



Monthly Report on Fiscal-Macro Position

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EXECUTIVE SUMMARY

The September 2024 issue of the report on the Fiscal-Macro position contains relevant data and analysis on the movement of major macroeconomic variables in the current month compared to the same period of the previous year. An overview of the report is given below:

Fiscal Sector

Revenue collection after September FY25 demonstrated an upward trend. Tax revenue of July-September FY25 decreased by 1.90 percent but non-tax revenue increased by 34.39 percent than that of July-September FY24. The overall increase in revenue is 4.86 percent on July-September FY25 compared to that of July-September FY24. Total operating expenditure increased by 30.93 percent to Tk. 82,568.02 crore in July-September FY25 compared to Tk. 63,060.70 crore in July-September FY24. However, the ADP implementation in July-September FY25 decreased by 31.20 percent compared to that of July-September FY24. Overall government expenditure increased by 21.35 percent in July-September FY25 compared to July-September FY24¹.

Monetary Sector

Broad money (M2) increased by 8.18 percent at the end of September FY25 compared to that of September FY24. Of the sources of broad money, Net Domestic Asset (NDA) increased by 11.49 percent while Net Foreign Asset decreased by 9.62 percent. Reserve money increased by 9.02 percent at the end of September 2024 compared to that of September 2023. Money multiplier decreases to 5.40 at the end of September 2024 in comparison to that of at the end of September 2023.

External Sector

In September FY25, total exports continued to grow after a setback due to political instability during July 2024. Exports increased by 7.62 percent during July-September FY25 compared to the export after July-September FY24. Imports decreased by 4.35 percent during July-September FY25 compared to that of July-September FY24. Workers' remittances during July-September FY25 increased by 33.33 percent to USD 6,542.52 million against USD 4,906.95 million that of July-September FY24. The current account surplus increased to US\$ 127 million compared to a deficit of US\$ 1,829 million for the same period of the previous fiscal year. The overall deficit was reduced to US\$ 1,459 million at the end of September FY25 compared to US\$2,855 million deficit at the same time of the previous year. Gross foreign exchange reserves stood at USD 24.86 billion in September FY25 which was sufficient to pay import liability of 4.65 months, considering the average of the previous 12 months' imports.

Real Sector

The industrial production of Large Scale, SMME Scale and Cottage Scale increased by 3.85 percent, 4.41 percent and 4.22 percent respectively during September 2024 compared to the same period of the previous fiscal year. Point to point inflation decreased to 9.92 percent in September FY25 from 10.49 percent of August FY25 where food inflation decreased from 11.36 to 10.4 percent, non-food inflation increased a bit from 9.74 percent to 9.5 percent. On a twelve-month average basis, inflation rose to 9.97 percent in September FY25 from 9.94 percent in August FY25, which is 3.97 percentage point higher than the target of 6.0 percent for FY25.

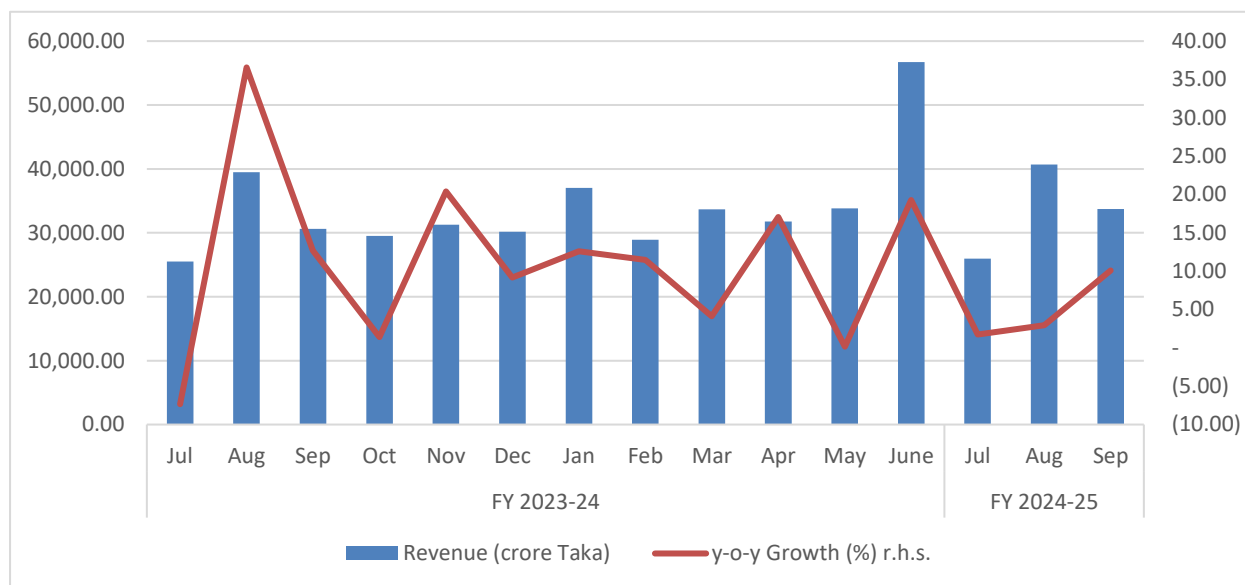
¹ Fiscal sector data collected from iBAS on 14 November 2024

1. FISCAL SECTOR

1.1 Revenue Earnings

Revenue collection after September FY25 demonstrated an upward trend. Tax revenue of July-September FY25 decreased by 1.90 percent but non-tax revenue increased by 34.39 percent than that of July-September FY24. The overall increase in revenue is 4.86 percent on July-September FY25 compared to that of July-September FY24.

Chart 1.1: Trend of Government's monthly revenue earnings



Source: Integrated Budgeting & Accounting System (iBAS++), Finance Division;

Table 1.1: Revenue Earnings (crore taka)

Period	Tax Revenue			Non-Tax Revenue	Total Revenue
	NBR	Non-NBR	Total		
2024-25 (July-Sep)	74,274.29	2,098.59	76,372.87	23,953.67	100,326.54
2023-24 (July-Sep)	75,881.88	1,971.16	77,853.04	17,824.13	95,677.18
Growth (%)	(2.12)	6.46	(1.90)	34.39	4.86
2023-24 (Actual)	361,457.68	8,323.36	369,781.04	39,266.16	409,047.21
2022-23 (Actual)	319,844.32	7,949.84	327,794.15	38,952.19	366,746.34
Growth (%)	13.01	4.70	12.81	0.81	11.53

Source: Integrated Budgeting & Accounting System (iBAS++), Finance Division.

1.2 Government Expenditure

Total operating expenditure increased by 30.93 percent to Tk. 82,568.02 crore in July-September FY25 compared to Tk. 63,060.70 crore in July-September FY24. However, the ADP implementation in July-September FY25 decreased by 31.20 percent compared to that of July-September FY24. The overall development expenditure has decreased by 31.93 percent compared to that of the previous year. Overall government expenditure increased by 21.35 percent in July-September FY25 compared to July-September FY24. According to the Implementation, Monitoring and Evaluation Division (IMED) of the Ministry of Planning, the execution rate of ADP is 4.53 percent.

Table 1.2: Government Expenditure (Crore taka)

	2024-25 (July-Sep)	2023-24 (July-Sep)	Growth (%) (July-Sep)	2023-24	2022-23	Yearly Growth (%)
a1. Operating Recurrent Expenditure	81,786.16	61,954.22	32.01	395,798.63	357,147.46	10.82
Pay and Allowances	15,798.42	12,132.89	30.21	67,383.30	63,847.06	5.54
Use of Goods and Services	4,681.96	3,300.17	41.87	39,632.64	33,921.66	16.84
Interest Payment	42,388.01	22,069.48	92.07	114,756.11	92,110.18	24.59
Domestic	39,252.46	19,325.11	103.12	99,605.73	82,672.76	20.48
Foreign	3,135.55	2,744.38	14.25	15,150.38	9,437.43	60.54
Subsidies and Transfer	18,917.77	24,451.68	-22.63	174,026.59	167,268.56	4.04
a2. Operating Capital Expenditure	781.86	1,106.48	-29.34	14,163.23	12,817.15	10.50
a) Total Operating Expenditure (a1+a2)	82,568.02	63,060.70	30.93	409,961.87	369,964.60	10.81
b) Outlay for Food Accounts	4,163.04	2,638.93	57.75	-1,295.03	1,013.46	-227.78
c) Loans and Advances-Net	-1,035.99	-1,893.83	-45.30	-8,588.02	-2,178.41	294.23
d) Development Expenditure	10,561.45	15,516.61	-31.93	210,181.44	205,509.71	2.27
Of which ADP	10,520.11	15,290.39	-31.20	196,017.69	192,278.87	1.94
Total Expenditure (a+b+c+d)	96,256.52	79,322.41	21.35	610,260.26	574,309.36	6.26
Total Expenditure (as % of GDP)	23.07	21.44	1.63	13.75	12.79	0.96
Memo Item:GDP	5,006,782.00	4,439,273.00	12.78	4,439,273.00	4,490,800.00	-1.15

Source: Finance Division and Latest BBS Publications with the new base 2015-16. * Projected GDP for FY2023-24.

1.3 Budget Deficit

The budget surplus (including grants) for July-September FY25 was Tk 4,837.93 crore which is 0.1 percent of the projected GDP for FY25. For the same period of the previous Fiscal Year, the overall budget surplus was taka 16,892.14 crore which was 0.38 percent of GDP of that year.

Table 1.3: Budget Balance (Crore taka)

Year	Overall Balance	Overall Balance as % of GDP	GDP
2024-25 (July-Sep)	4,837.93	0.10	5,006,782.00
2023-24 (July-Sep)	16,892.14	0.38	4,439,273.00
2023-24	-194,909.53	-4.39	4,439,273.00
2022-23	-204,811.20	-4.79	4,490,800.00

Source: Integrated Budgeting & Accounting System (iBAS++), Finance Division;

1.4 Deficit Financing

The government arranged its financing requirement from the non-banking system in the third month of the fiscal year to repay the bank loans undertaken in the past.

Table 1.4: Deficit financing (Crore taka, Excluding Grants)

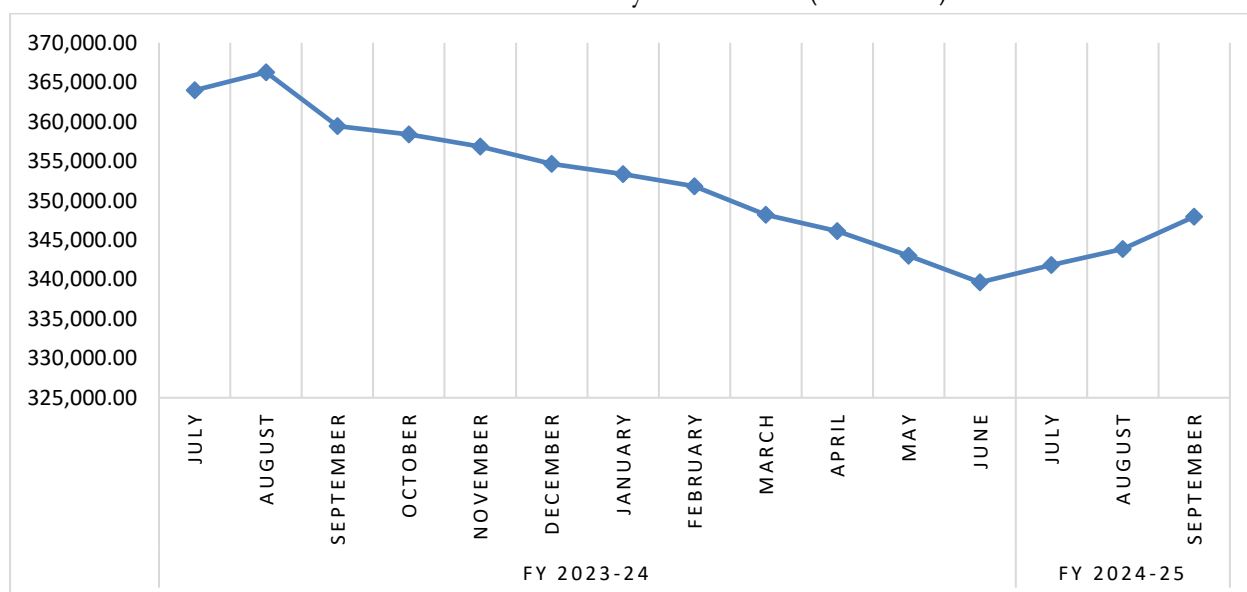
Period	External (Net)	Domestic			Total Financing	Financing as % of GDP
		Bank	Non-Bank	Total		
2024-25 (July-Sep)	-3,101.90	-1,064.02	58.71	-1,005.32	-4,107.22	-0.08
2023-24 (July-Sep)	-1,610.59	6,614.82	-16,465.86	-9,851.04	-11,461.63	-0.26
2023-24	74,587.86	124,150.41	-2,690.21	121,460.19	196,048.06	4.42
2022-23	79,156.43	118,025.05	6,699.70	124,724.75	203,881.17	4.54
Target in 2023-24	90,700.00	137,500.00	23,400	-36,500	54,200	1.08
Financing composition		External (Net)	Domestic			Total Financing
			Bank	Non-Bank	Total	
2024-25 (July-Sep)		75.52%	25.91%	1.43%	24.48%	100.00%
2023-24 (July-Sep)		14.05%	57.71%	143.66%	85.95%	100.00%
2023-24		38.05%	63.33%	1.37%	61.95%	100.00%
2022-23		38.82%	57.89%	3.29%	61.18%	100.00%
Target in 2023-24		167.34%	253.69%	43.17%	-67.34%	100.00%

Source: Integrated Budgeting & Accounting System (iBAS++), Finance Division (Self Calculation for Financing composition)

1.4.1 National Savings Certificates (NSCs)

NSCs gross sales decreased by 30.77 percent for July-September FY25 compared to that of July-September FY24. The net sales of NSCs during July-September FY25 increased by 758.75 percent compared to the same period of the previous year. The outstanding stock of NSCs stands at taka 347,963.52 crore at the end of September FY25 which is 3.25 percent lower compared to that of September FY24.

Chart 1.2: Trend of monthly stock of NSC (crore Taka)



Source: Major Economic Indicators, Bangladesh Bank, Growth calculated over the same period of the previous year

Table 1.5 Net Sale and Repayment of NSCs (Crore taka)

Period	Gross Sale	Repayment (Principal)	Net Sale	Outstanding at the end of the period
2024-25 (July-Sep)	14,991.95	6,659.15	8,332.80	347,963.52
2023-24 (July-Sep)	21,656.05	22,920.99	-1,264.94	359,638.00
Growth (%)	-30.77	-70.95	758.75	-3.25
2023-24 (Actual)	80,858.63	84,154.56	-3,295.93	339,630.72
2022-23 (Actual)	108,070.53	88,154.78	19,915.75	360,755.09
Growth (%)	-25.18	-4.54	-116.55	-5.86

Source: Bangladesh Bank; *-Growth calculated over the same month of the previous year.

2. MONETARY SECTOR

2.1 Monetary and Credit Development

Broad money (M2) increased by 8.18 percent at the end of September FY25 compared to that of September FY24. Of the sources of broad money, Net Domestic Asset (NDA) increased by 11.49 percent while Net Foreign Asset decreased by 9.62 percent. Despite strong public sector credit growth, government borrowing from the banking system contributed to the less than expected credit growth in the private sector.

Table 2.1: Monetary and Credit Development

Items	Outstanding stock			% Changes in	
	at the end of the period			Outstanding stock	
	Sep-24	Sep-23	Jun-24	Sep-24 over Sep-23	Sep-24 over June-24
A. Net Foreign Assets (NFA)	2,650.97	2,933.18	2,911.29	-9.62	-8.94
B. Net Domestic Asset (NDA)	17,600.52	15,786.49	17,591.95	11.49	0.05
a. Domestic Credit	21,063.00	19,305.71	21,155.25	9.10	-0.44
Public Sector	4,540.56	4,175.17	4,742.96	8.75	-4.27
Govt. (Net)	4,068.14	3,709.21	4,248.77	9.68	-4.25
Other Public	472.42	465.96	494.19	1.39	-4.41
Private sector	16,522.44	15,130.54	16,412.29	9.20	0.67
b. Other Items (Net)	-3,462.48	-3,519.22	-3,563.30	-1.61	-2.83
C. Broad Money (A+B)	20,251.49	18,719.67	20,503.24	8.18	-1.23

Source: Monthly Economic Trends, Bangladesh Bank

2.2 Reserve Money Development

Reserve money increased by 9.02 percent at the end of September 2024 compared to that of September 2023. Money multiplier decreases to 5.40 at the end of September 2024 in comparison to that of at the end of September 2023.

Table 2.2: Reserve money and money multiplier (Billion BDT)

Items	Outstanding Stock at the end of the period			Changes in Outstanding Stock	
	Sep-24	Sep-23	Jun-24	Sep-24 over Sep-23	Sep-24 over June-24
Reserve money	3,753	3,442	4,136	9.02%	-9.28%
Money multiplier	5.40	5.44	4.96	-0.04	0.44

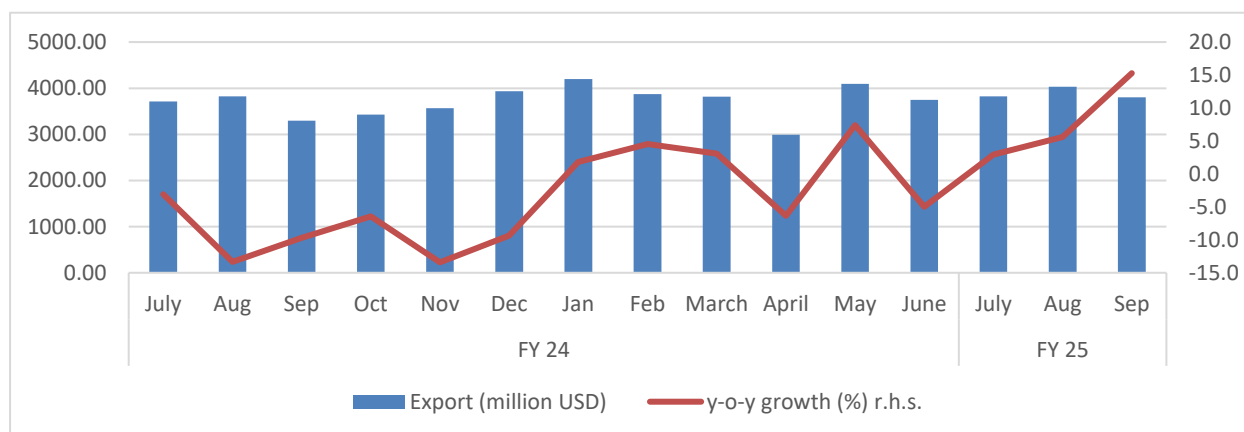
Source: Major Economic Indicators, Bangladesh Bank

3. EXTERNAL SECTOR

3.1 Exports

In September FY25, total exports continued to grow after a setback due to political instability during July 2024. Exports increased by 7.62 percent during July-September FY25 compared to the export after July-September FY24.

Chart 3.1: Monthly Trend of Exports



Source: Export Promotion Bureau, *Growth over the same period of the previous year

Table 3.1: Export Performance (Million US\$)

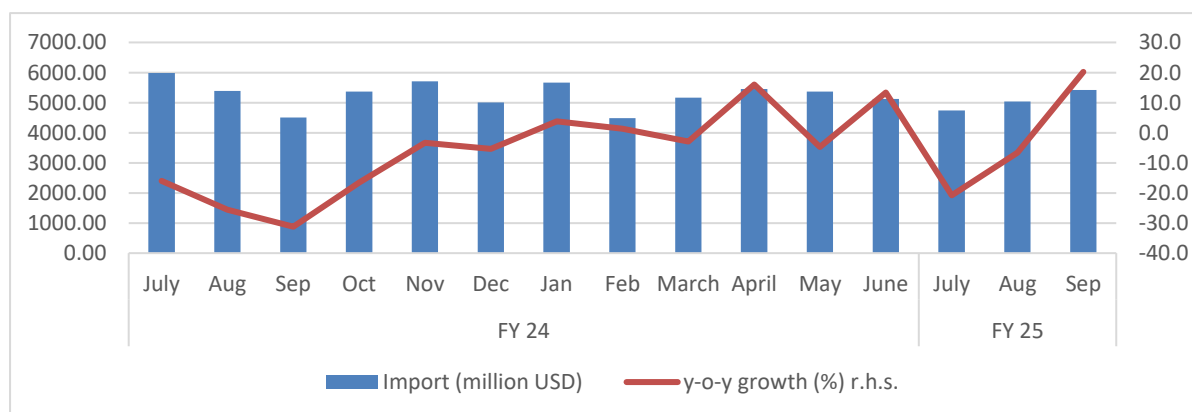
	2024-25	2023-24	2023-24	2022-23
	(July-Sep)	(July-Sep)		
Export	11,657.80	10,832.60	44,474.80	46,494.60
Growth*(%)	7.62%	-8.93	-4.34	-10.73

Source: Export Promotion Bureau, *Growth over the same period of the previous year;

3.2 Imports (C & F)

Imports decreased by 4.35 percent during July-September FY25 compared to that of July-September FY24 but monthly data shows that the imports are in a rising trend in September 2024 compared to the previous month. Import showing upward trend due to relaxation in some cases of tightening measures taken by Bangladesh Bank.

Chart 3.2: Monthly Trend of Import Payments



Source: Bangladesh Bank, *Growth over the same period of the previous year;

Table 3.2: Import Scenario (Million US\$)

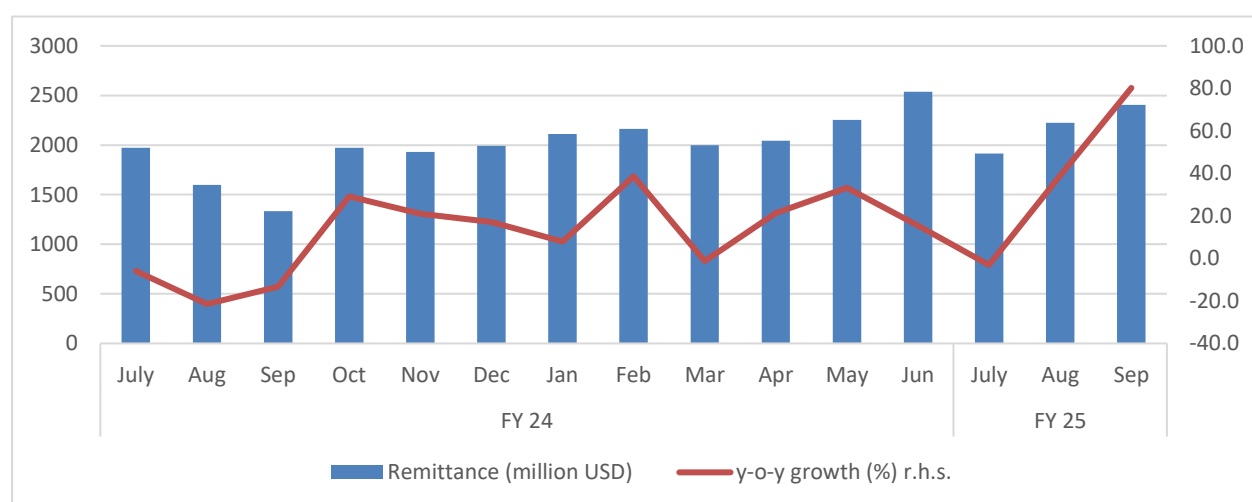
Period	2024-25	2023-24	2023-24	2022-23
	(July-Sep)	(July-Sep)		
Import payments	15,191.63	15,882.30	63,226.17	68,600.80
Growth (%)	-4.35%	-24.09	-7.83	-23.06

Source: Bangladesh Bank, *Growth over the same period of the previous year;

3.3 Remittances

Workers' remittances during July-September FY25 increased by 33.33 percent to USD 6,542.52 million against USD 4,906.95 million that of July-September FY24. Political change during after August 2024 and various initiatives of the Government to incentivize remittance inflow such as 2.5 percent cash incentive, easing the rules on the furnishing of documents and depreciation of exchange rate (BDT/USD) might have worked on the overseas migrants to send remittances through legal channel.

Chart 3.3: Monthly Trend of Remittance



Source: Bangladesh Bank, *Growth over the same period of the previous year;

Table 3.3: Remittance Performance (Million US\$)

	2024-25	2023-24	2023-24	2022-23
	(July-Sep)	(July-Sep)		
Remittances	6,542.52	4,906.95	23,912.22	21,610.73
As % of Export	56.12	45.30	53.77	46.48
As % of GDP	17.64	12.75	4.65	4.08
Growth (%)	33.33	-13.50	10.65	2.76

Source: Bangladesh Bank;

3.4 Balance of Payments (BOP)

The trade deficit gap narrowed in July-September of FY25 compared to the same period of the previous fiscal year as the import is put under stern monitoring by the Bangladesh Bank. The current account surplus increased to US\$ 127 million compared to a deficit of US\$ 1,829 million for the same period of the previous fiscal year. The financial account surplus increased to US\$ 560 million compared to a deficit of US\$1,230 million for the same

period of the previous fiscal year. Consequently, the overall deficit reduced to US\$ 1,459 million at the end of September FY25 compared to US\$2,855 million deficit at the same time of the previous year.

Table 3.4: Balance of Payments (Million US\$)

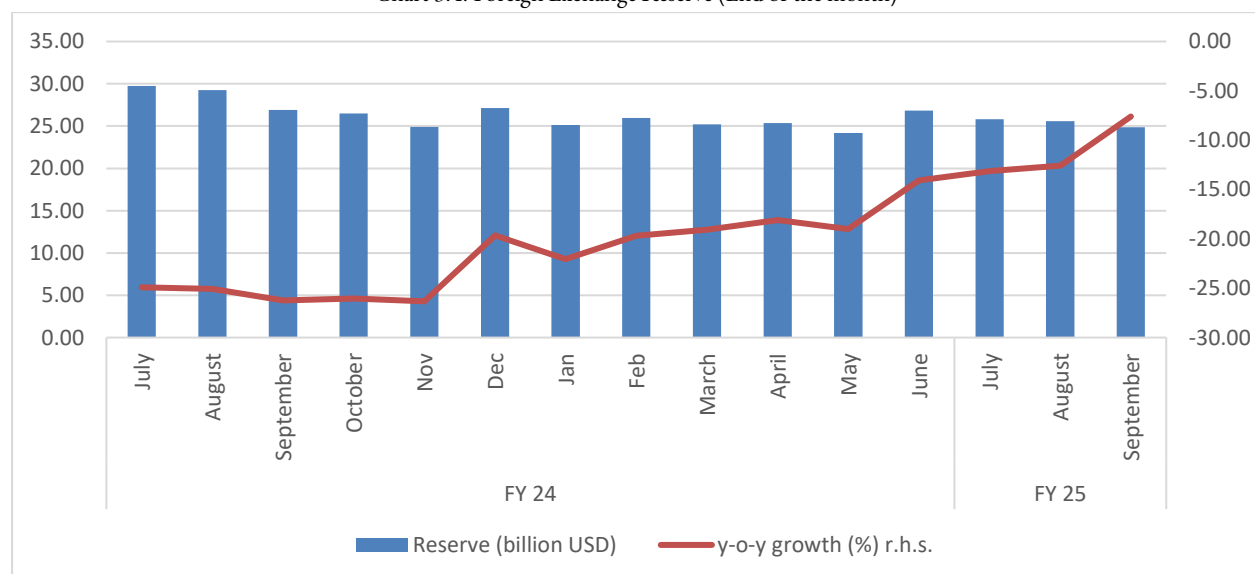
	2024-25	2023-24	2023-24	2022-23
	(July-Sep)	(July-Sep)		
Trade Balance	-4,630	-5,010	-22,432	-27,384
Current Account Balance	127	-1,829	-6,512	-11,633
Capital Account	156	42	554	475
Financial Account	560	-1,230	4,546	6,890
Error & Omission	-2,048	162	-2,888	-3,954
Overall Balance	-1,459	-2,855	-4,301	-8,222

Source: Bangladesh Bank;

3.5 External Reserve

Gross foreign exchange reserves stood at USD 24.86 billion in September FY25 which was sufficient to pay import liability of 4.65 months, considering the average of the previous 12 months' imports.

Chart 3.4: Foreign Exchange Reserve (End of the month)

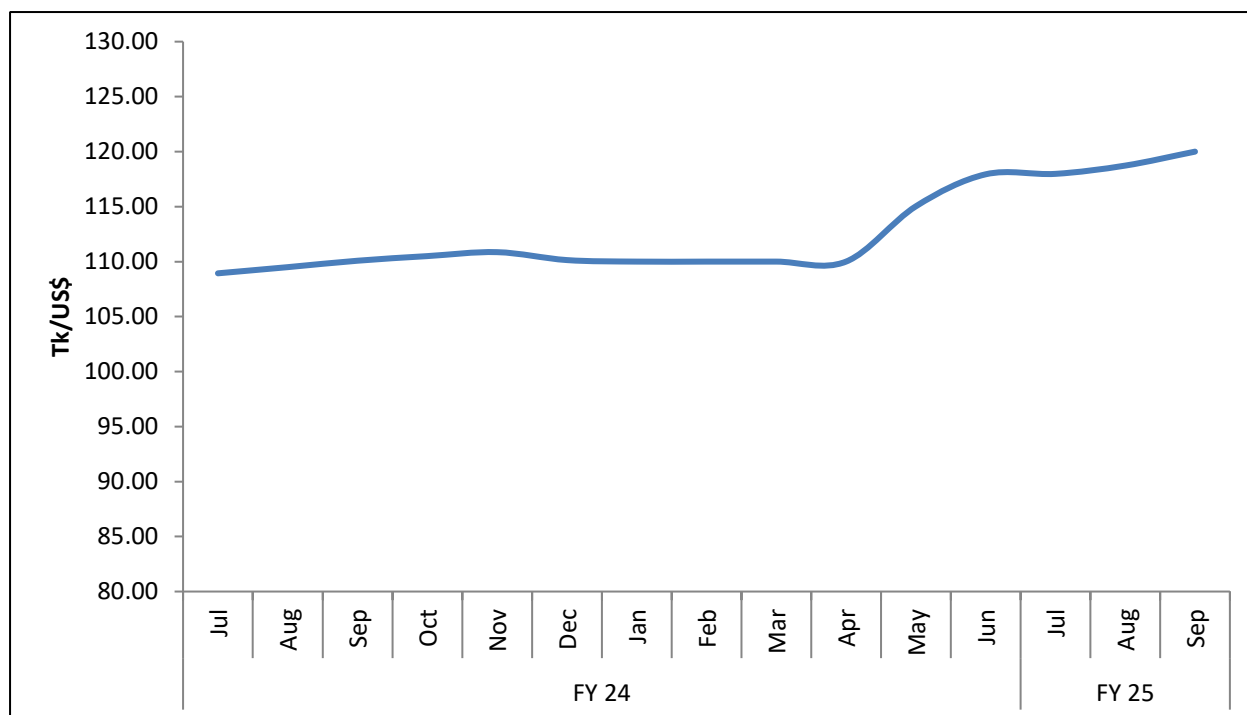


Source: Bangladesh Bank

3.6 Exchange Rate Movements

Exchange rate of Bangladesh Taka, against USD, depreciated by 7.21 percent during July-September of FY25 compared to the July-September of FY24. To contain the persistent foreign exchange pressure during FY25, Bangladesh Bank as well as the government took various policy measures; aided by steady inflow of remittances and lower import payments.

Chart 3.5: Exchange Rate Movement (Taka/US\$)



Source: Bangladesh Bank;

4. REAL SECTOR

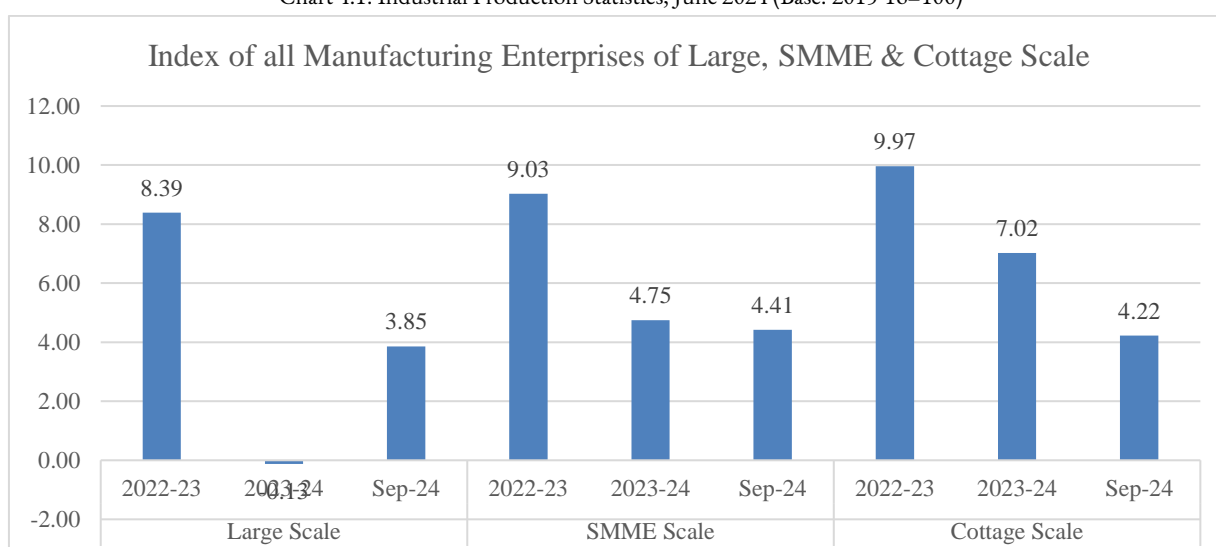
4.1 Industrial Production

The industrial production of Large Scale, SMME Scale and Cottage Scale increased by 3.85 percent, 4.41 percent and 4.22 percent respectively during September 2024 compared to the same period of the previous fiscal year.

Table 4.1: Industrial Production Statistics, June 2024 (Base: 2015-16=100)

	Monthly Index			2023-24	2022-23
	Sep-24	Sep-23	Change	Change	Change
Large Scale	197.75	190.41	3.85	-0.13	8.39
SMME Scale	207.89	199.1	4.41	4.75	9.03
Cottage Scale	209.19	200.72	4.22	7.02	9.97

Chart 4.1: Industrial Production Statistics, June 2024 (Base: 2015-16=100)



Source: BBS

4.2 CPI Inflation

Point to point inflation decreased to 9.92 percent in September FY25 from 10.49 percent of August FY25 where food inflation decreased from 11.36 to 10.4 percent, non-food inflation increased a bit from 9.74 percent to 9.5 percent. On a twelve-month average basis, inflation rose to 9.97 percent in September FY25 from 9.94 percent in August FY25, which is 3.97 percentage point higher than the target of 6.0 percent for FY25.

Table 4.3: CPI Inflation (National) (Base 2015-16)

Fiscal Year	Twelve-Month Average Basis			Point to Point Basis		
	General	Food	Non-Food	General	Food	Non-Food
2022-23						
Jul-22	6.33	6.31	6.35	7.48	8.19	6.39
Aug-22	6.66	6.71	6.58	9.52	9.94	8.85
Sep-22	6.96	7.04	6.84	9.1	9.08	9.13
Oct-22	7.23	7.32	7.1	8.91	8.5	9.58
Nov-22	7.48	7.55	7.37	8.85	8.14	9.98
Dec-22	7.7	7.75	7.62	8.71	7.91	9.96
Jan-23	7.92	7.92	7.92	8.57	7.76	9.84
Feb-23	8.14	8.08	8.23	8.78	8.13	9.82
Mar-23	8.39	8.31	8.53	9.33	9.09	9.72
Apr-23	8.64	8.52	8.81	9.24	8.84	9.72
May-23	8.8	8.6	9.1	9.94	9.2	10.0
Jun-23	9.0	8.7	9.4	9.74	9.7	9.6
2023-24						
Jul-23	9.2	8.84	9.64	9.69	9.76	9.47
Aug-23	9.24	9.08	9.55	9.92	12.54	7.95
Sep-23	9.29	9.37	9.44	9.63	12.37	7.82
Oct-23	9.37	9.73	9.33	9.93	12.56	8.3
Nov-23	9.42	9.95	9.17	9.49	10.76	8.16
Dec-23	9.48	10.08	9.05	9.41	9.58	8.52
Jan-24	9.59	10.22	9.02	9.86	9.56	9.42
Feb-24	9.66	10.32	8.98	9.67	9.44	9.33
Mar-24	9.69	10.37	8.98	9.81	9.87	9.64
Apr-24	9.73	10.48	8.95	9.74	10.22	9.34
May-24	9.73	10.60	8.90	9.89	10.76	9.20
Jun-24	9.73	10.65	8.86	9.72	10.42	9.15
2024-25						
Jul-24	9.89	11.02	8.88	11.66	14.1	9.68
Aug-24	9.94	10.92	9.03	10.49	11.36	9.74
Sep-24	9.97	10.75	9.17	9.92	10.4	9.5

Source: Bangladesh Bank

4.3 GDP Growth Outlook

The latest publication of the Bangladesh Bureau of Statistics (BBS) (with the new base 2015-16) shows that GDP grew by 5.78 percent in FY23. With this growth, per capita GNI rose to US\$ 2,749 at the end of FY23. According to the Medium-Term Macroeconomic Policy Statement (FY24 to FY26), the revised growth target for FY24 is 4.22 percent.