tons (MMT))



In Mar 2019, y/y food inflation edged up to 5.7%, while non-food and core inflation, respectively, decreased to 5.3% and 5.2%, settling headline measure at 5.6%

Point-to-Point Inflation

Jul 15-Mar 19 (y/y, in percentage points)



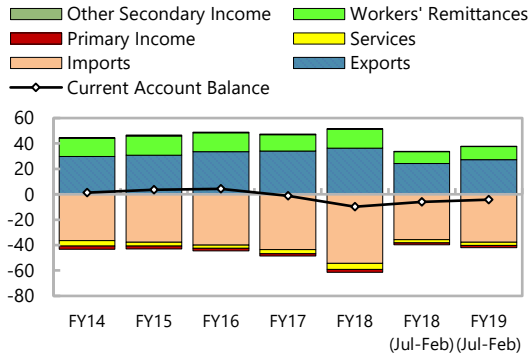
1/ FY19 data are provisional. 2/ FY19 data are production targets, except for Aus production, which is actual.

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

Bangladesh: External Sector Developments

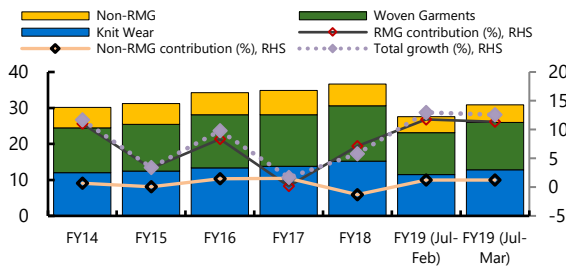
Current account deficit decreased to USD 4.3 billion in FY19 (Jul-Feb), compared with USD 5.9 billion in the same period of FY18

Current Account Balance Components 1/
FY14-FY19 (Jul-Feb) (in billion USD)



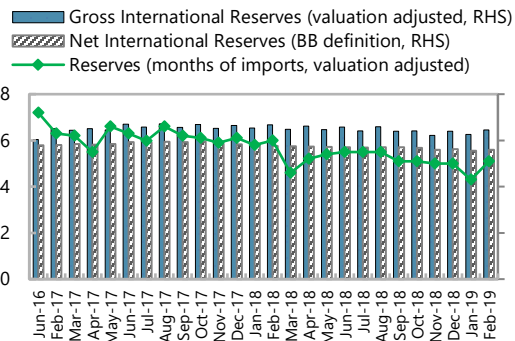
RMGs represented 84% of USD 30.9 billion exports during FY19 (Jul-Mar). RMG exports contributed 11.4% in total exports growth of 12.6%, while non-RMG exports contributed 1.2%

Item-wise Goods Exports 2/
FY14-FY19 (Jul-Mar)
(in billion USD, unless otherwise indicated)



Import months' coverage increased from 4.3 months in Jan 2019 to 5.1 months in Feb 2019

International Reserves 3/
Jun 2016-Feb 2019
(In billion USD, unless otherwise indicated)

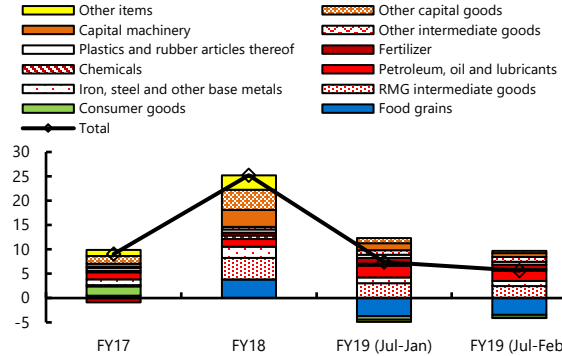


1/ FY19 (Jul-Feb) data are provisional. 2/ Data are recorded by customs. 3/ Feb 2019 data are provisional. Net international reserve (NIR) is gross international reserves (excluding investment on bonds below the grade BBB, Silver Acquisition A/C, deposit with Rupali Bank, Pakistan & deposit with Sonali 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.

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

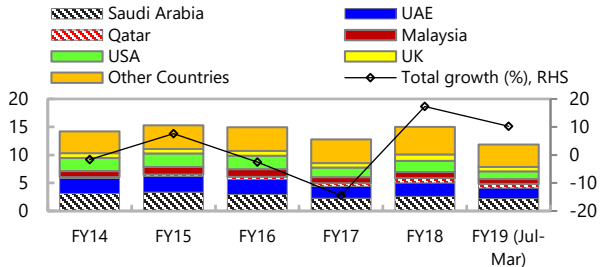
Capital goods and oil-related products, respectively, contributed 1.2% and 2.1% to import growth of 5.6% in FY19 (Jul-Feb), while contribution from food grains and consumer goods was negative 4%

Item-wise Contributions to Import Growth 2/
FY17-FY19 (Jul-Feb), (y/y growth, in percentage points)



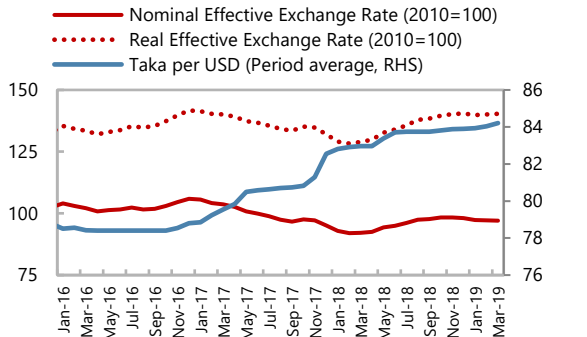
In FY19 (Jul-Mar), y/y remittance inflows increased by 10.3%, amounting to USD 11.9 billion. GCC countries contributed 58.9% of the inflows, with total share of 34.6% from KSA and UAE

Contributions to Workers' Remittances
FY14-FY19 (Jul-Mar)
(in billion USD, unless otherwise indicated)



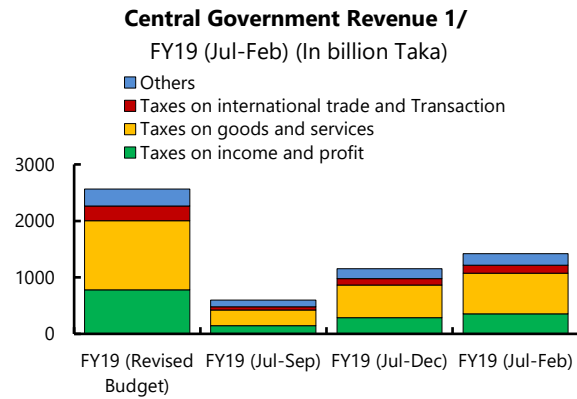
Apart from slight depreciation in Jan 2019, REER has been appreciating since Mar 2018. During this period, Taka/USD exchange rate depreciated slightly from 83 to 84.2

Exchange Rates
Jan 2016-Mar 2019

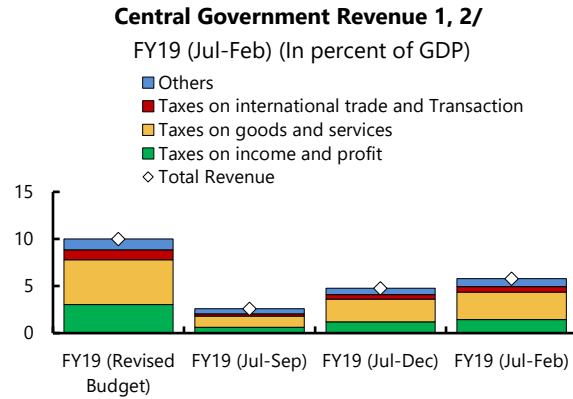


Bangladesh: Fiscal Sector Developments

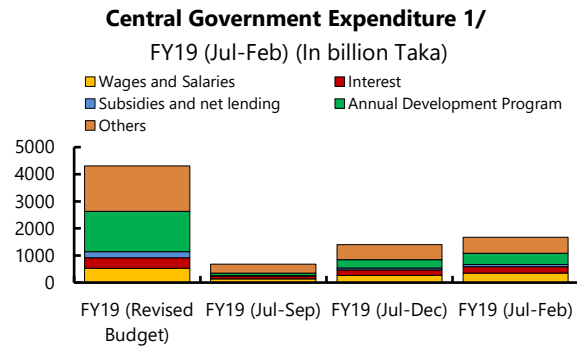
During FY19 (Jul-Feb), 55.4 percent of budgeted BDT 2564.8 billion revenue for FY19 was implemented. During this period, 53.9 percent of the total tax collection target was achieved



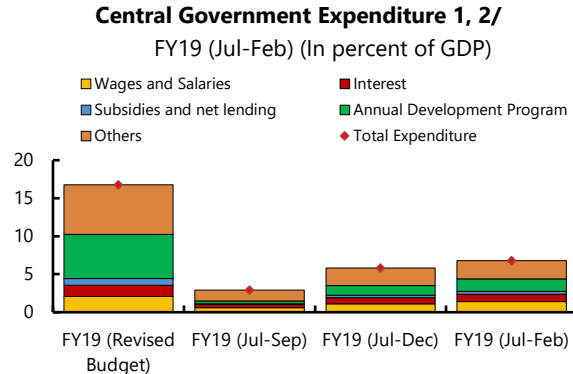
During FY19 (Jul-Feb), the total revenue-GDP ratio reached 5.8 percent, against a target of 10 percent for FY19. During this period, the tax-GDP ratio reached 5.1 percent, against a target of 9 percent for FY19



During FY19 (Jul-Feb), 38.7 percent of budgeted BDT 4308.8 billion expenditure for FY19 was implemented. During this period, 27.4 percent of ADP target was achieved

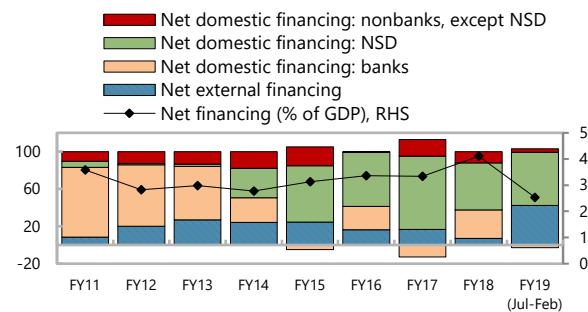


During FY19 (Jul-Feb), the total expenditure-GDP ratio reached 6.8 percent, against a target of 16.8 percent for FY19. During this period, ADP-GDP ratio reached 1.7 percent, against a target of 5.8 percent for FY19



In FY19 (Jul-Feb), domestic sources financed 57.7% of net financing TK. 624.1 billion (2.5% of GDP). Net NSD sales accounted for 57% of total net financing, while net financing from banking sector was negative TK. 17.3 billion

Fiscal Balance and Sources of Financing 1, 2, 3/
FY11-FY19 (Jul-Feb)
(Percent of net financing, unless otherwise indicated)

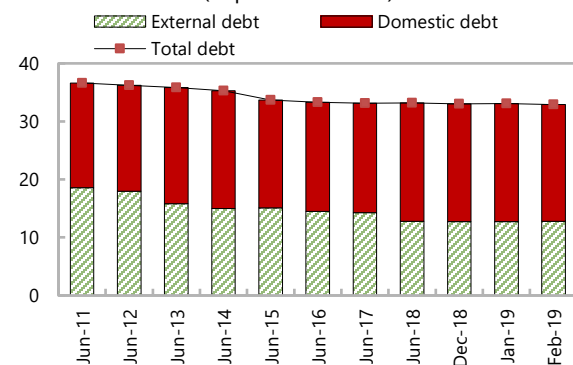


At end-Feb 2019, central government debt in percent of GDP reached 32.9% of GDP

Central Government Debt 1, 2, 4/

Jun 2011-Feb 2019

(In percent of GDP)



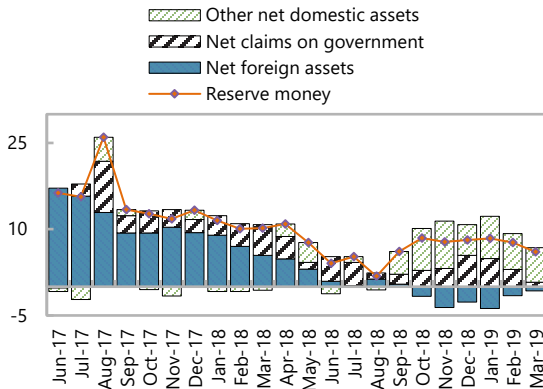
1/ FY19 data are provisional. 2/ FY19 (Jul-Feb) GDP data is annualized using actual GDP for FY18, and IMF staff projected GDP for FY19. 3/ For FY19 (Jul-Feb), net external financing is net medium and long-term (MLT) loans taken from Balance of Payments, and net domestic financing through banks, National Savings Directorate (NSD) tools, and other non-bank sources are taken from Bangladesh Bank. 4/ After June 2018, external debt is identified through net MLT loans taken from Balance of Payments, and domestic debt is identified through government borrowing from banks, NSD tools, and other non-bank sources as mentioned in note 2.

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

Bangladesh: Monetary and Financial Market Developments

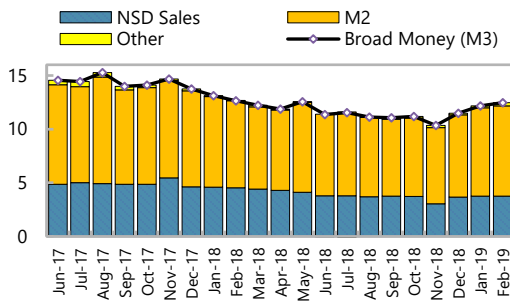
In Mar 2019, y/y reserve money growth was 6%, against 7.7% in Feb 2019, with 0.8 % and negative 0.7% contributions, respectively, from net claims on government and net foreign assets

Contributions to Reserve Money Growth
Jun 2017-Mar 2019 (y/y, in percentage points)



In Feb 2019, broad money (M3) growth reached 12.5%, with M2 and NSD sales, respectively, accounting for 8.4% and 3.8%

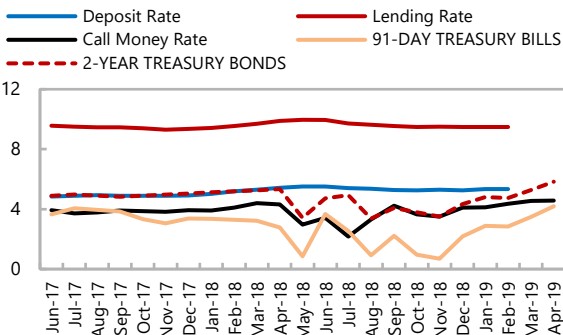
Contributions to Broad Money (M3) Growth
Jun 2017-Feb 2019 (y/y, in percentage points)



Increasing rates of T-Bills/Bonds, and inter-bank call money rates since Nov 2018 point to some liquidity tightening

Interest Rates 2/

Jun 2017-Apr 2019 (in percentage points)

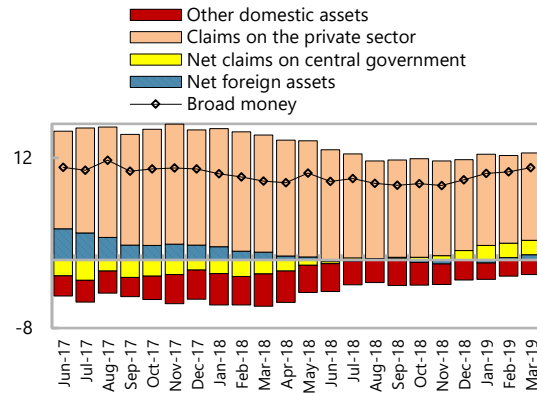


1/ Excess Liquidity is statutory liquidity eligible liquid assets of banks minus statutory liquidity (excluding cash reserve) and Excess Reserve is balance with Bangladesh Bank in local currency minus required cash reserve. These are provisional data. 2/ Call money rate, 91-Day Treasury Bills rate, and 2-Year Treasury Bonds rate are as on Apr 24th, 2019.

Sources: Bangladesh Bank; and IMF Staff calculations

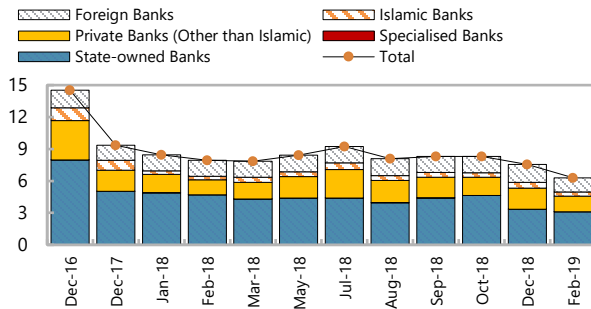
Annual broad money (M2) growth in Mar 2019 was 10.9%, compared with 10.4% in Feb 2019, with 10.3% and 0.6% contributions, respectively, from private sector credit and net foreign assets

Contributions to Broad Money (M2) Growth
Jun 2017-Mar 2019 (y/y, in percentage points)



In Feb 2019, excess liquid assets (as percent of total demand and time liabilities in the industry) reached 6.3%, where state-owned banks accounted for 3.1%

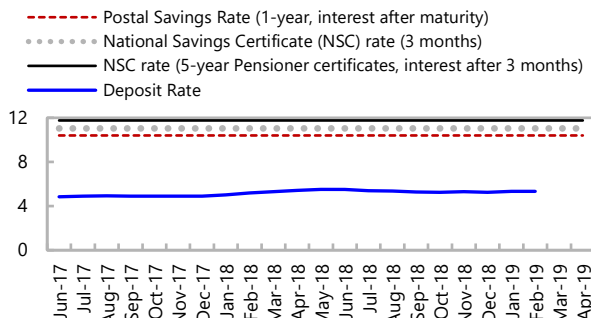
Excess Liquid Assets (as percent of total time and demand liabilities) 1/, Dec 2016-Feb 2019



As high as 11.76% return from non-market NSD tools propels their excess demand, impeding financial market development

Postal Savings, NSC and Commercial Banks' Rates

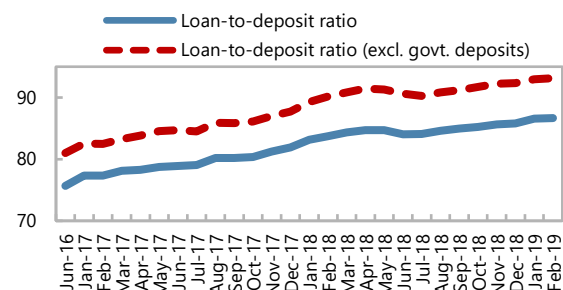
Jun 2017-Apr 2019 (in percentage points)



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

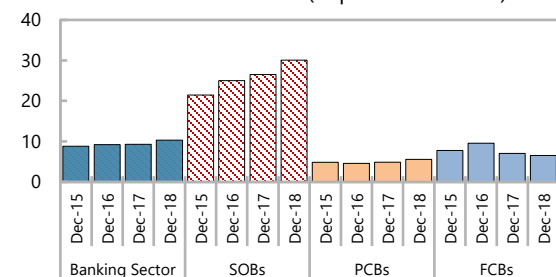
Loan-to deposit ratio steadily increased to 86.7% in Feb 2019 from 84.1% in Jun 2018. During the period, the ratio excluding government deposits increased from 90.6% to 93.1%

Loan-to-Deposit Ratio
Jun 2016-Feb 2019 (in percentage points)



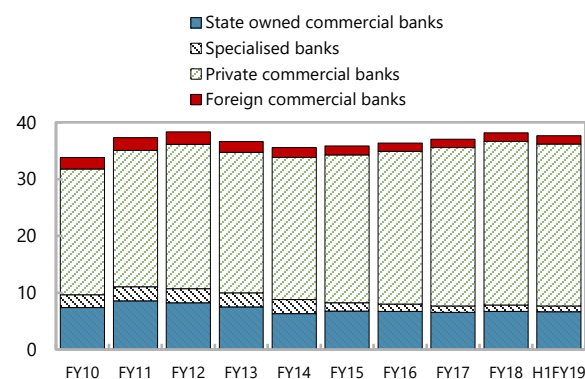
In Dec 2018, banking sector's NPL ratio increased to 10.3% from 9.3% in Dec 2017. In the case of SOBs, the ratio increased from 26.5% to 30.1%, and for private commercial banks (PCBs), it increased from 4.9% to 5.6%

Non-Performing Loan (NPL) Ratio
Dec 2015-Dec 2018 (in percent of loans)



Banking sector's outstanding loans-GDP ratio decreased from 38.1% in FY18 to 37.6% at end-H1FY19

Banking Sector Loan-GDP ratio 1, 2/
(in percent of GDP), (FY10-H1FY19)

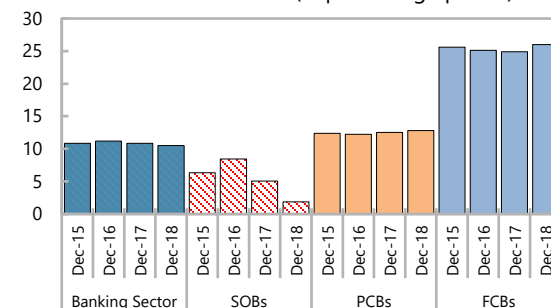


1/ The credit data comprise banks' outstanding loans only. Banking industry's total credit-GDP ratio in FY10 and FY17 was respectively, 34.1% and 37.7%, against banking sector's outstanding loans-GDP ratio of, respectively, 33.8% and 37%. 2/ Two of the four specialised banks became state-owned commercial bank in FY15.

Sources: Bangladesh Bank; and IMF Staff calculations

At Dec 2018, CAR of the banking industry reached 10.5 percent, compared with 10.8 percent in Dec 2017. During the period, CAR of the state-owned banks (SOBs) decreased from 5% to 1.9%, remaining far below regulatory requirement of 10%

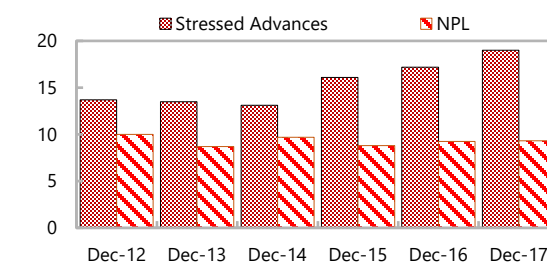
Capital Adequacy Ratio (CAR)
Dec 2015-Dec 2018 (in percentage points)



Stressed advances in the banking industry-the sum of NPLs, rescheduled and restructured loans- accounted for 19% of outstanding loans in Dec 2017

Stressed Advances

Dec 2012-Dec 2017 (in percent of loans)



Since Dec 2018, the 3-mma DSE Broad Index turnover and price volatility have been increasing

Dhaka Stock Market Performance

Jan 2017-Mar 2019
(3-month moving average)

