সেন্টার ফর পলিসি ডায়লগ (সিপিডি)
Centre for Policy Dialogue (CPD)

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Bangladesh Macroeconomic Pulse

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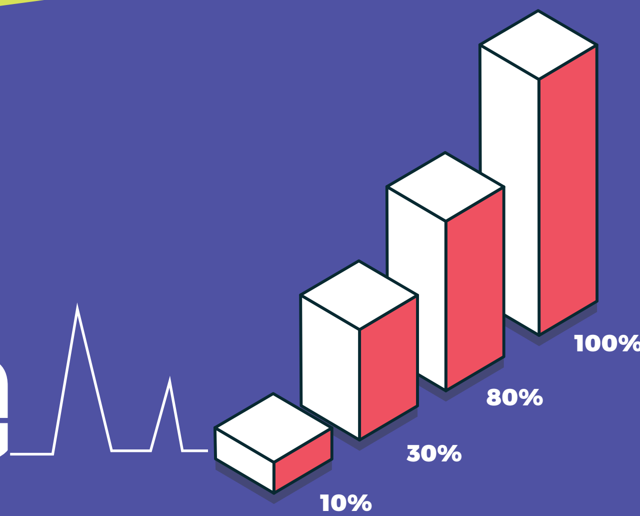
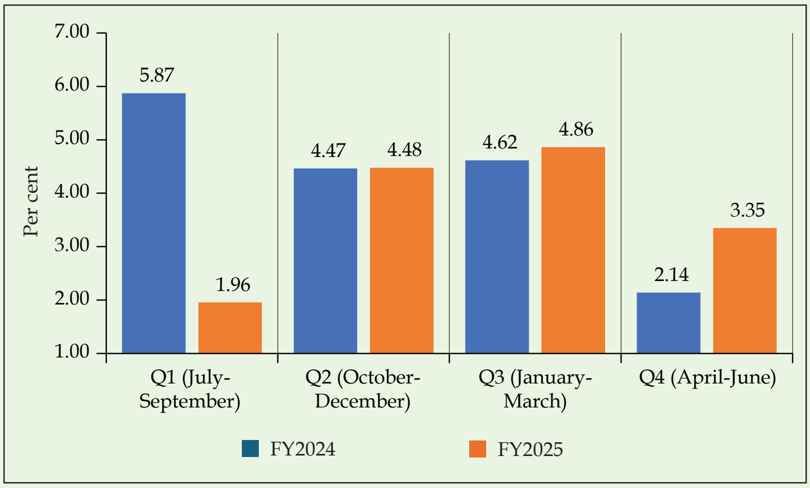


Highlights

- Bangladesh's exports fell 7.43 per cent year-on-year to USD 3.82 billion in October 2025, marking the third consecutive monthly decline mainly due to weak global demand and RMG order slowdown, though cumulative July–October FY2026 exports grew 2.22 per cent year-on-year (EPB, n.d.).
- Bangladesh secured USD 1.20 billion in new foreign aid commitments during July-October FY2026, with commitments rising by 374.90 per cent, loan disbursements increasing by 38.51 per cent, and debt repayments up by 10.23 per cent compared to the corresponding period of FY2025, reflecting stronger engagement with development partners (ERD, n.d.).
- Headline inflation continued to decline to 9.22 per cent in October 2025, driven by a slowdown in food prices, as food inflation fell to 9.09 per cent. However, the slow pace of decline in non-food inflation, combined with stagnant wage growth of 8.13 per cent, continues to weaken household purchasing power and reduce real incomes.
- The World Bank forecasted Bangladesh's GDP growth and inflation to be 4.80 per cent and 7.40 per cent, respectively, in FY2026. The World Bank also projected the current account to have a slight deficit, at -0.30 per cent of GDP in FY2026. At the same time, the International Monetary Fund (IMF) projected GDP growth to be 4.90 per cent, inflation to be 8.70 per cent, and current account balance to be -0.90 per cent of GDP in FY2026 (World Bank, 2025; IMF, 2025).

National Accounts and Real Economy

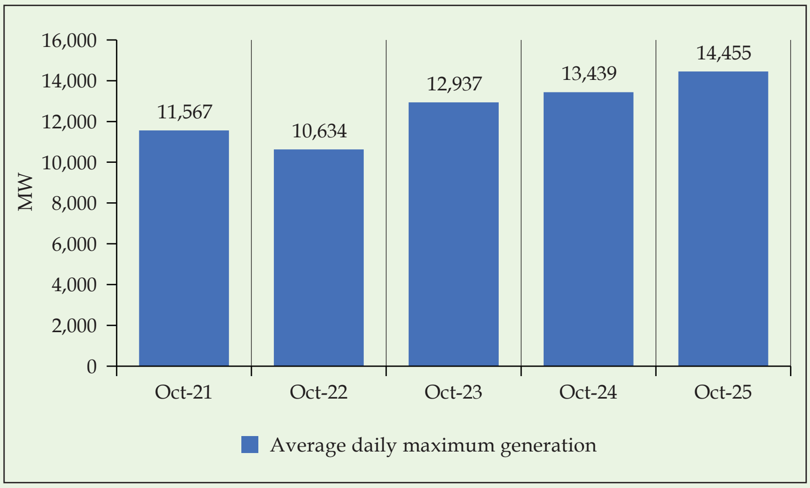
Figure 1: Quarterly growth rate of Gross Domestic Product (GDP)



Source: Authors' illustration based on data from Bangladesh Bureau of Statistics (BBS, 2025a).

- GDP growth increased in the fourth quarter of FY2025 compared to the same period in FY2024, showcasing a recovery in economic activity. This rise in GDP hints a broader economic rebound after the July movement.

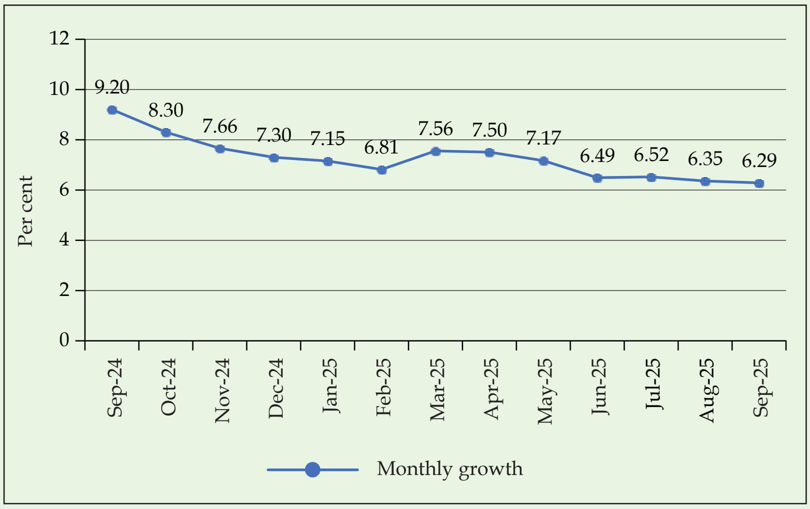
Figure 2: Monthly average of daily maximum electricity generation (MW)



Source: Authors' illustration based on data from Bangladesh Power Development Board (BPDB, n.d.).

- The average daily maximum electricity generation in October 2025 reached 14,455 MW, continuing an upward trend observed over the last three years in the month of October.
- This reflects growing household and industrial demand, while also indicating continued pressure on the energy supply system and highlighting the challenge of supporting economic activity alongside ensuring energy security.

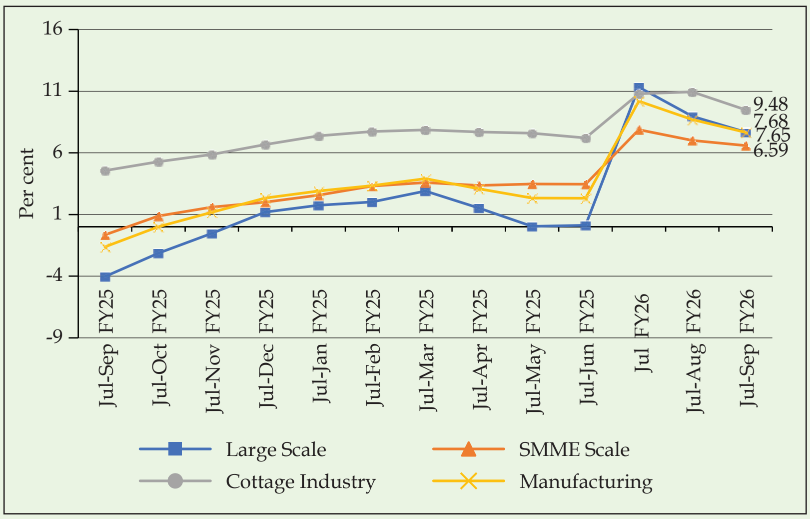
Figure 3: Monthly growth of private sector credit



Source: Authors' illustration based on data from Bangladesh Bank (2025a).

- Private sector credit growth dropped to a record low of 6.29 per cent in September 2025, the lowest level of the year, signifying fragile state of business climate and investment demand.
- High borrowing costs, political uncertainty, and structural weakness in the banking sector continue to hinder credit expansion and dampen investment sentiment.

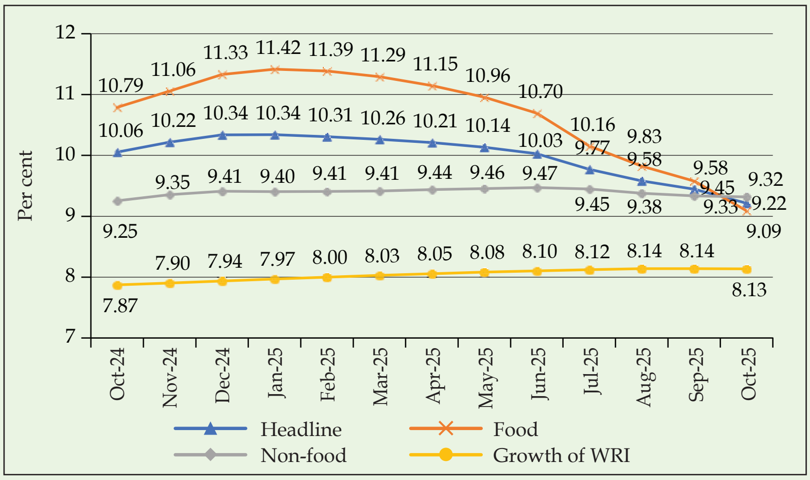
Figure 4: Growth of index of industrial production of manufacturing enterprise



Source: Authors' illustration based on data from BBS (2024, 2025b).

- Large-scale, Small, Medium & Micro Enterprise (SMME), and cottage industries maintained positive year-on-year growth during July-September FY2026, although a declining trend was observed for manufacturing enterprises growth in recent period.
- This trend signals a slow yet ongoing recovery within the industrial sector, contributing to a broader rebound in manufacturing activity.

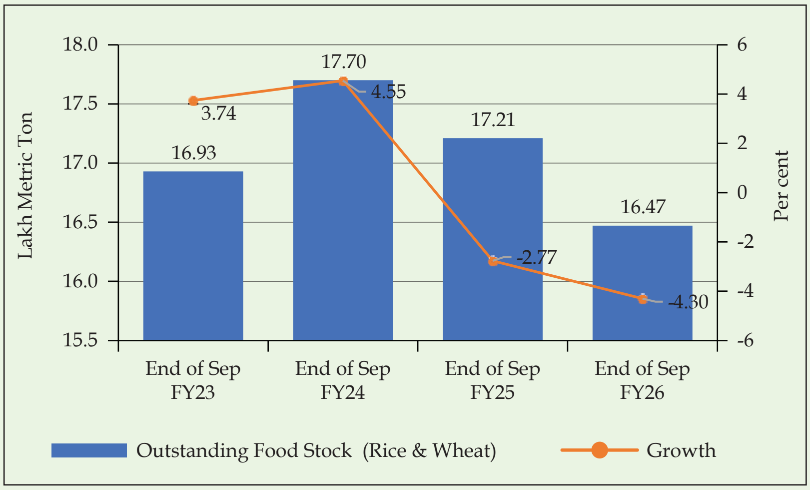
Figure 5: Monthly trends in inflation and wage rate index growth (moving average)



Source: Authors' illustration based on data from BBS (2025c).

- Headline inflation eased slightly to 9.22 per cent in October 2025, driven by a slowdown in food prices, with food inflation falling to 9.09 per cent in this period.
- However, the slow pace of decline in non-food inflation, combined with subdued wage growth of 8.13 per cent, continues to weaken household purchasing power and reduce real incomes.

Figure 6: Outstanding food stock (Rice & Wheat)

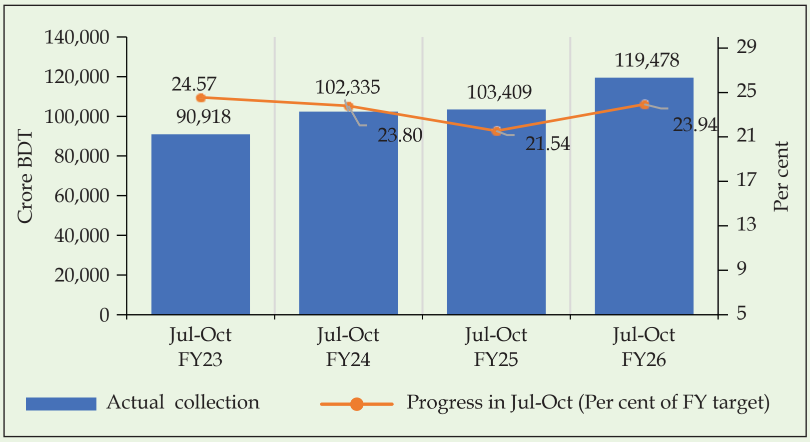


Source: Authors' illustration based on data from Bangladesh Bank (2022, 2024b, 2025a).
Note: Data for outstanding food stock growth is presented on the right vertical axis.

- The government's outstanding food stock of rice and wheat stood at 16.47 lakh metric tonnes by the end of September 2025; the lowest level recorded for the corresponding period in the past four years.
- However, food grain distribution rose by 1.75 lakh metric tonnes compared to the corresponding period of the previous year, indicating an increase in public food distribution.

Public Finance

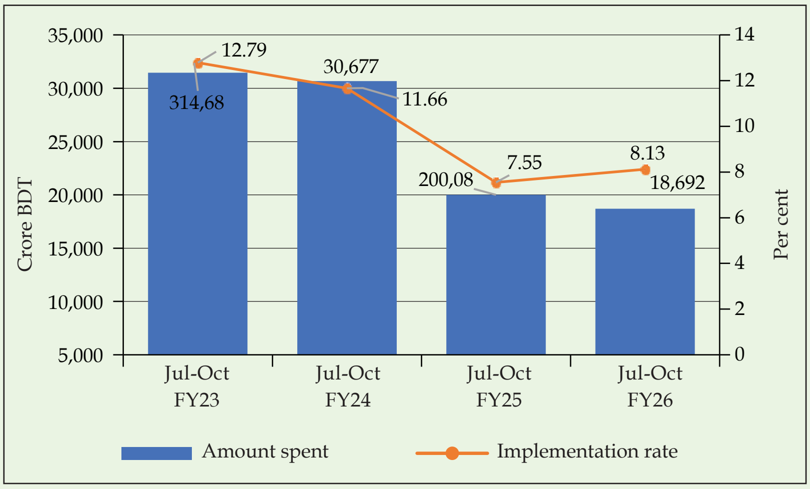
Figure 7: Monthly progress on NBR tax collection



Source: Authors' illustration based on data from NBR (2023, 2024, 2025) and Ministry of Finance (MoF, 2023, 2024, 2025).
Note: Data for progress in July-October (Per cent of FY target) is presented on the right vertical axis.

- NBR tax collection reached 23.94 per cent of the annual target during July-October FY2026, representing an increase of over BDT 16,000 crore compared to the corresponding period of the previous year.
- However, the progress rate followed a similar trend in recent years, with the collection still falling short of the required pace to meet the full fiscal-year target.

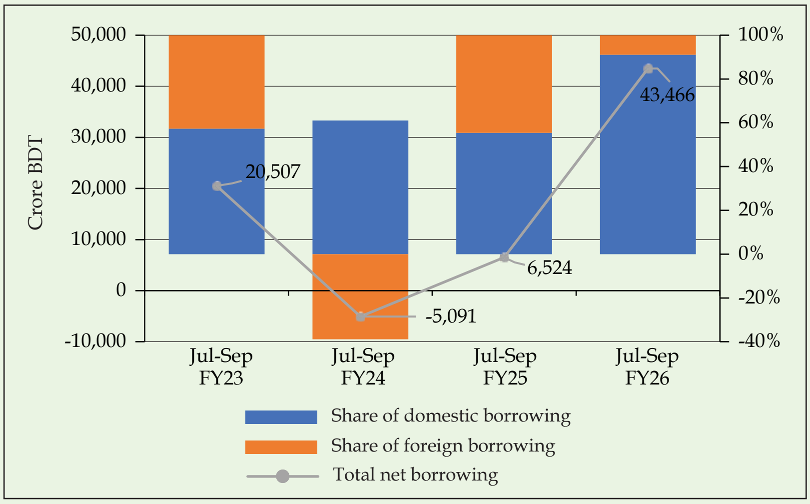
Figure 8: Monthly comparison of ADP implementation progress



Source: Authors' illustration based on data from Implementation Monitoring and Evaluation Division (IMED, 2025).
Note: Data for Implementation rate (Per cent of total ADP) is presented on the right vertical axis.

- ADP implementation rate remained subdued at 8.13 per cent of the total fiscal year target during July-October FY2026, indicating very slow progress compared to historical trends.
- This weak performance might be indicative of poor project management, institutional inefficiencies or the government's ongoing efforts to restrain unnecessary expenditure through overcapitalisation.

Figure 9: Government borrowings to finance the budget deficit

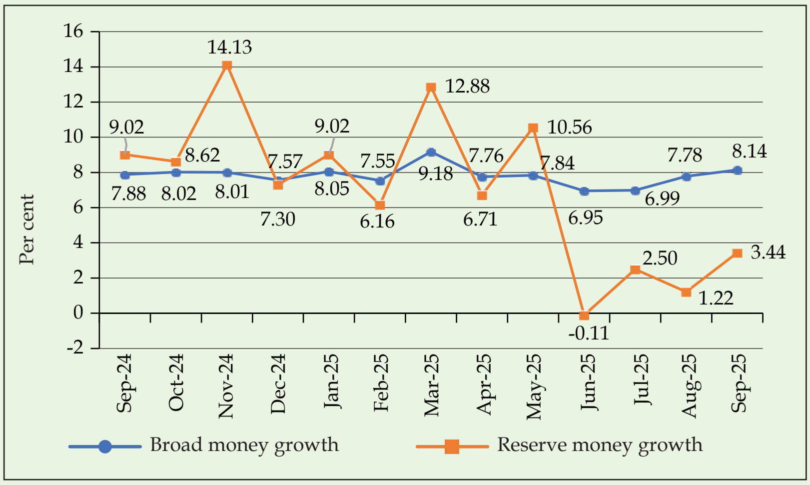


Source: Authors' illustration based on data from Bangladesh Bank (2023, 2024b, 2025a).
Note: Data for share of borrowings (Per cent) is presented on the right vertical axis.

- Total net borrowings increased nearly sevenfold during July-September FY2026 compared to the corresponding period of last year, with domestic borrowing accounting for more than 90 per cent of total borrowings.
- The share of net foreign borrowing reduced drastically due to significant foreign repayments by the government, reflecting a continuing reliance on domestic financing sources, especially the banking sector.

Monetary Sector

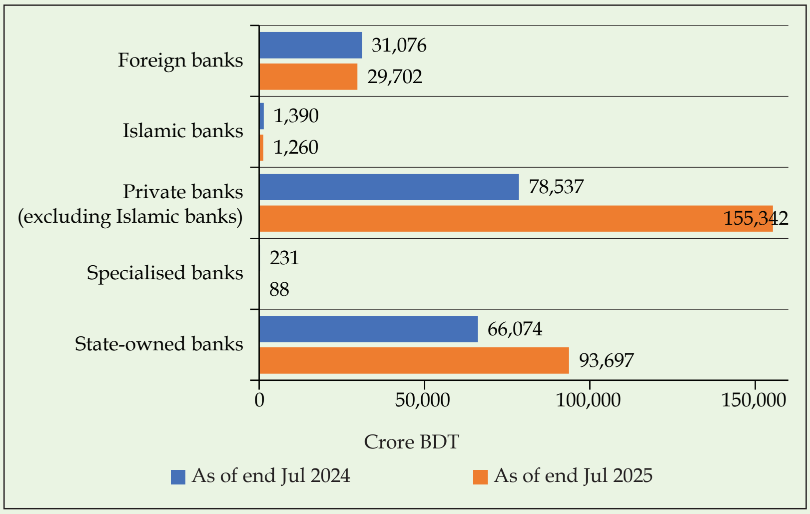
Figure 10: Monthly trends in growth of broad money and reserve money



Source: Authors' illustration based on data from Bangladesh Bank (2025b).

- Broad money growth accelerated to 8.14 per cent in September 2025, surpassing the September 2024 figure. This increase in growth might be attributed to the expansion in government borrowing.
- Reserve money growth remained modest at 3.44 per cent in September 2025, although a slight increase was observed compared to the previous month.

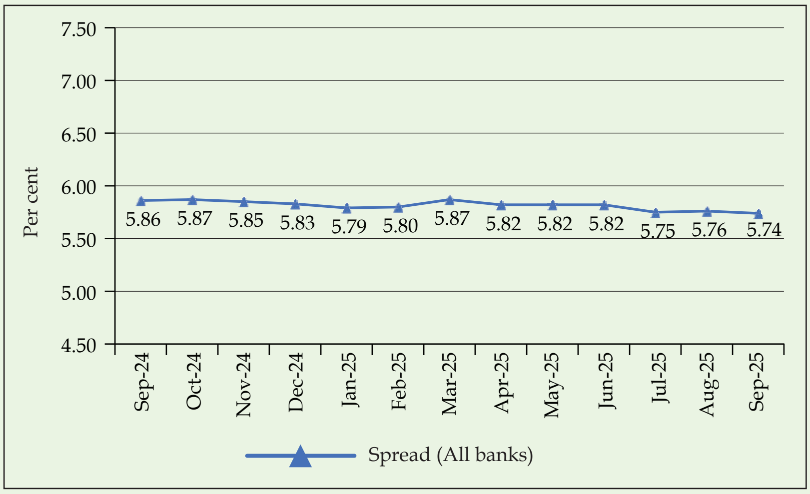
Figure 11: Liquidity surplus in the scheduled banks



Source: Authors' illustration based on data from Bangladesh Bank (2024a, 2025a).

- Total liquid assets in scheduled banks improved as of July 2025 compared to the July 2024 level, driven by strong performances from private (excluding Islamic) and state-owned banks.
- However, both Islamic and specialised banks underperformed, although they managed to maintain the minimum required liquid assets during this period.

Figure 12: Monthly interest rate spread of banks and non-bank financial institutions

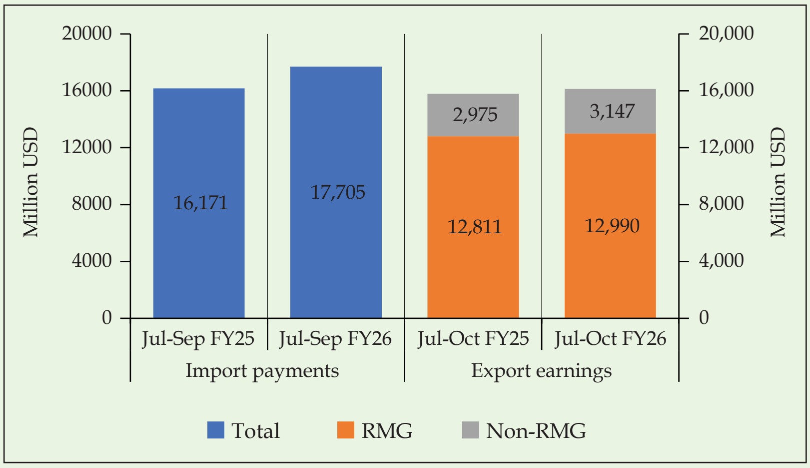


Source: Authors' illustration based on data from Bangladesh Bank (2025a).

- The spread between lending and deposit rates in banks narrowed to 5.74 per cent in September 2025, likely reflecting an increase in deposit rates.

External Sector

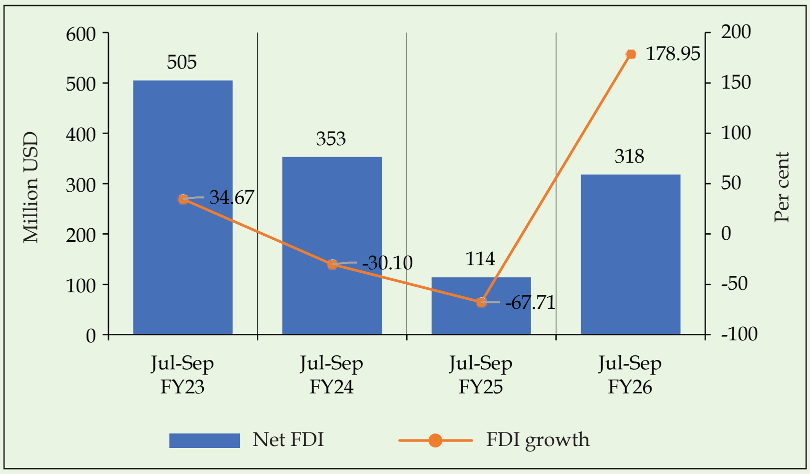
Figure 13: Monthly exports and imports situations



Source: Authors' illustration based on data from Export Promotion Bureau (EPB, n.d.) and Bangladesh Bank (2025a).
Note: Data for export earnings is presented on the right vertical axis.

- Exports showed a moderate improvement during July-October FY2026, with a year-on-year growth of 2.22 per cent. However, export earnings for the month of October alone experienced a significant year-on-year decline of 7.43 per cent.
- Import payments rose significantly during July-September FY2026, with a year-on-year growth of 9.49 per cent, driven primarily by higher imports of intermediate goods.

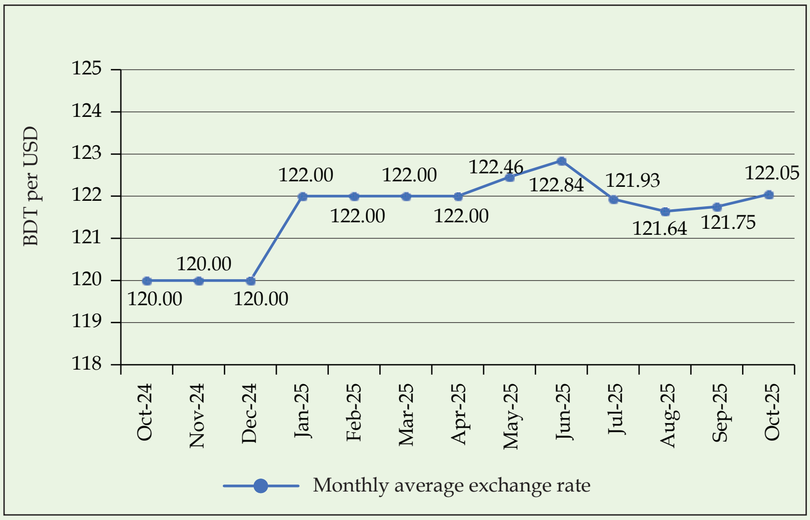
Figure 14: Net Foreign Direct Investment (FDI) situation



Source: Authors' illustration based on data from Bangladesh Bank (2022, 2023, 2024b, 2025a, n.d.a).
Note: Data for net FDI growth is presented on the right vertical axis.

- Net FDI stood at USD 318 million during July-September FY2026, showing a year-on-year improvement after two years of negative growth in the corresponding period, signalling a cautious recovery in foreign investment flows.

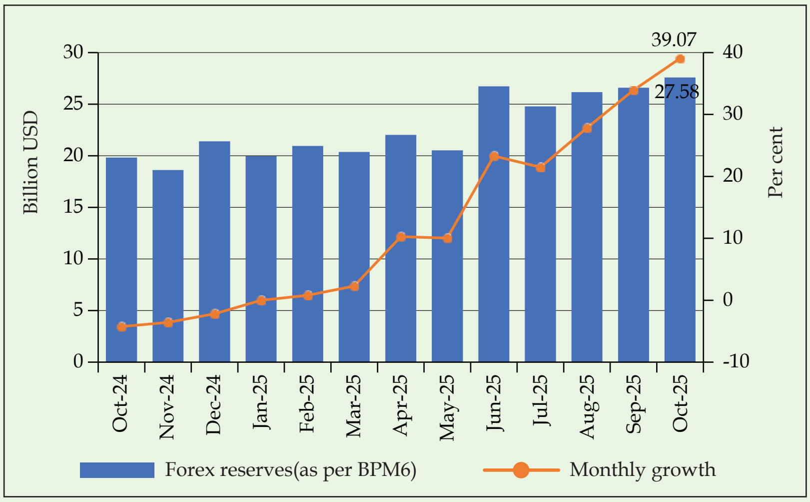
Figure 15: Monthly exchange rate movements (BDT/USD)



Source: Authors' illustration based on data from Bangladesh Bank (2025a).

- The exchange rate of Bangladeshi Taka (BDT) depreciated slightly by BDT 0.30 against US Dollar (USD) on average in October 2025, exhibiting a declining trend for the second consecutive month.

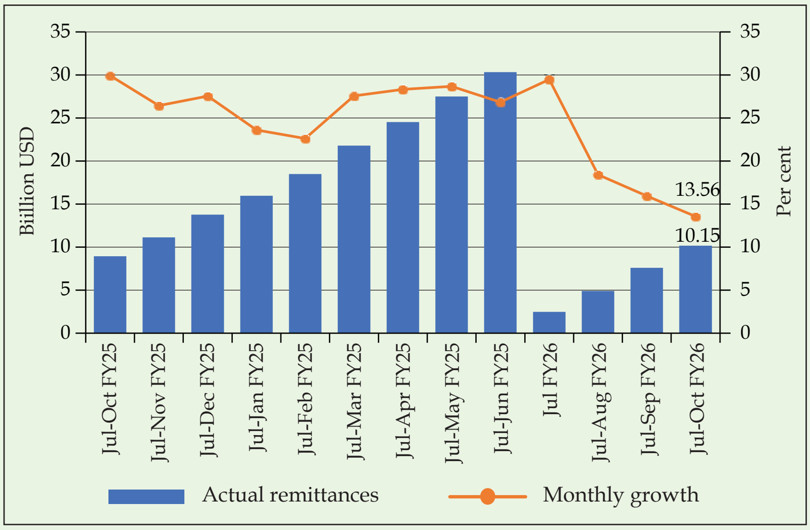
Figure 16: Monthly foreign exchange reserve (as per BPM6)



Source: Authors' illustration based on data from Bangladesh Bank (n.d.b).
Note: Data for monthly reserve growth is presented on the right vertical axis.

- Foreign exchange reserves surged to USD 27.58 billion in October 2025, reflecting a 39.07 per cent year-on-year growth, mainly driven by robust remittance inflows.

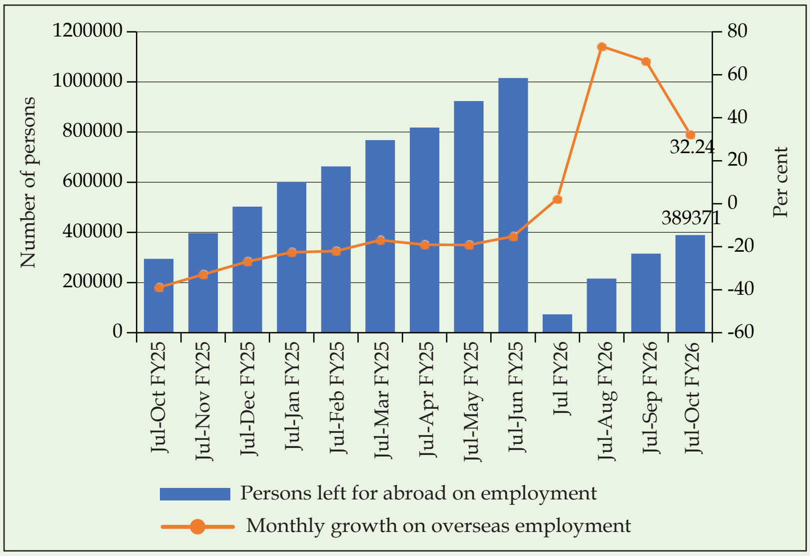
Figure 17: Monthly data of wage earner's remittance



Source: Authors' illustration based on data from Bangladesh Bank (n.d.c).
Note: Data for monthly remittance growth is presented on the right vertical axis.

- Remittance inflows stood at USD 10.15 billion during July-October FY2026, a 13.56 per cent year-on-year increase compared to the corresponding period of FY2025. This growth continues to play an important role in stabilising the balance of payments.

Figure 18: Monthly growth of overseas employment



Source: Authors' illustration based on data from Bangladesh Bank (2025b).
Note: Data for growth of overseas employment is presented on the right vertical axis.

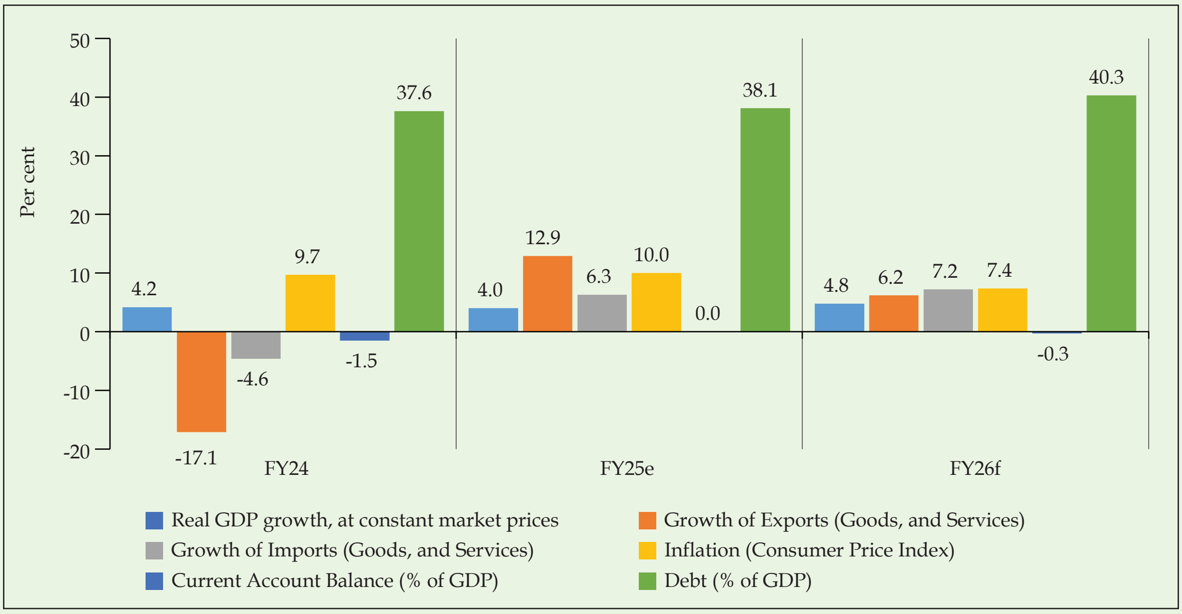
- Overseas employment increased by 32.24 per cent during July-October FY2026 compared to the same period in FY2025. This upward trend is anticipated to further boost remittance inflows.

Special Focus of the Month

- *Bangladesh Development Update: Special Focus - Urbanization as a Pathway to Boost Job Growth* by World Bank

According to the World Bank's latest Bangladesh Development Update report (October 2025), real GDP growth is expected to increase to 4.80 per cent in FY2026. This performance will be driven by decelerating inflation and improved private consumption. Exports are projected to maintain strong growth at 6.20 per cent despite ongoing global trade tensions, whilst imports are forecasted to rise by 7.20 per cent in FY2026. The current account balance is projected to show a slight deficit of -0.30 per cent of GDP. Crucially, the report anticipated that inflation will drop to 7.40 per cent in FY2026. However, the forecast also highlighted a major fiscal challenge, as public debt is projected to continue its upward trajectory, reaching 40.30 per cent of GDP in FY2026.

Figure 19: Outlook of the key macroeconomic indicators



Source: Authors' illustration based on data from the World Bank (2025).
Note: e: estimated, f: forecast.

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About The Macroeconomic Pulse

The Centre for policy Dialogue (CPD) is committed to advancing the development of Bangladesh by promoting participatory policy making, focusing on research and analyses, dialogues, and publications. From 1995, CPD's flagship programme Independent Review of Bangladesh's Development (IRBD) provides critical analyses of the macroeconomic performance. As a continuation of this, CPD launches a new monthly publication under the IRBD programme, Bangladesh Macroeconomic Pulse, starting from the month of July 2025.

The Pulse provides a broad overview of the contemporary macroeconomic landscape of Bangladesh. Each issue of the Pulse will track key economic correlates pertaining to national accounts, real economy, public finance, monetary sector, external sector, and feature a special focus of the month concerning significant policy debates, challenges, or data releases. The Pulse serves policymakers, stakeholders, and citizens to navigate the economic realities of Bangladesh.

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