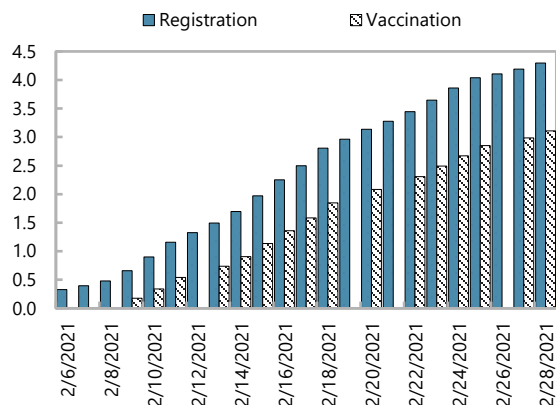


Bangladesh: Selected Indicators

Vaccinations were launched on Jan 28th and by end-February approximately 3 million persons received vaccinations.

Number of registration and people who received vaccination

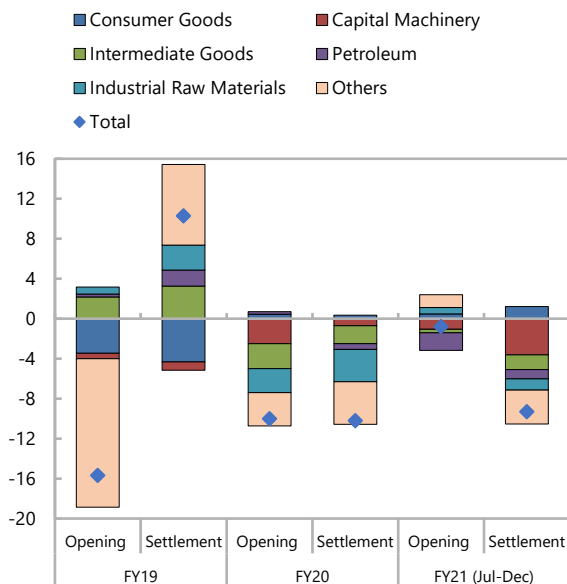
Feb 06, 2021- Feb 28, 2021 (in Million)



Letters of credit (LC) openings have started to slowly pick up while, given the pandemic, most LCs are yet to be settled.

Sector-wise contributions to total LC opening and settlement

FY19-FY21 (Jul-Dec) (y/y, in percentage points)

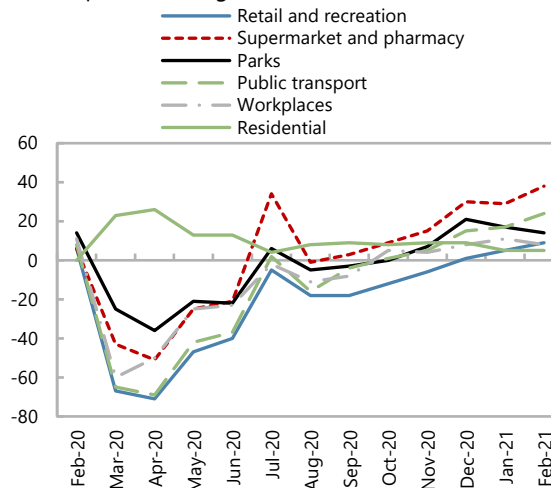


Mobility continues to increase reflecting a growing momentum of economic activity.

Community mobility changes

Feb 15, 2020-Feb 23, 2021

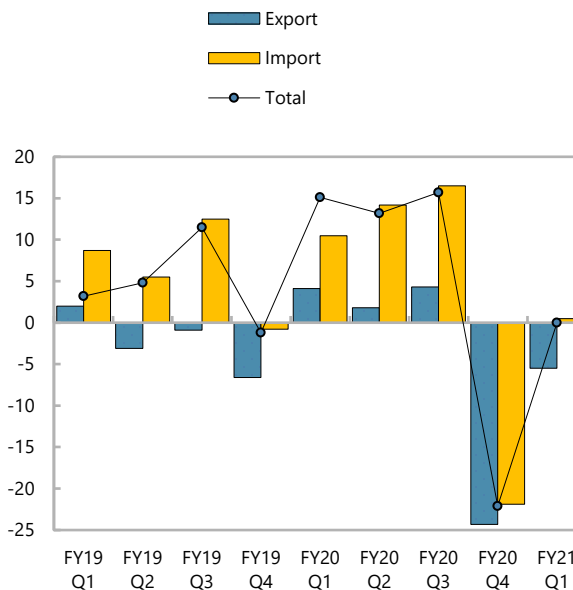
(percent change from baseline) 1/



Compared with the significant decline in FY20 Q4, both exports and imports have marginally improved based on cargo handled data.

Cargo handled by Chattogram port

FY19 Q1-FY21 Q1(y/y growth in percentage points)



1/ The baseline is the median value, for the corresponding day of the week, during the five-week period 3 Jan-6 Feb 2020.

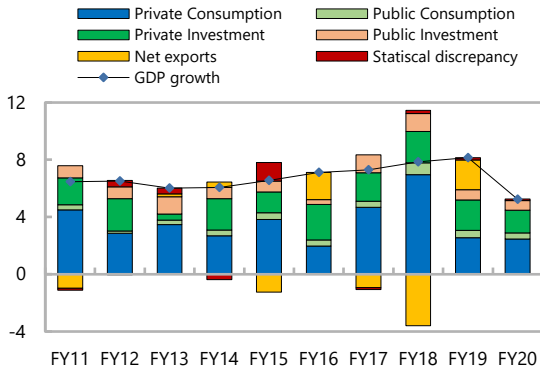
Sources: Google's COVID-19 Community Mobility Reports; Directorate General of Health Services, Ministry of Health and Family Welfare, Bangladesh; Bangladesh Bank and IMF staff calculations

Bangladesh: Real Sector Developments

Private consumption and investment contributed 2.5 and 1.6 percentage points, and public consumption and investment contributed 0.4 and 0.7 percentage points, respectively, to the real GDP growth in FY20.

Contributions to Real GDP Growth

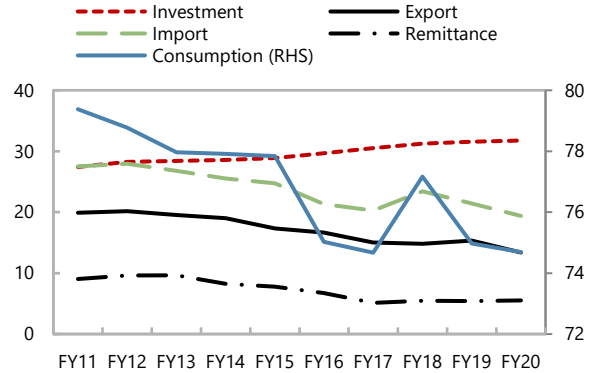
FY11-FY20 (y/y, in percentage points)



Consumption-GDP ratio, in FY20, ratio fell slightly to 74.7 percent from 75 percent in FY19, while the investment-GDP ratio edged up from 31.6 percent to 31.8 percent.

Selected indicators' Share in Nominal GDP

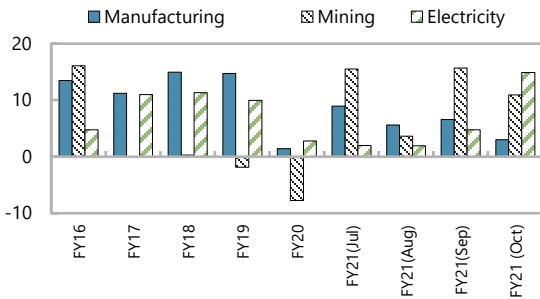
FY11-FY20 (in percent)



Compared with FY20, the y/y growth of the quantum indices highlight a pickup in the activity in the first four months of FY21.

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

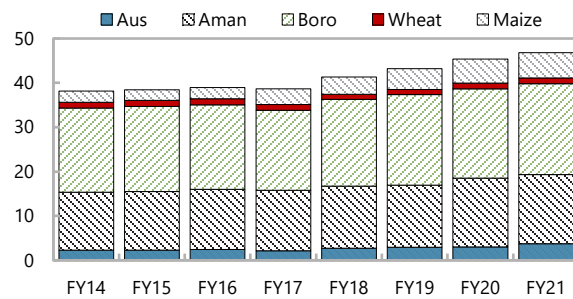
FY17-FY21 (Oct) (y/y growth, in percent)



Rice production target, in FY21, was set at 39.8 MMT reflecting the actual production in FY20 (38.7 MMT). Total target for wheat and maize, in FY21, was set at 7 MMT reflecting the outturn of 6.7 MMT in FY20.

Major Food Grains Production 2/

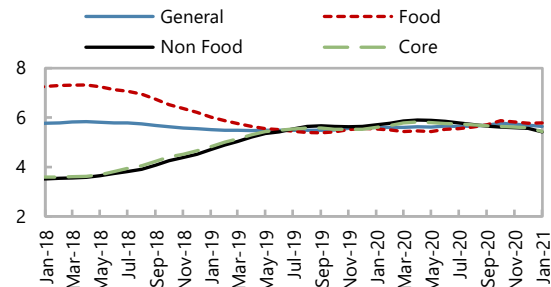
FY14-FY21 (Million Metric Tons (MMT))



Twelve month average headline inflation, in Jan 2021, edged down to 5.6 percent from 5.7 percent in Dec 2020.

Twelve Month Average Inflation

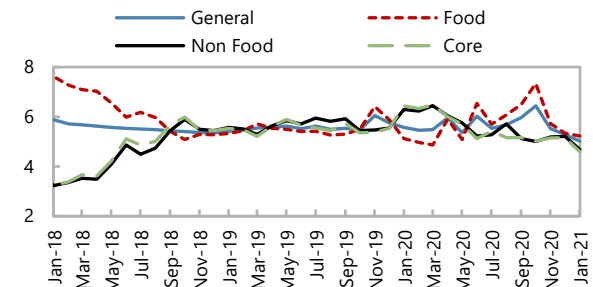
Jan 2018-Jan 2021 (y/y, in percent)



Headline inflation, in Jan 2021, decreased to 5 percent from 5.3 percent in Dec 2020. During the same period, food inflation decreased to 5.2 percent from 5.3 percent, while non-food inflation increased to 4.7 percent from 5.2 percent.

Point-to-Point Inflation

Jan 2018-Jan 2021 (y/y, in percent)



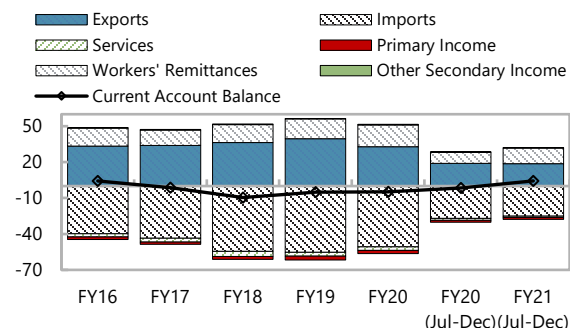
1/ FY20 and FY21 data are provisional. 2/ FY21 Aus data is actual, while Aman, Boro, wheat and Maize data are the production targets.

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

Bangladesh: External Sector Developments

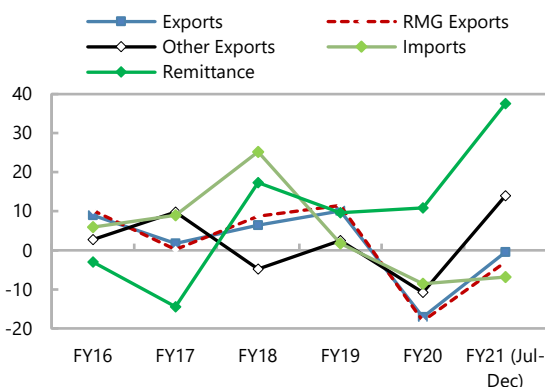
Current account balance, in FY21(Jul-Dec), substantially increased to a USD 4.3 billion surplus, compared with the USD 1.7 billion deficit in FY20 (Jul-Dec).

Current Account Balance Components 1/ FY16-FY21(Jul-Dec) (in billion USD)



Remittances, y/y in FY21(Jul-Dec), grew significantly by 37.6 percent. Export growth was negative (0.4 percent) while imports witnessed a large decline (6.8 percent) over the same period.

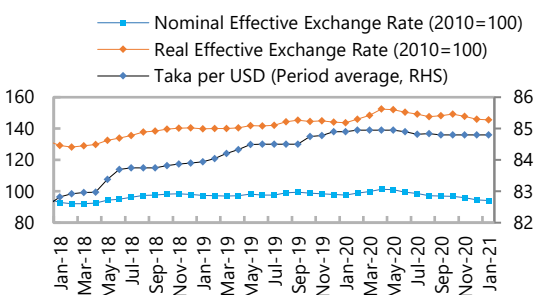
Major Balance of Payments Components 3/ FY16-FY21(Jul-Dec) (y/y growth, in percent)



Trade competitiveness has somewhat improved, in recent months, mostly reflecting the depreciation of the Taka relative to the currency basket of Bangladesh's trading partners.

Exchange Rates

Jan 2018-Jan 2021

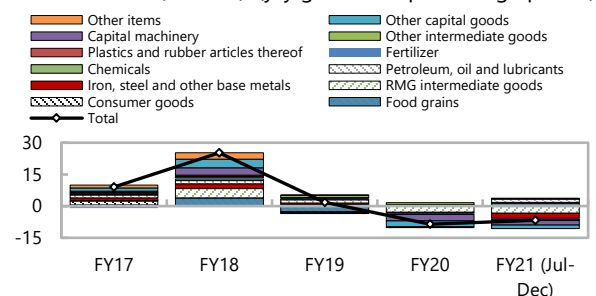


1/ FY21(Jul-Dec) data are provisional. 2/ Data are recorded by customs. 3/ Exports and imports are f.o.b. data. 4/ Net international reserve (NIR) is gross international reserves (excluding investment on bonds below the grade BBB, Silver Acquisition A/C, deposit with Rupali Bank, Pakistan & deposit with 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

Capital goods contributed negatively (3.8 percentage points) while oil-related products, and food grains and consumer goods contributed positively (1.4 and 1.8 percentage points respectively) to the overall decline in imports (6.8 percent) in FY21(Jul-Dec).

Item-wise Contributions to Import Growth 2/ FY17-FY21(Jul-Dec), (y/y growth, in percentage points)

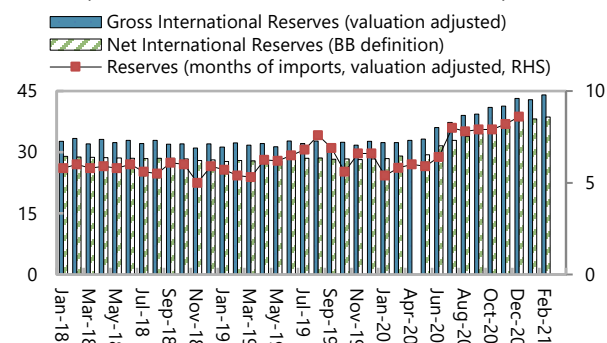


Mostly reflecting the surge in remittances and lower import payments, international reserve coverage has hovered around 8 months of prospective imports since Sep 2020.

International Reserves 4/ Jan 2018-Feb 2021

Jan 2018-Feb 2021

(In billion USD, unless otherwise indicated)

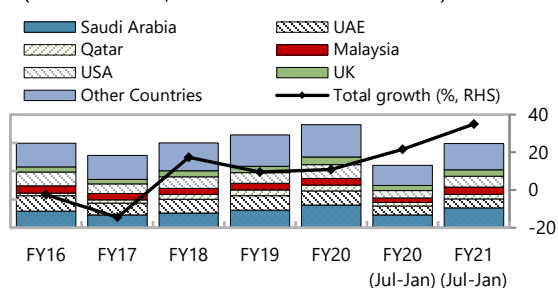


GCC countries, in FY21 (Jul-Jan), contributed 55.7 percent of USD 14.9 billion remittance inflows, of which flows from Saudi Arabia and the UAE accounted for 34.1 percent.

Contributions to Workers' Remittances

FY16-FY21(Jul-Jan)

(in billion USD, unless otherwise indicated)

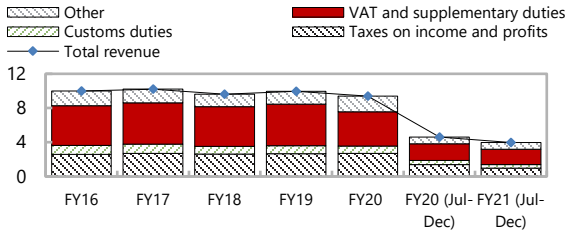


Bangladesh: Fiscal Sector Developments 1/

Total revenue-GDP ratio, in FY20, declined to 9.4 percent from 10 percent in FY19. Total revenue-GDP ratio, in FY21 (Jul-Dec), was at 4 percent compared with 4.6 percent in FY20 (Jul-Dec). VAT and the supplementary duties-GDP ratio, during the same period, declined from 2 percent to 1.8 percent.

Central Government Revenue

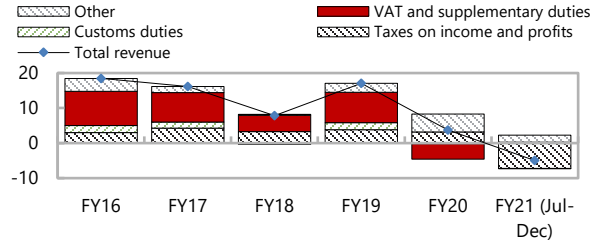
FY16-FY21 (Jul-Dec) (In percent of GDP)



Total revenue, in FY20, grew by 3.7 percent (y/y) where VAT and supplementary duties contributed negatively (4.3 percentage points). Total revenue, in FY21 (Jul-Dec), has declined by 5 percent (y/y) and the decline in the growth in taxes on income and profits has had the largest impact (by 7.2 percentage points).

Contributions to Total Revenue Generation

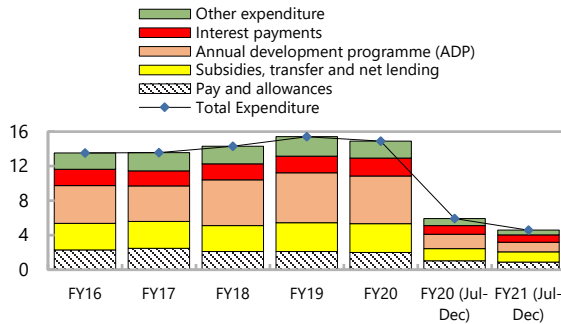
FY16-FY21 (Jul-Dec) (y/y, in percentage points)



Total expenditure-GDP ratio, in FY20, declined to 14.9 percent from 15.4 percent in FY19. Total expenditure-GDP ratio, in FY21 (Jul-Dec), decreased to 4.6 percent from 5.9 percent. During the same period, ADP execution decreased from 1.7 percent to 1.1 percent of GDP.

Central Government Expenditure

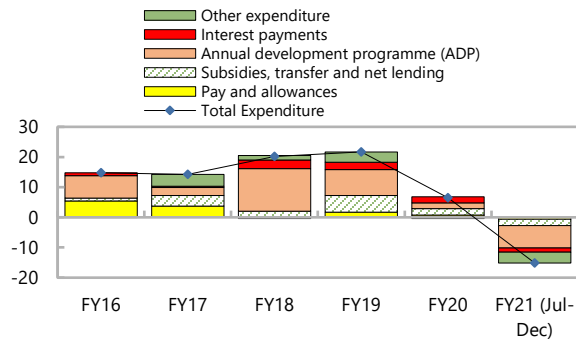
FY16-FY21 (Jul-Dec) (In percent of GDP)



Total expenditure, in FY20, increased by 6.5 percent (y/y), with ADP expenditure contributing 1.9 percentage points. Total expenditure, in FY21 (Jul-Dec), declined by 15.1 percent (y/y), where ADP expenditure contributed negative 7.4 percentage points.

Contributions to central government's expenditure growth

FY16-FY21 (Jul-Dec) (y/y, in percentage points)

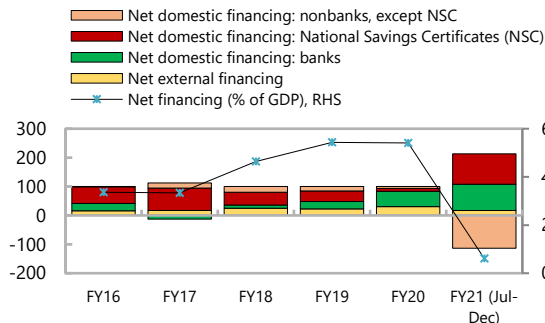


Preliminary data show that net deficit financing, in FY20, was 5.4 percent of GDP. Domestic sources, in the current FY, have financed 83.1 percent of net financing (TK.178.7 billion) as of end-Dec 2020.

Fiscal Balance and Sources of Financing

FY16-FY21 (Jul-Dec)

(Percent of net financing, unless otherwise indicated)

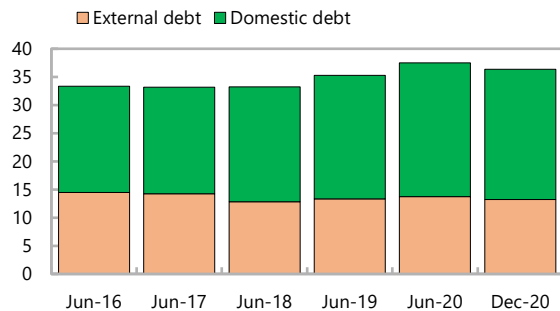


Total central government debt, at end-Jun 2020, reached 37.5 percent of GDP from 35.3 percent of GDP at end-Jun 2019. It reached 36.4 percent at end-Dec 2020, where domestic debt accounted for roughly two thirds of the total central government debt.

Central Government Debt

Jun 2016-Dec 2020

(In percent of GDP)



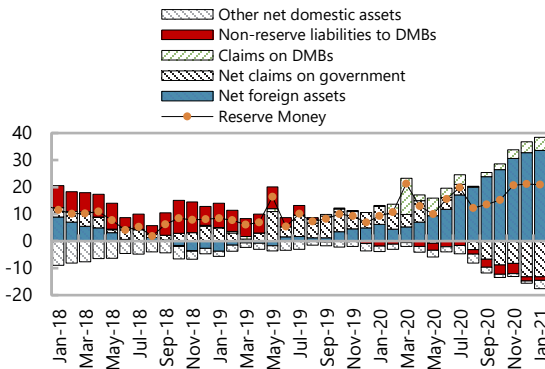
1/ FY20 and FY21 fiscal data are provisional. FY21 (Jul-Dec) GDP data is annualized using provisional GDP of FY20, and IMF staff projected GDP for FY21. Sources: Office of the Controller General of Accounts (CGA), Ministry of Finance; and IMF Staff calculations

Bangladesh: Monetary and Financial Market Developments

Reserve money, at end-Jan 2021, grew by 20.9 percent (y/y) compared with 21.2 percent (y/y) in Dec 2020, mainly driven by increasing net foreign assets.

Contributions to Reserve Money Growth

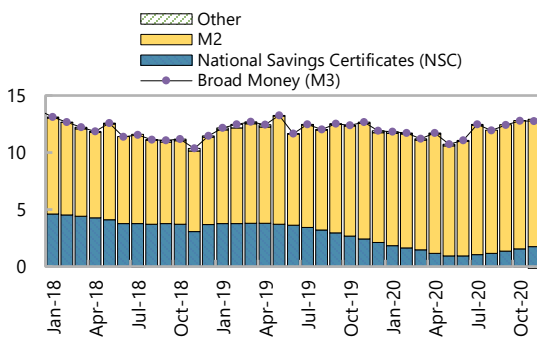
Jan 2018-Jan 2021 (y/y, in percentage points)



Broad money (M3) growth reached 12.8 percent, in Nov 2020, with M2 and NSC sales accounting for 11.2 and 1.7 percentage points respectively.

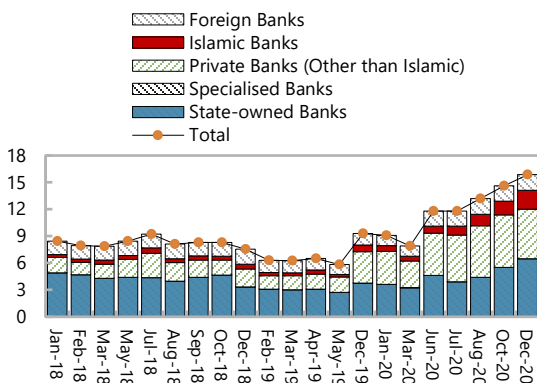
Contributions to Broad Money (M3) Growth

Jan 2018-Nov 2020 (y/y, in percentage points)



Excess liquid assets (as percent of total demand and time liabilities in the industry), in Dec 2020, reached 15.9 percent compared with 7.9 percent in March 2020.

Excess Liquid Assets (as percent of total time and demand liabilities) 1/, Jan 2018-Dec 2020



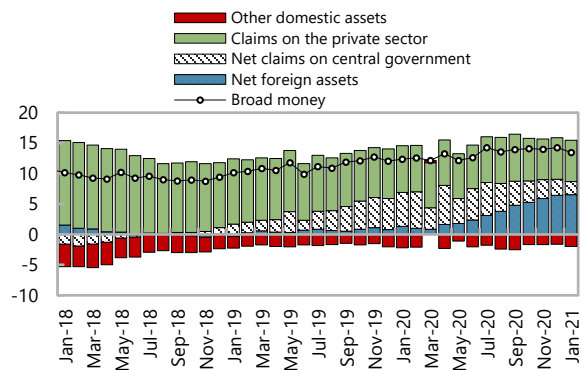
1/ Excess Liquidity is statutory liquidity eligible liquid assets of banks minus statutory liquidity (excluding cash reserve). Excess Reserve is balance with Bangladesh Bank in local currency minus required cash reserve. These are provisional data taken from Bangladesh Bank's Department of Off-Site Supervision.

Sources: Bangladesh Bank; and IMF Staff calculations

Broad money (M2), at end-Jan 2021, grew by 13.5 percent with private sector credit and net foreign assets contributing 6.7 and 6.5 percentage points, respectively, to this growth.

Contributions to Broad Money (M2) Growth

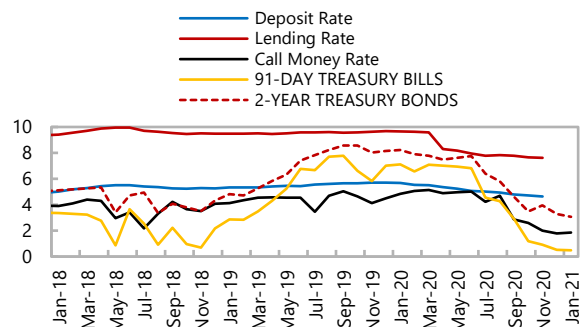
Jan 2018-Jan 2021 (y/y, in percentage points)



Interest rates have been declining since April 2020, reflecting an easing in the money market.

Interest Rates

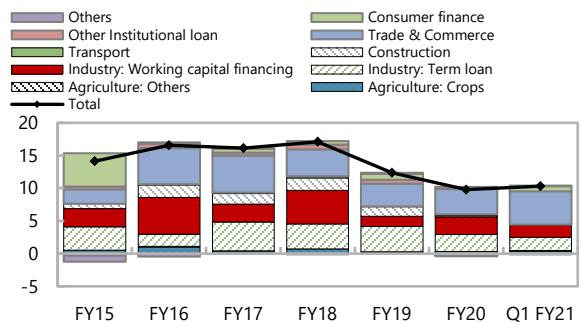
Jan 2018-Jan 2021 (in percentage points)



Growth of bank advances to the private sector edged up in Q1 FY21 mostly driven by advances to trade and commerce.

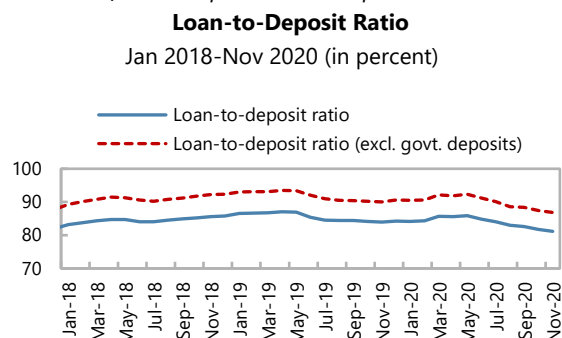
Economic Purpose-wise Contributions to Bank Advances' Growth (Private Sector)

FY15-Q1 FY21 (y/y, in percentage point)

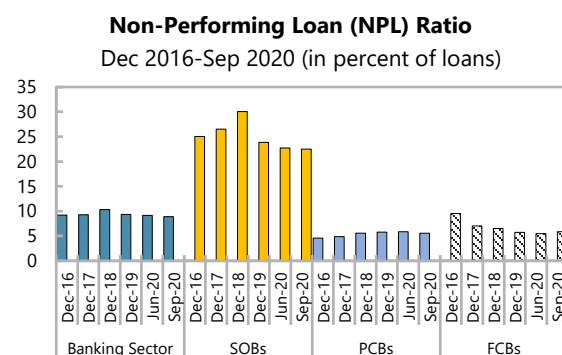


Bangladesh: Monetary and Financial Market Developments... Contd.

The loan-to-deposit ratio, in Nov 2020, declined to 81.2 percent from 85.9 percent in May 2020. During the period, the ratio (excluding government deposits) decreased from 92.3 percent to 86.9 percent.

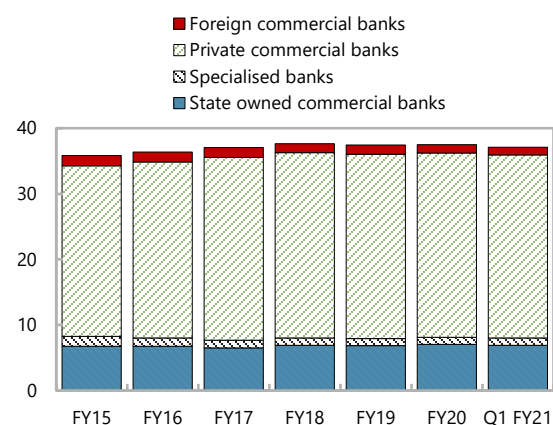


Banking sector's NPL ratio, in Sep 2020, decreased to 8.9 percent from 9.3 percent in Dec 2019. In SOBs, the ratio has down to 22.5 percent (from 23.9 percent), and to 5.6 percent (from 5.8 percent) in the case of private commercial banks (PCBs).



Banking sector advance-GDP ratio, at end-Q1 FY21, reached 37.1 percent slightly lower than the 37.5 percent at end-FY20.

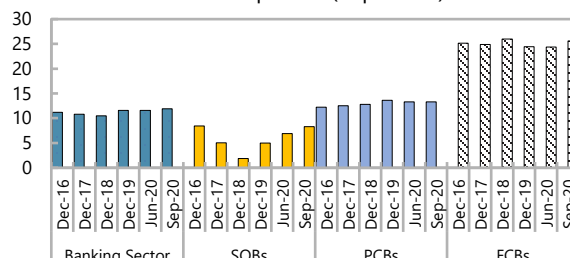
Banking Sector Advance-GDP ratio 1, 2/
FY15- Q1 FY21 (in percent of GDP)



1/ Two of the four specialised banks became state-owned commercial banks in FY15. 2/ Q1 FY21 GDP data is annualized using provisional GDP of FY20, and IMF staff projected GDP for FY21. 3/ Due to the COVID-19 pandemic, in Apr 2020 there was no stock market transaction.
Sources: Bangladesh Bank; and IMF Staff calculations

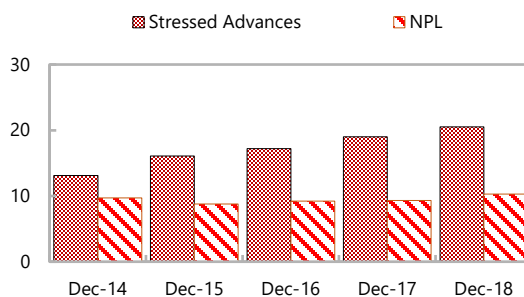
CAR of the banking industry, at Sep 2020, reached 11.9 percent from 11.6 percent in Dec 2019. CAR of the state-owned banks (SOBs), in Sep 2020, increased to 8.3 percent from 5 percent in Dec 2019 remaining below the regulatory requirement of 10 percent.

Capital Adequacy Ratio (CAR)
Dec 2016-Sep 2020 (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 2014-Dec 2018 (in percent of loans)



Following a steady decline since Mar 2019, the 3-mma DSE Broad index had picked up since Jun 2020. However, more recently, this has trended down in the current FY.

Dhaka Stock Market Performance 3/
Jan 2018-Dec 2020
(3-month moving average)

