



Monthly Report on Fiscal-Macro Position

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EXECUTIVE SUMMARY

The October 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 October FY25 demonstrated a positive trend. Tax revenue for July-October FY25 decreased by 1.59 percent but non-tax revenue increased by 33.89 percent compared to that of July-October FY24. The overall increase in revenue is 4.86 percent during July-October FY25 compared to that of July-October FY24. Total operating expenditure increased by 26.29 percent to Tk. 124,602.21 crore in July-October FY25 compared to Tk. 98,664.58 crore in July-October FY24. However, the ADP implementation in July-October FY25 decreased by 31.13 percent compared to that of July-October FY24. Overall government expenditure increased by 17.79 percent in July-October FY25 compared to July-October FY24¹.

Monetary Sector

Broad money (M2) increased by 8.02 percent at the end of October FY25 compared to that of October FY24. Of the sources of broad money, Net Domestic Asset (NDA) increased by 11.35 percent while Net Foreign Asset decreased by 10.97 percent. Reserve money increased by 8.62 percent at the end of October 2024 compared to that of October 2023. Money multiplier decreases to 5.51 at the end of October 2024 in comparison to that of at the end of October 2023.

External Sector

In October FY25, total exports continued to grow after a setback due to political instability during July 2024. Exports increased by 10.7 percent during July-October FY25 compared to the exports after July-October FY24. Imports decreased minimally by 0.89 percent during July-October FY25 compared to that of July-October FY24. Workers' remittances during July-October FY25 increased by 29.94 percent to USD 8,937.60 million against USD 6,878.38 million that of July-October FY24. The current account deficit narrowed to US\$ 752 million compared to a deficit of US\$ 3,160 million for the same period of the previous fiscal year. Gross foreign exchange reserves stood at USD 25.49 billion in October FY25 which was sufficient to pay import liability of 4.78 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 11.39 percent, 6.61 percent and 7.05 percent respectively during October 2024 compared to the same period of the previous fiscal year. Point to point inflation increased to 10.87 percent in October FY25 from 9.92 percent of September FY25 where food inflation increased from 10.4 percent to 12.66 percent, non-food inflation decreased a bit from 9.5 percent to 9.34 percent. On a twelve-month average basis, inflation rose to 10.04 percent in October FY25 from 9.97 percent in September FY25, which is 3.97 percentage point higher than the target of 6.0 percent for FY25.

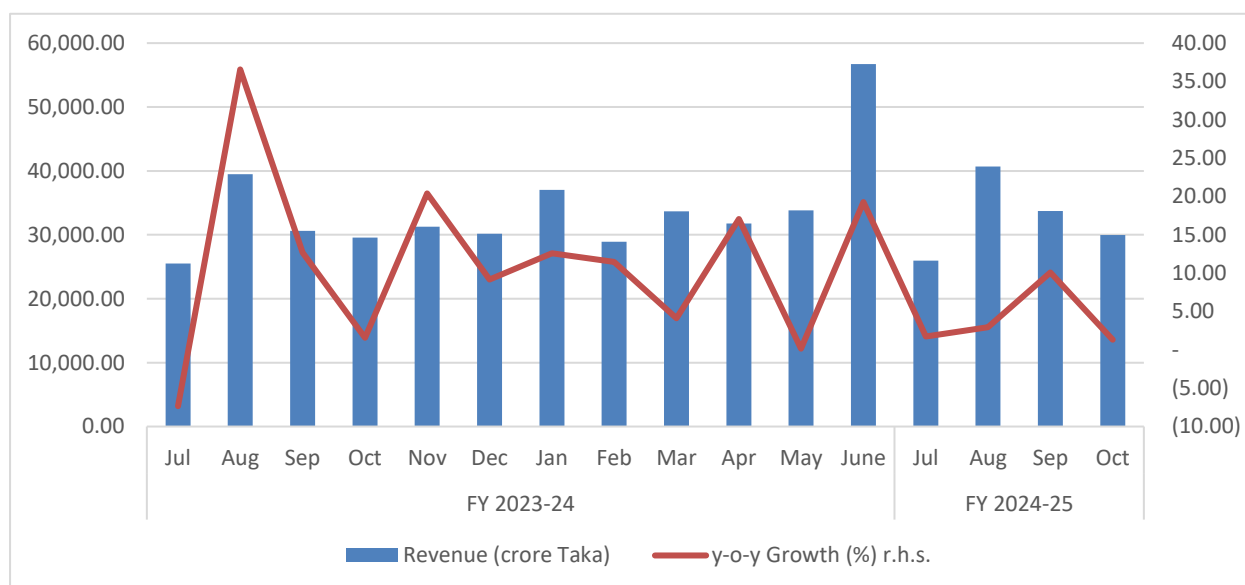
¹ Fiscal sector data collected from iBAS on 28 November 2024

1. FISCAL SECTOR

1.1 Revenue Earnings

Revenue collection after October FY25 demonstrated a positive trend. Tax revenue for July-October FY25 decreased by 1.59 percent but non-tax revenue increased by 33.89 percent compared to that of July-October FY24. The overall increase in revenue is 4.86 percent during July-October FY25 compared to that of July-October 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-Oct)	100,829.99	2,909.56	103,739.55	26,536.29	130,275.84
2023-24 (July-Oct)	102,756.09	2,660.28	105,416.37	19,819.82	125,236.20
Growth (%)	(1.87)	9.37	(1.59)	33.89	4.02
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 26.29 percent to Tk. 124,602.21 crore in July-October FY25 compared to Tk. 98,664.58 crore in July-October FY24. However, the ADP implementation in July-October FY25 decreased by 31.13 percent compared to that of July-October FY24. The overall development expenditure has decreased by 31.50 percent compared to that of the previous year. Overall government expenditure increased by 17.79 percent in July-October FY25 compared to July-October FY24. According to the Implementation, Monitoring and Evaluation Division (IMED) of the Ministry of Planning, the execution rate of ADP is 7.55 percent.

Table 1.2: Government Expenditure (Crore taka)

	2024-25 (July-Oct)	2023-24 (July-Oct)	Growth (%) (July-Oct)	2023-24	2022-23	Yearly Growth (%)
a1. Operating Recurrent Expenditure	122,999.00	96,381.45	27.62	395,798.63	357,147.46	10.82
Pay and Allowances	21,260.08	20,230.02	5.09	67,383.30	63,847.06	5.54
Use of Goods and Services	7,240.18	7,142.60	1.37	39,632.64	33,921.66	16.84
Interest Payment	58,493.58	31,758.31	84.18	114,756.11	92,110.18	24.59
<i>Domestic</i>	51,791.19	26,541.68	95.13	99,605.73	82,672.76	20.48
<i>Foreign</i>	6,702.39	5,216.63	28.48	15,150.38	9,437.43	60.54
Subsidies and Transfer	36,005.15	37,250.52	-3.34	174,026.59	167,268.56	4.04
a2. Operating Capital Expenditure	1,603.21	2,283.13	-29.78	14,163.23	12,817.15	10.50
a) Total Operating Expenditure (a1+a2)	124,602.21	98,664.58	26.29	409,961.87	369,964.60	10.81
b) Outlay for Food Accounts	4,409.03	2,412.34	82.77	-1,295.03	1,013.46	-227.78
c) Loans and Advances-Net	-1,426.75	-2,792.71	-48.91	-8,588.02	-2,178.41	294.23
d) Development Expenditure	16,422.55	23,973.99	-31.50	210,181.44	205,509.71	2.27
<i>Of which ADP</i>	16,193.79	23,514.40	-31.13	196,017.69	192,278.87	1.94
Total Expenditure (a+b+c+d)	144,007.03	122,258.21	17.79	610,260.26	574,309.36	6.26
Total Expenditure (as % of GDP)	34.51	33.05	1.47	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 deficit (including grants) for July-October FY25 was Tk 12,925.75crore which is 0.26 percent of the projected GDP for FY25. For the same period of the previous Fiscal Year, the overall budget surplus was taka 3,515.36 crore which was 0.08 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-Oct)	-12,925.75	-0.26	5,006,782.00
2023-24 (July-Oct)	3,515.36	0.08	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 banking and non-banking system in the fourth month of the fiscal year to finance its overall deficit during July-October FY25.

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

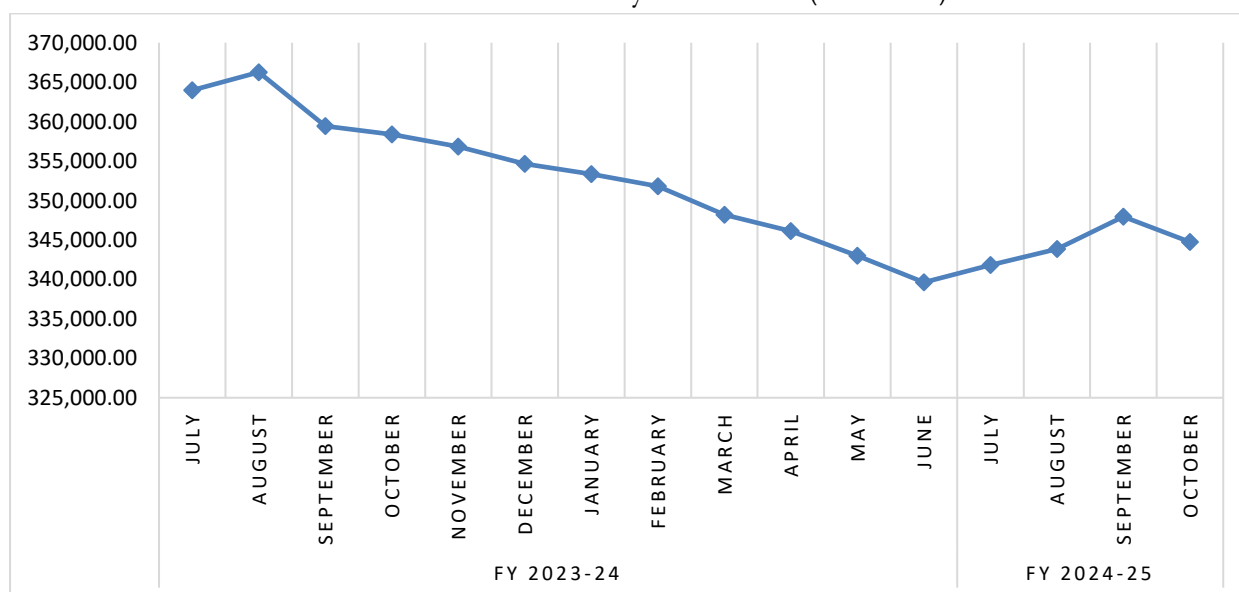
Period	External (Net)	Domestic			Total Financing	Financing as % of GDP
		Bank	Non-Bank	Total		
2024-25 (July-Oct)	-5,668.50	15,651.04	3,644.62	19,295.65	13,627.16	0.27
2023-24 (July-Oct)	-362.83	5,910.50	-9,325.66	-3,415.16	-3,777.99	-0.09
2023-24	74,587.86	124,150.41	-2,690.21	121,460.19	196,048.06	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		
2024-25 (July-Oct)		41.60%	114.85%	26.75%	141.60%	100.00%
2023-24 (July-Oct)		9.60%	156.45%	246.84%	90.40%	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 28.29 percent for July-October FY25 compared to that of July-October FY24. The net sales of NSCs during July-October FY25 increased by 321.59 percent compared to the same period of the previous year. The outstanding stock of NSCs stands at taka 344,738.54 crore at the end of October FY25 which is 3.83 percent lower compared to that of October 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-Oct)	20,850.52	15,742.70	5,107.82	344,738.54
2023-24 (July-Oct)	29,076.07	31,381.17	-2,305.10	358,449.99
Growth (%)	-28.29	-49.83	321.59	-3.83
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 8.02 percent at the end of October FY25 compared to that of October FY24. Of the sources of broad money, Net Domestic Asset (NDA) increased by 11.35 percent while Net Foreign Asset decreased by 10.97 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	
	Oct-24	Oct-23	Jun-24	Oct-24 over Oct-23	Oct-24 over June-24
A. Net Foreign Assets (NFA)	2,502.67	2,811.01	2,911.29	-10.97	-14.04
B. Net Domestic Asset (NDA)	17,832.44	16,014.35	17,591.95	11.35	1.37
a. Domestic Credit	21,309.79	19,444.34	21,155.25	9.59	0.73
Public Sector	4,747.47	4,151.14	4,742.96	14.37	0.09
Govt. (Net)	4,272.72	3,683.17	4,248.77	16.01	0.56
Other Public	474.74	467.97	494.19	1.45	-3.94
Private sector	16,562.32	15,293.20	16,412.29	8.30	0.91
b. Other Items (Net)	-3,477.35	-3,429.99	-3,563.30	1.38	-2.41
C. Broad Money (A+B)	20,335.11	18,825.37	20,503.24	8.02	-0.82

Source: Monthly Economic Trends, Bangladesh Bank

2.2 Reserve Money Development

Reserve money increased by 8.62 percent at the end of October 2024 compared to that of October 2023. Money multiplier decreases to 5.51 at the end of October 2024 in comparison to that of at the end of October 2023.

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

Items	Outstanding Stock at the end of the period			Changes in Outstanding Stock	
	Oct-24	Oct-23	Jun-24	Oct-24 over Oct-23	Oct-24 over June-24
Reserve money	3,693	3,400	4,136	8.62%	-10.73%
Money multiplier	5.51	5.54	4.96	-0.03	0.55

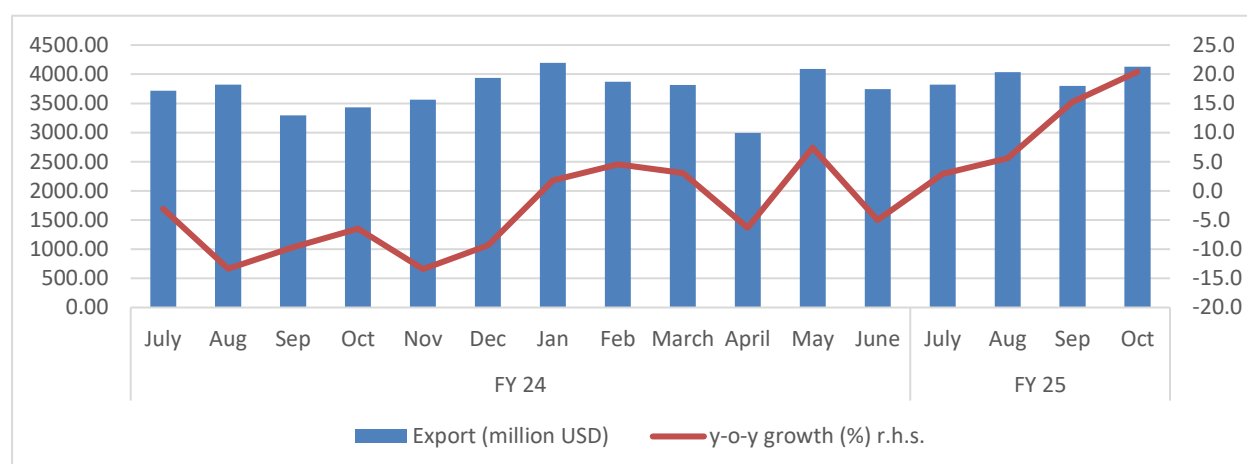
Source: Major Economic Indicators, Bangladesh Bank

3. EXTERNAL SECTOR

3.1 Exports

In October FY25, total exports continued to grow after a setback due to political instability during July 2024. Exports increased by 10.7 percent during July-October FY25 compared to the exports after July-October 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\$)

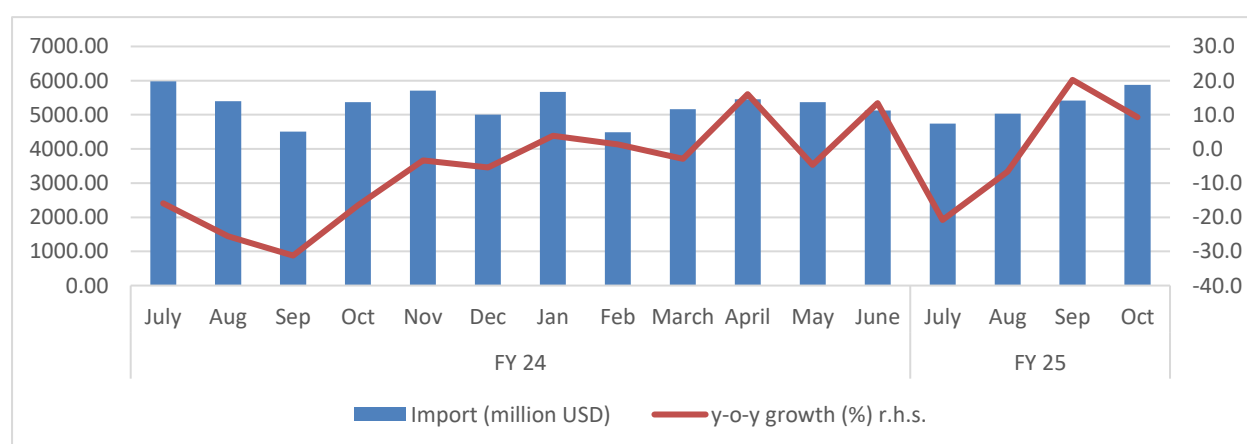
	2024-25	2023-24	2023-24	2022-23
	(July-Oct)	(July-Oct)		
Export	15,788.74	14,262.80	44,474.80	46,494.60
Growth*(%)	10.70%	-8.35	-4.34	-10.73

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

3.2 Imports (C & F)

Imports decreased minimally by 0.89 percent during July-October FY25 compared to that of July-October FY24 but monthly data shows that the imports are in a rising trend in October 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\$)

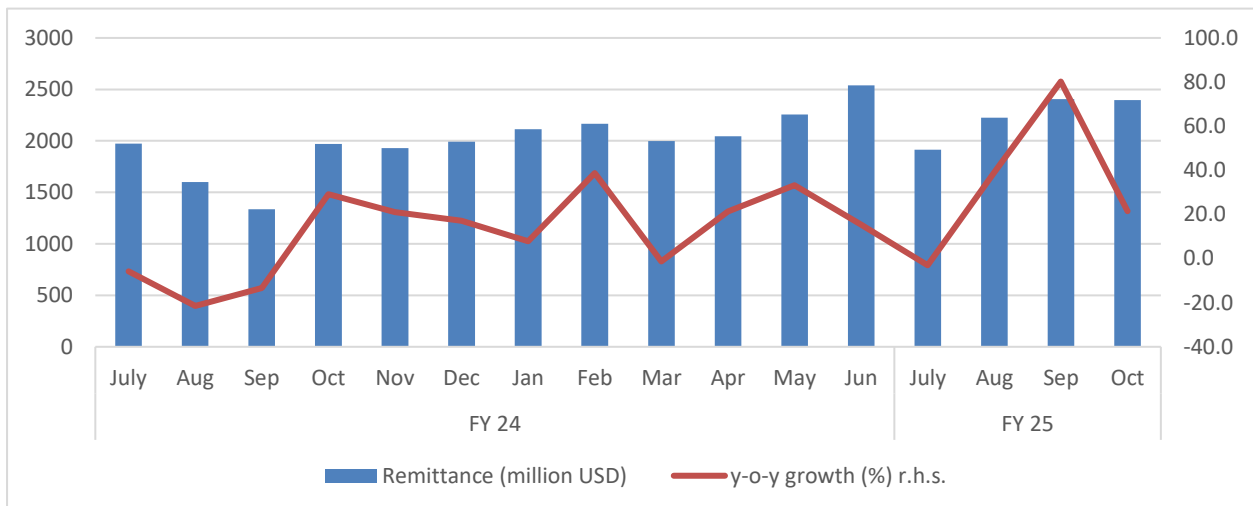
Period	2024-25	2023-24	2023-24	2022-23
	(July-Oct)	(July-Oct)		
Import payments	21,062.37	21,252.50	63,226.17	68,600.80
Growth (%)	-0.89%	-22.31	-7.83	-23.06

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

3.3 Remittances

Workers' remittances during July-October FY25 increased by 29.94 percent to USD 8,937.60 million against USD 6,878.38 million that of July-October FY24. Political change in 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-Oct)	(July-Oct)		
Remittances	8,937.60	6,878.38	23,912.22	21,610.73
As % of Export	56.61	48.23	53.77	46.48
As % of GDP	24.27	17.87	4.65	4.08
Growth (%)	29.94	-4.45	10.65	2.76

Source: Bangladesh Bank;

3.4 Balance of Payments (BOP)

The trade deficit gap narrowed in July-October 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 deficit narrowed to US\$ 752 million compared to a deficit of US\$ 3,160 million for the same period of the previous fiscal year. The

financial account surplus increased to US\$ 64 million compared to a deficit of US\$751 million for the same period of the previous fiscal year. Consequently, the overall deficit reduced to US\$ 2143 million at the end of October FY25 compared to US\$3829 million deficit at the same time of the previous year.

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

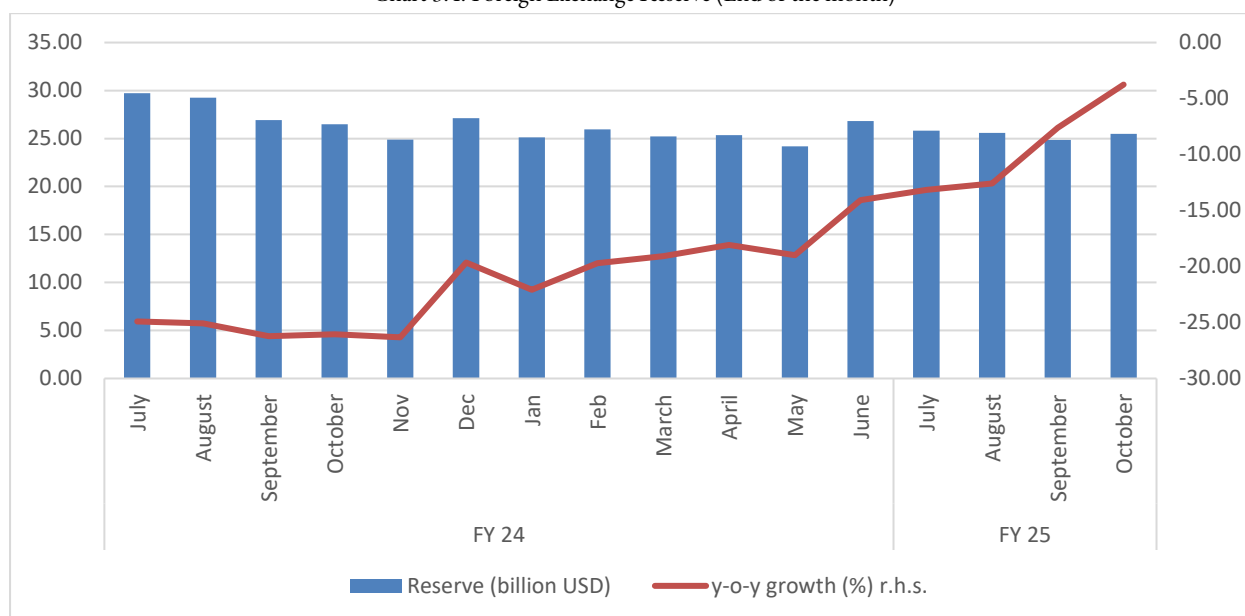
	2024-25	2023-24	2023-24	2022-23
	(July-Oct)	(July-Oct)		
Trade Balance	-6,658	-7,542	-22,432	-27,384
Current Account Balance	-752	-3,160	-6,512	-11,633
Capital Account	163	56	554	475
Financial Account	64	-751	4,546	6,890
Error & Omission	-1,618	26	-2,888	-3,954
Overall Balance	-2,143	-3,829	-4,301	-8,222

Source: Bangladesh Bank;

3.5 External Reserve

Gross foreign exchange reserves stood at USD 25.49 billion in October FY25 which was sufficient to pay import liability of 4.78 months, considering the average of the previous 12 months' imports.

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

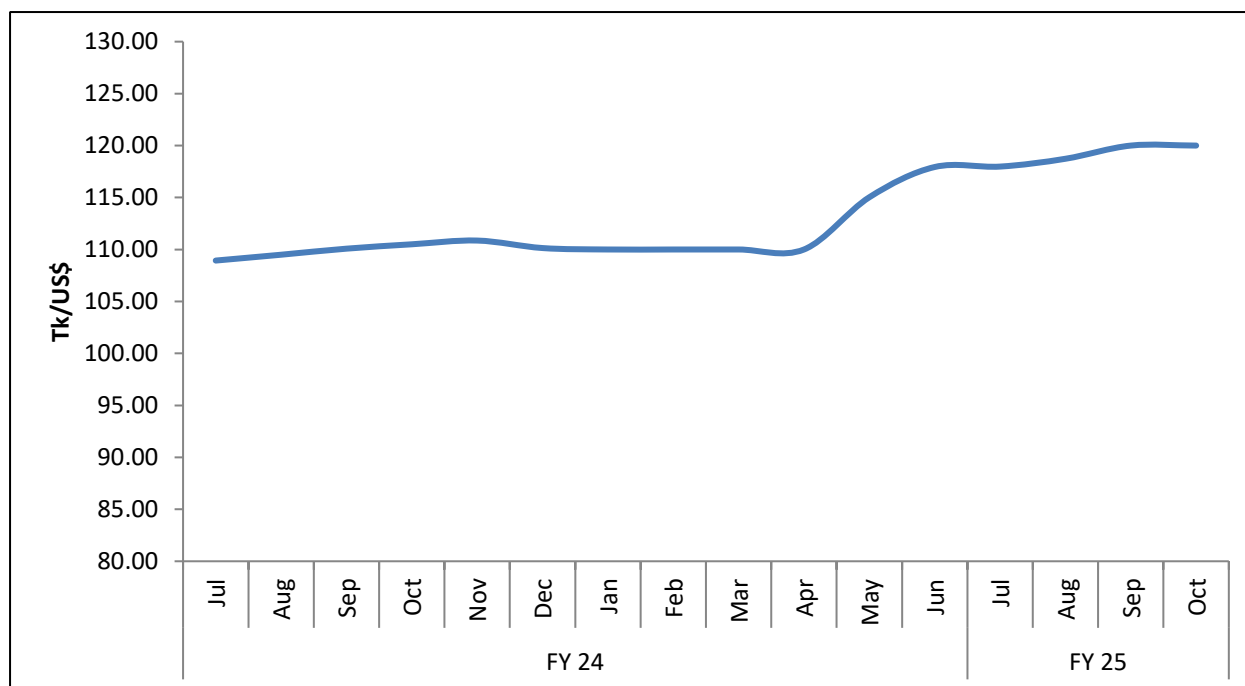


Source: Bangladesh Bank

3.6 Exchange Rate Movements

Exchange rate of Bangladesh Taka, against USD, depreciated by 6.84 percent during July-October of FY25 compared to the July-October 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

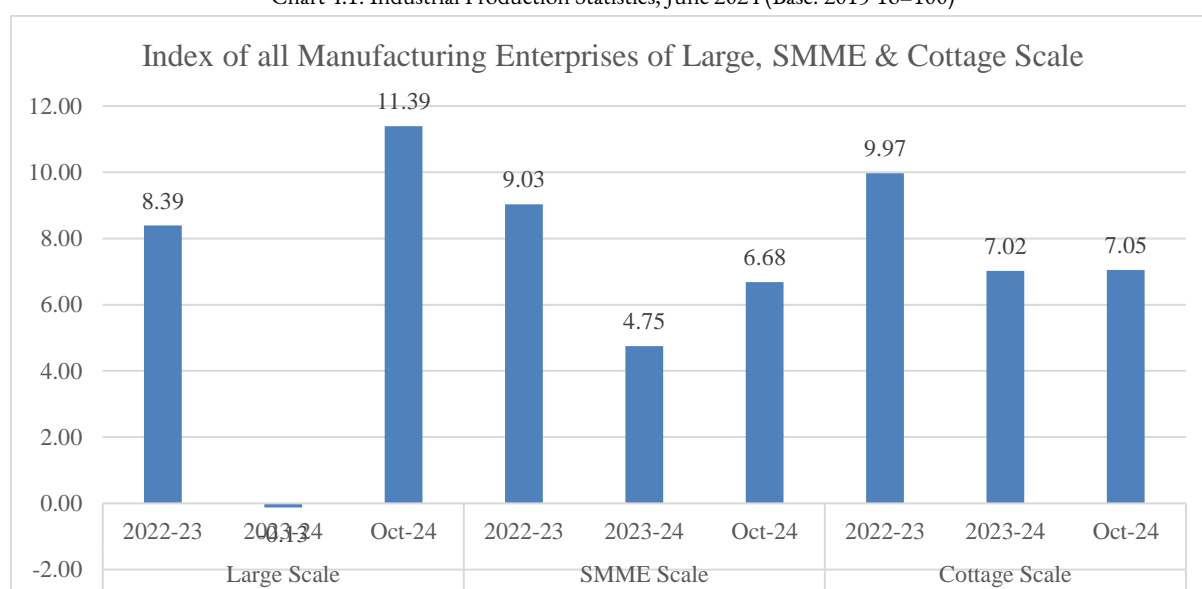
4.1 Industrial Production

The industrial production of Large Scale, SMME Scale and Cottage Scale increased by 11.39 percent, 6.61 percent and 7.05 percent respectively during October 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
	Oct-24	Oct-23	Change	Change	Change
Large Scale	188.8	169.5	11.39	-0.13	8.39
SMME Scale	216.03	202.5	6.68	4.75	9.03
Cottage Scale	211.34	197.43	7.05	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 increased to 10.87 percent in October FY25 from 9.92 percent of September FY25 where food inflation increased from 10.4 percent to 12.66 percent, non-food inflation decreased a bit from 9.5 percent to 9.34 percent. On a twelve-month average basis, inflation rose to 10.04 percent in October FY25 from 9.97 percent in September 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
Oct-24	10.04	10.76	9.25	10.87	12.66	9.34

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.