

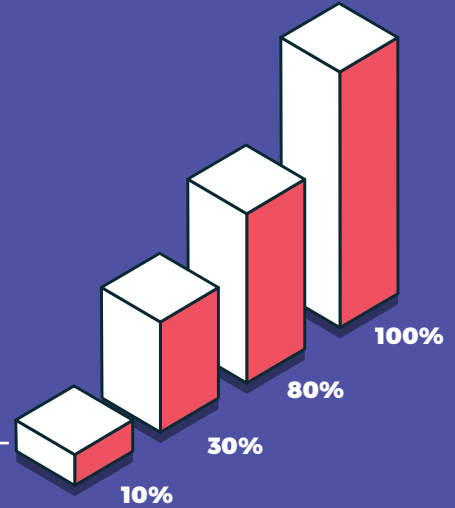


সেন্টার ফর পলিসি ডায়ালগ (সিপিডি)
Centre for Policy Dialogue (CPD)



Bangladesh Macroeconomic Pulse

December 2025

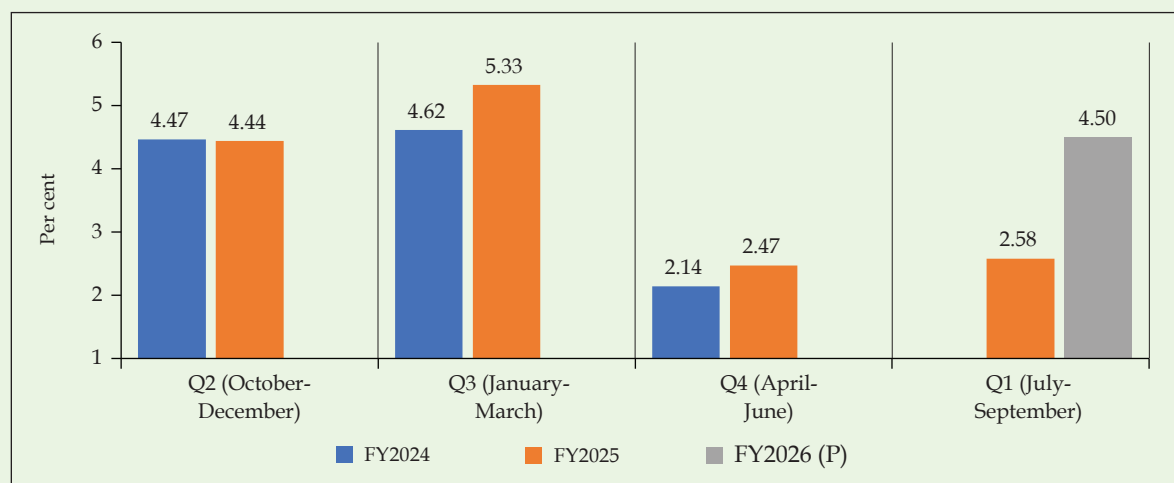


Highlights

- GDP growth increased to 4.50 per cent in Q1 FY2026, from 2.58 per cent in Q1 FY2025. This indicates a positive shift in economic momentum at the start of the fiscal year. Sectoral data shows that this improvement was primarily driven by a strong rebound in the industrial sector, with a growth rate of 6.97 per cent (BBS, 2025d).
- In December 2025, the Asian Development Bank revised Bangladesh's FY2026 GDP growth forecast downward, stating weaker exports amid subdued global demand and supply disruptions to be the major reason. The downgrade also reflects election-related investment uncertainty, financial sector weaknesses, and the October strike at Chattogram Port, which handles over 90 per cent of the country's trade (ADB, 2025).
- Export performance deteriorated during July–December FY2026, registering a negative year-on-year growth of 2.19 per cent, mainly due to a slowdown in RMG exports. Monthly exports also declined by 14.25 per cent year-on-year to USD 3.97 billion for the month of December 2025 (EPB, n.d.).
- The Executive Committee of the National Economic Council (ECNEC) approved 18 development projects worth BDT 16,003 crore on 1 December 2025 prioritising infrastructure, energy, and social rehabilitation initiatives. Among these are two fully government-funded housing projects aimed at resettling families affected by the July 2024 Anti-Discrimination Student Movement (Ecne approves 18 development projects worth over Tk16,000cr, 2025).
- Headline inflation continued to decline to 8.77 per cent in December 2025, driven by a slowdown in food prices, as food inflation fell to 8.16 per cent. However, the slow pace of decline in non-food inflation, combined with declining wage growth of 8.12 per cent, continues to weaken household purchasing power and reduce real incomes.

National Accounts and Real Economy

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

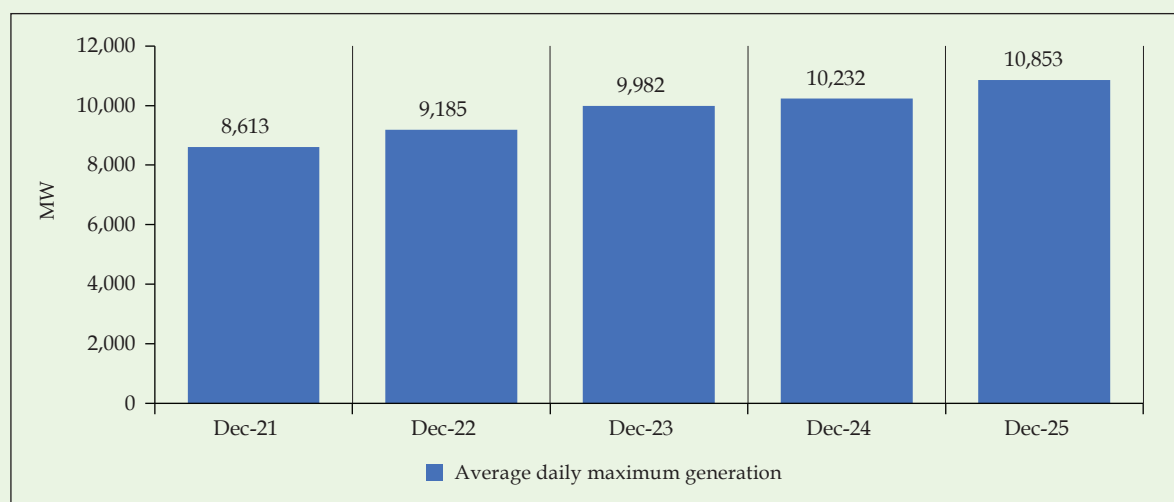


Source: Authors' illustration based on data from Bangladesh Bureau of Statistics (BBS, 2025a, 2025d).

Note: R: revised; P: provisional.

- GDP growth increased to 4.50 per cent in Q1 FY2026, up from 2.58 per cent in Q1 FY2025. This improvement indicates a recovery in economic activity following the stagnation observed in the previous quarter.

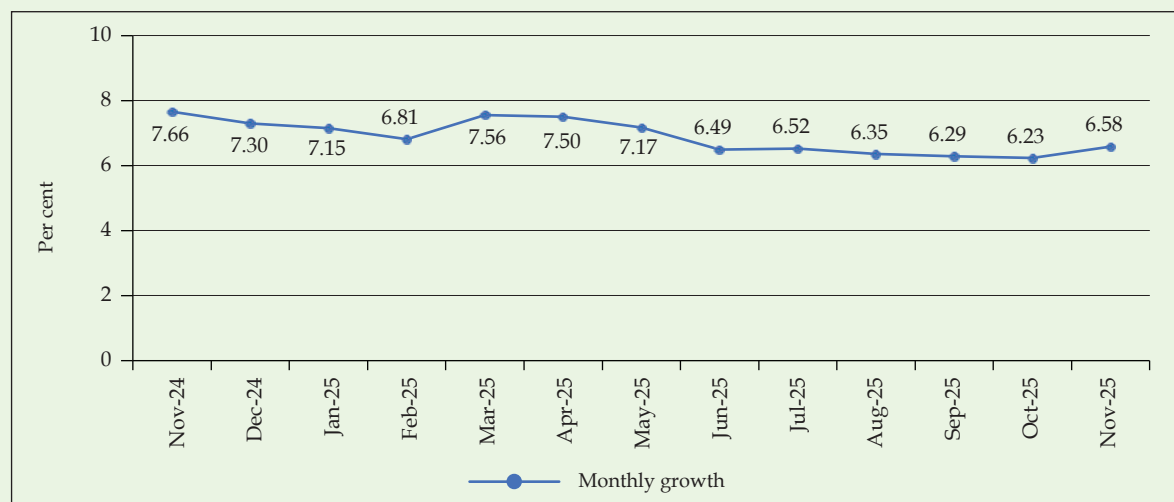
Figure 2: Monthly average of daily maximum electricity generation (MW)



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

- The average daily maximum electricity generation in December 2025 reached 10,853 MW, continuing an upward trend observed over the last four years in the month of December.
- Although electricity demand is comparatively lower in December due to the winter season, its continuous rise over the years signals challenges in ensuring energy security during the upcoming summer.

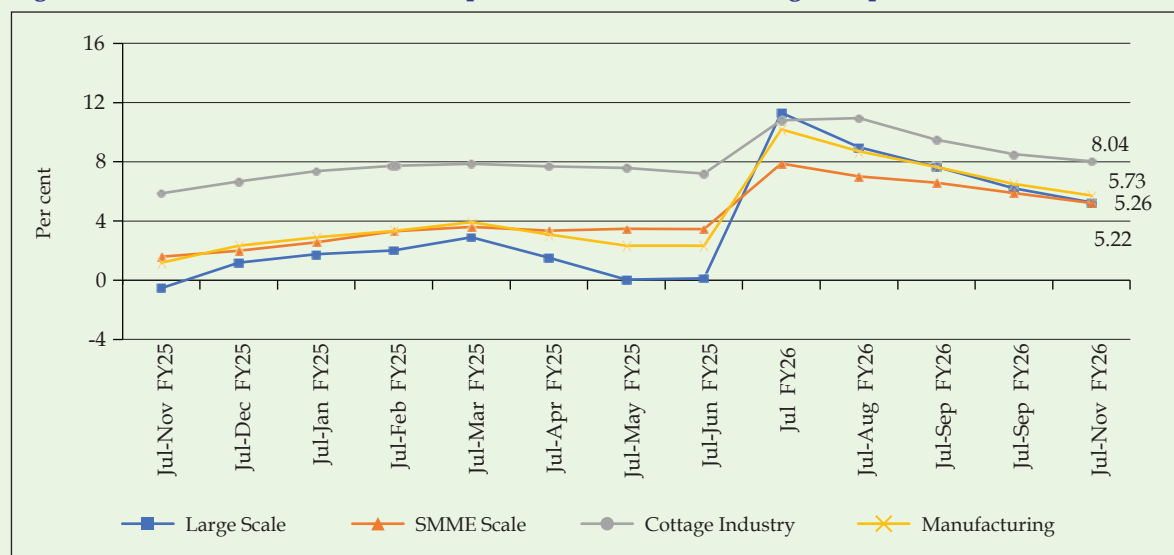
Figure 3: Monthly growth of private sector credit



Source: Authors' illustration based on data from Bangladesh Bank (2026).

- Private sector credit growth rebounded to 6.58 per cent in November 2025 after three consecutive months of downturn, although it remained below the level recorded in November 2024.

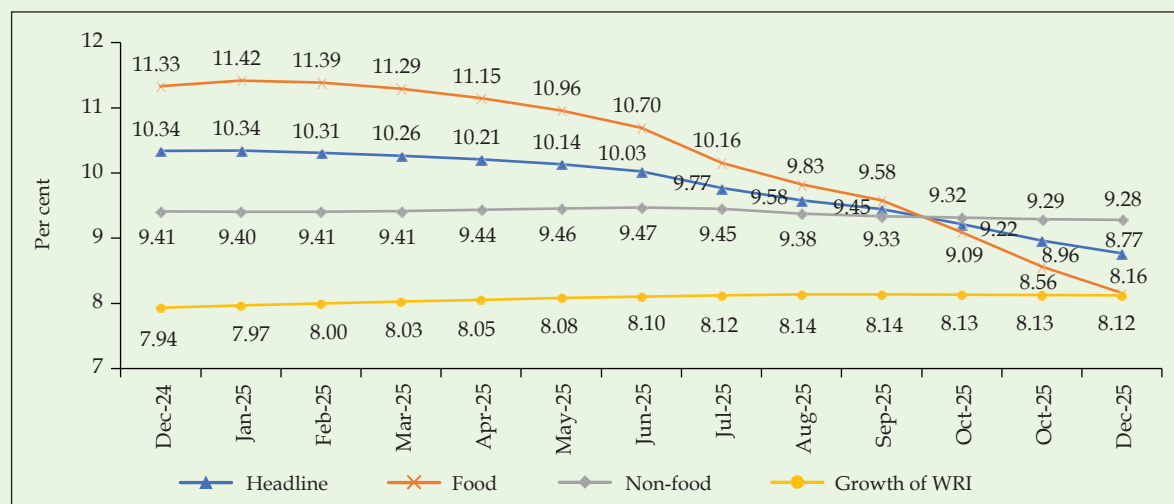
Figure 4: Growth of index of industrial production of manufacturing enterprise



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

- Large-scale, small, medium and micro enterprises (SMMEs), as well as cottage industries, maintained positive year-on-year growth during July–November FY2026. However, the growth momentum weakened across all enterprise segments in the recent period.

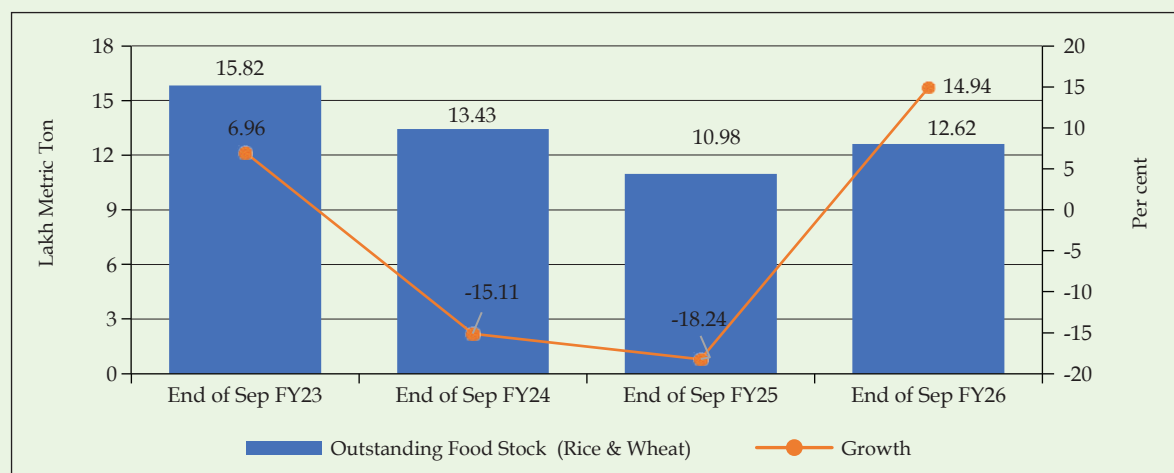
Figure 5: Monthly trends in inflation and wage rate index growth (moving average)



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

- Headline inflation continued to decline to 8.77 per cent in December 2025, driven by a slowdown in food prices, as food inflation fell to 8.16 per cent.
- However, the slow pace of decline in non-food inflation, combined with declining wage growth of 8.12 per cent, continues to weaken household purchasing power and reduce real incomes.

Figure 6: Outstanding food stock (Rice & Wheat)



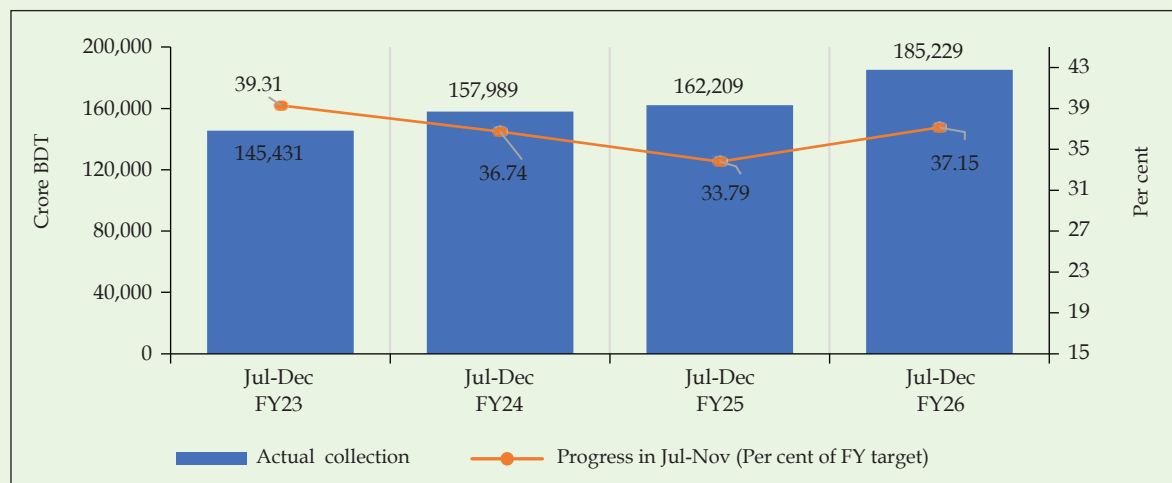
Source: Authors' illustration based on data from Bangladesh Bank (2023a, 2024b, 2025a).

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 12.62 lakh metric tonnes at the end of November 2025, with a year-on-year increase of 14.94 per cent.
- Additionally, food grain distribution rose by 1.42 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

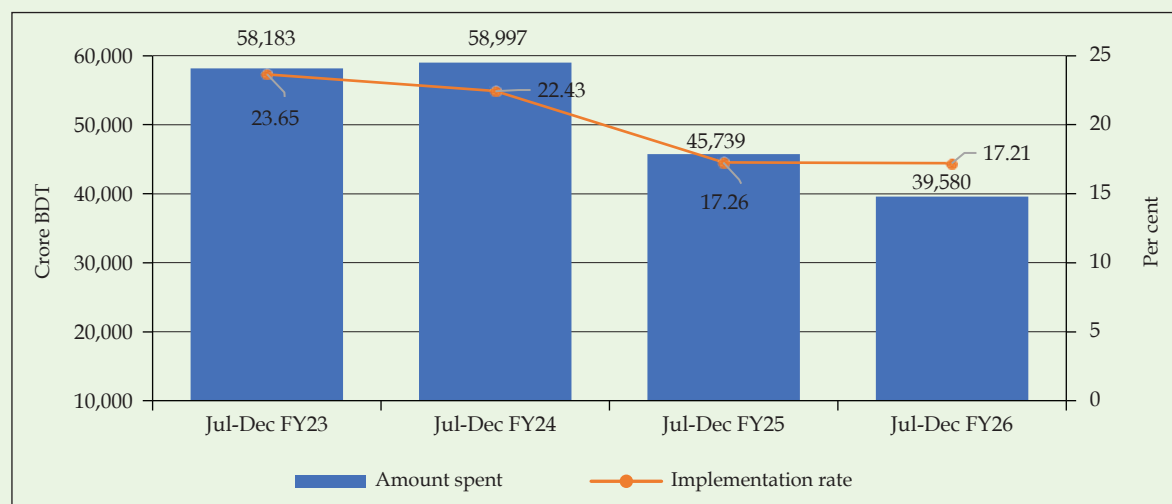


Source: Authors' illustration based on data from NBR (2023, 2024, 2025) and Ministry of Finance (MoF, 2023, 2024, 2025).

Note: Data for progress in July-December (Per cent of FY target) is presented on the right vertical axis.

- NBR tax collection reached 37.15 per cent of the annual target during July- December FY2026, representing an increase of over BDT 23,000 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

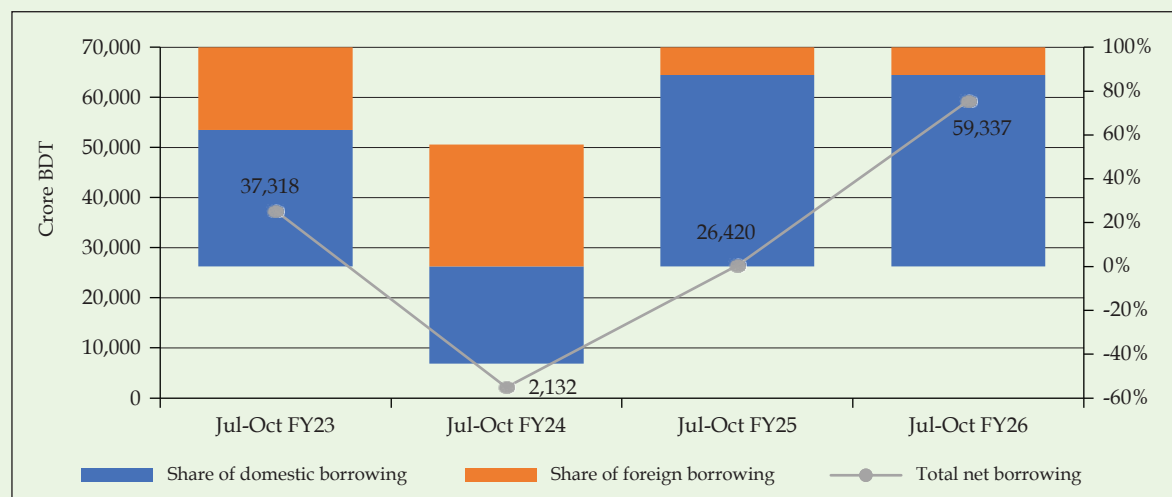


Source: Authors' illustration based on data from Implementation Monitoring and Evaluation Division (IMED, 2025).

Note: Data for Implementation rate (Per cent of total ADP) is presented on the right vertical axis.

- ADP implementation during July-December FY2026 stood at just 17.21 per cent of the total fiscal year target, marking the slowest progress in recent years.
- 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



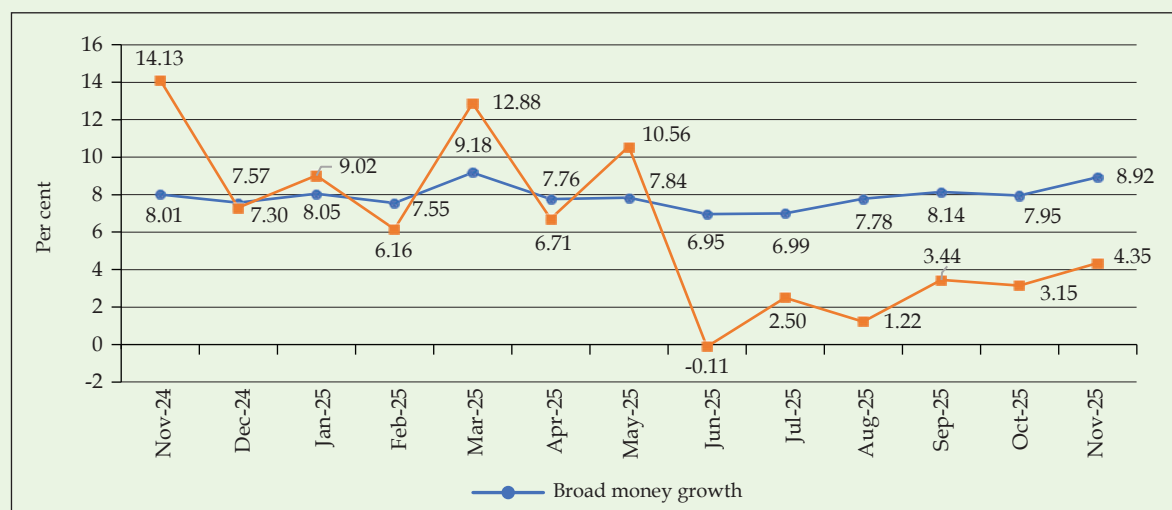
Source: Authors' illustration based on data from Bangladesh Bank (2023a, 2025a).

Note: Data for share of borrowings (Per cent) is presented on the right vertical axis.

- Total net borrowings more than doubled during July-October FY2026 compared to the corresponding period of last year, with domestic borrowing accounting for 87 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

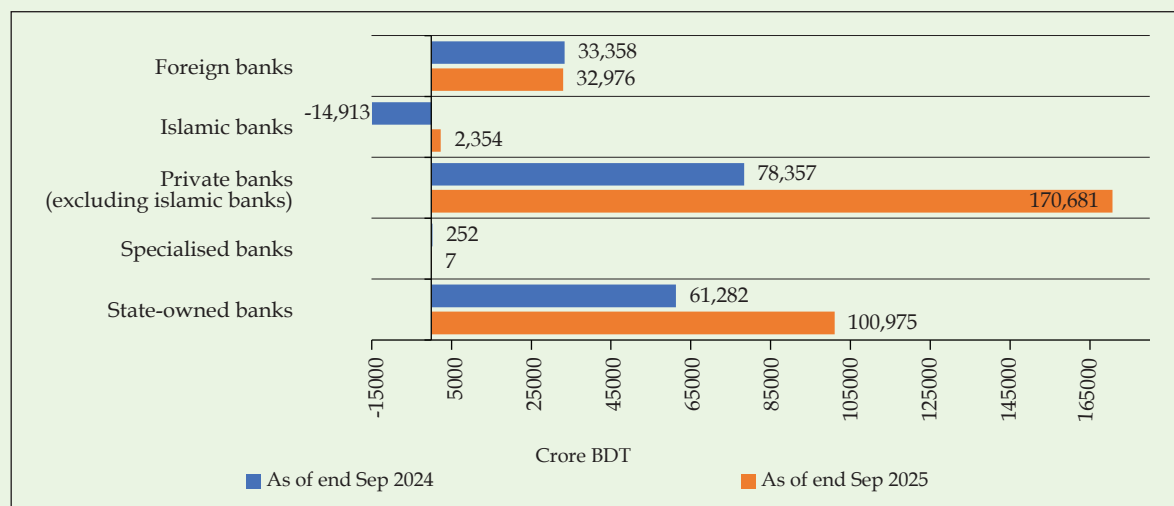
Figure 10: Monthly trends in growth of broad money and reserve money



Source: Authors' illustration based on data from Bangladesh Bank (2026).

- Broad money growth increased to 8.92 per cent in November 2025, up from the November 2024 figure, reflecting an expansion in overall liquidity conditions.
- Reserve money growth edged up to 4.35 per cent in November 2025, indicating a moderate expansion of the monetary base.

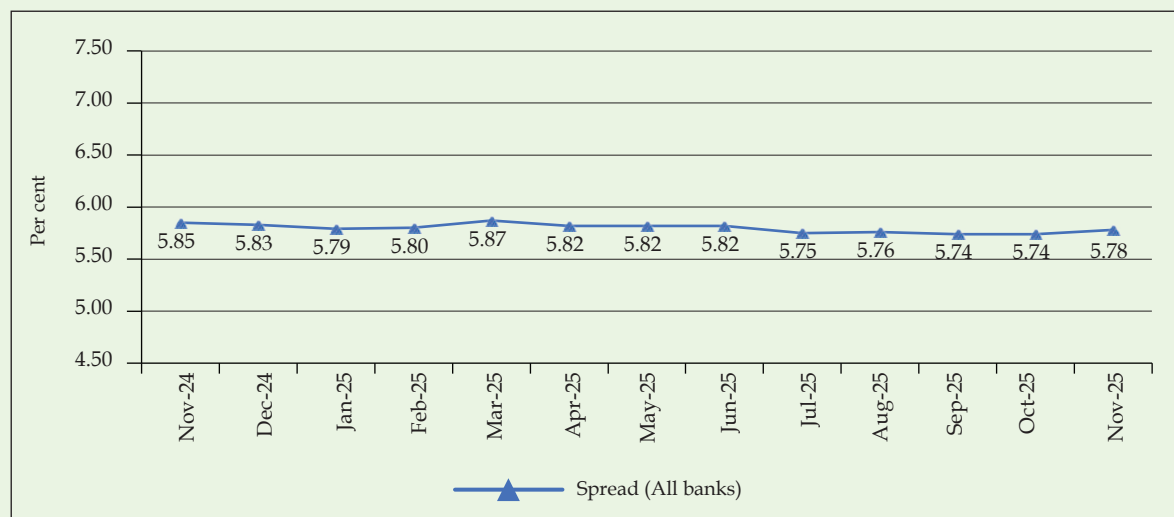
Figure 11: Liquidity surplus in the scheduled banks



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

- Total liquid assets in scheduled banks improved in September 2025 compared to the September 2024 level, driven by strong performances from private and state-owned banks.
- However, specialised banks performed poorly, 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

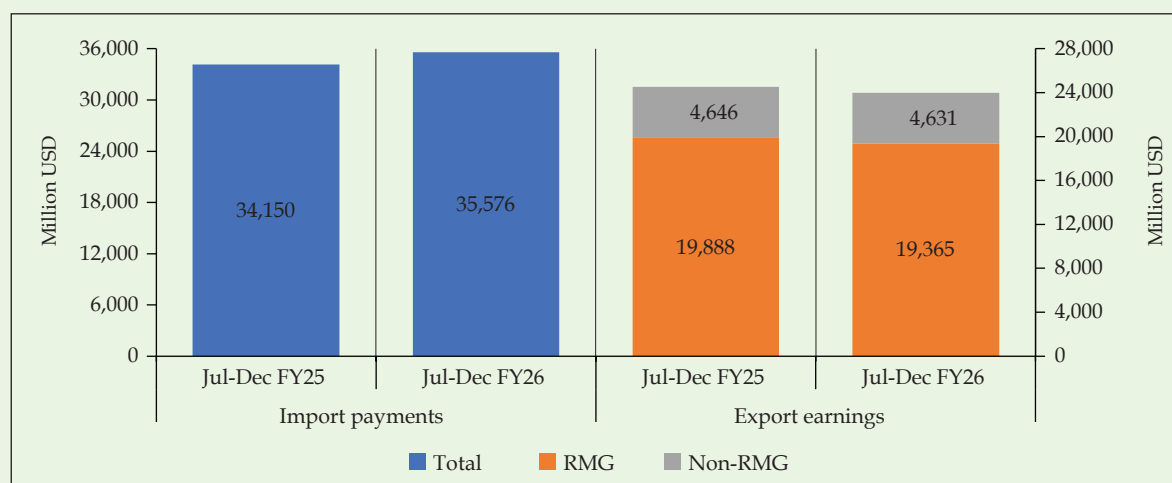


Source: Authors' illustration based on data from Bangladesh Bank (2026).

- The spread between lending and deposit rates in banks widened to 5.78 per cent in November 2025 after two months of stagnation.

External Sector

Figure 13: Monthly exports and imports situations

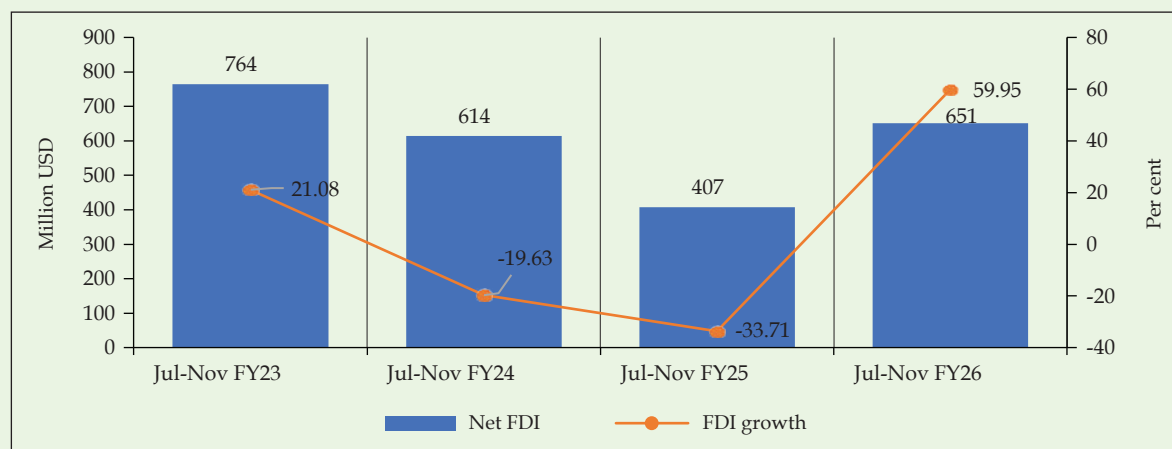


Source: Authors' illustration based on data from Export Promotion Bureau (EPB, n.d.) and Bangladesh Bank (2026).

Note: Data for export earnings is presented on the right vertical axis.

- Export performance deteriorated during July–December FY2026, registering a negative year-on-year growth of 2.19 per cent. Also, exports declined by 14.25 per cent year-on-year to USD 3.97 billion for the month of December 2025.
- Meanwhile, import payments continued to rise during July–December FY2026, with a year-on-year growth of 4.17 per cent.

Figure 14: Net Foreign Direct Investment (FDI) situation

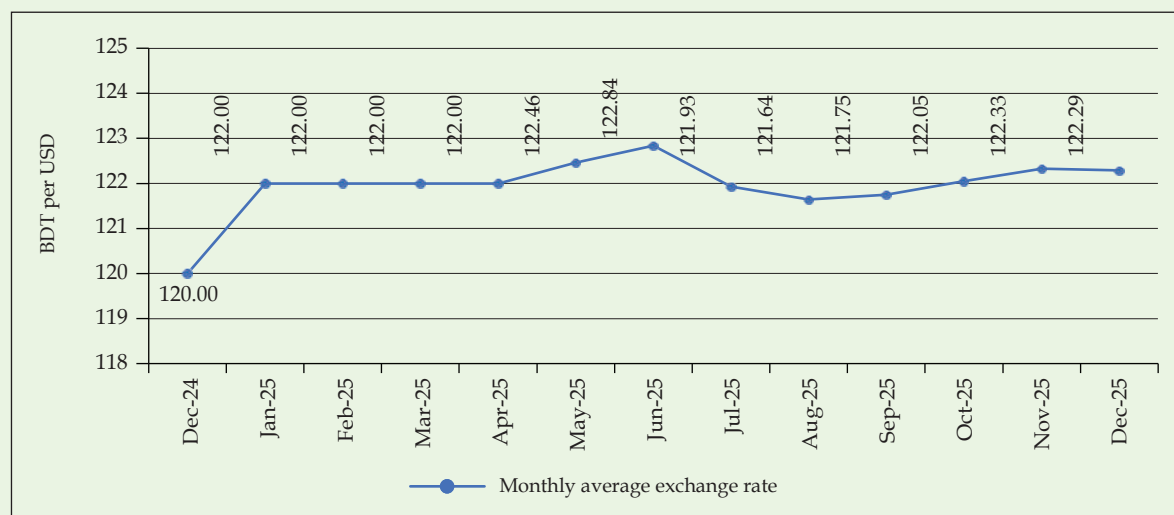


Source: Authors' illustration based on data from Bangladesh Bank (2022a, 2023b, 2024b, n.d.a).

Note: Data for net FDI growth is presented on the right vertical axis.

- Net FDI stood at USD 651 million during July–November FY2026, showing a year-on-year improvement after two years of negative growth in the corresponding period. This positive growth signals a cautious recovery in foreign investment flows.

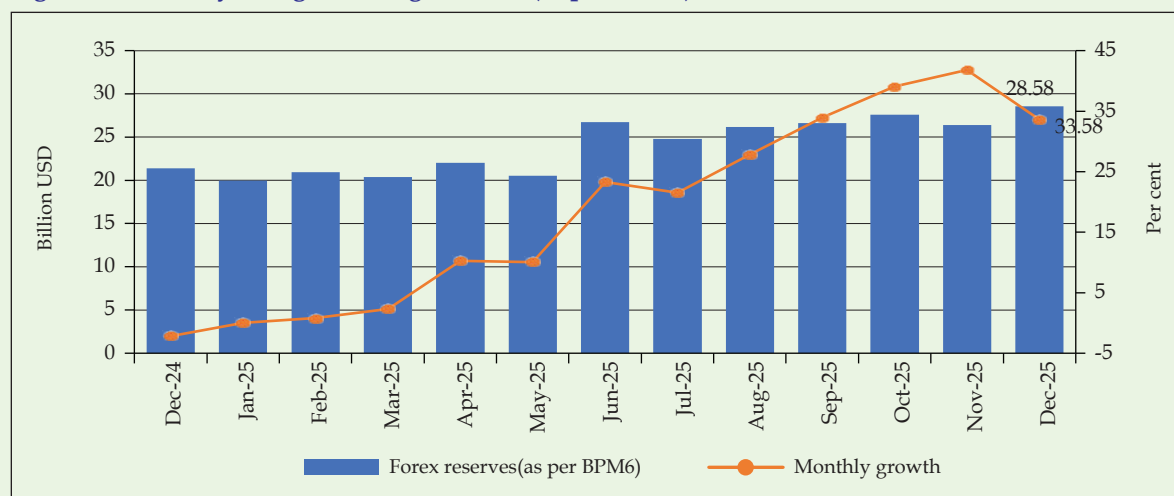
Figure 15: Monthly exchange rate movements (BDT/USD)



Source: Authors' illustration based on data from Bangladesh Bank (2025a, 2026).

- The exchange rate of Bangladeshi Taka appreciated slightly by BDT 0.04 against the US Dollar on average in December 2025, after depreciating for the third consecutive month.

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

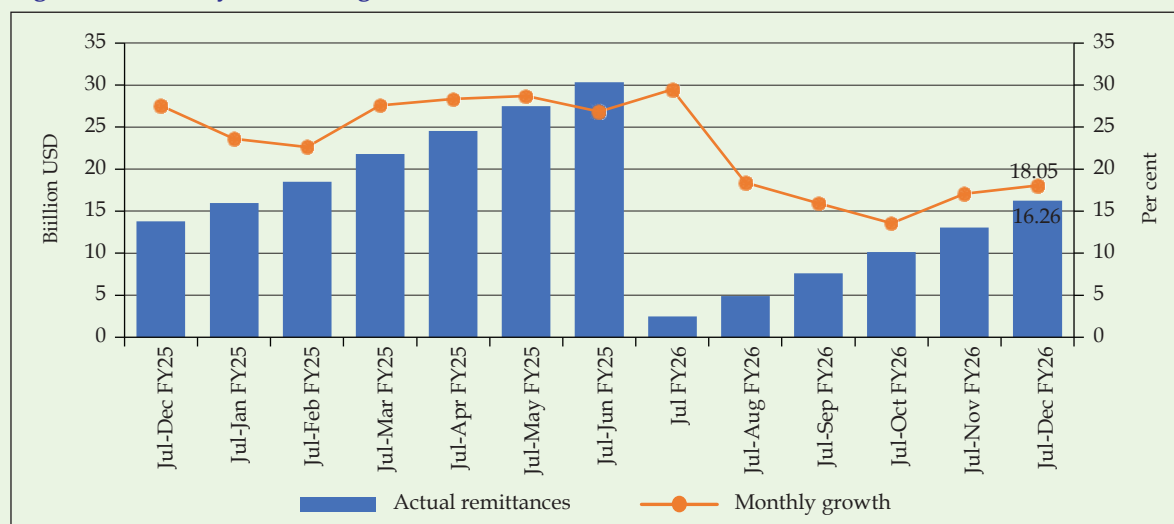


Source: Authors' illustration based on data from Bangladesh Bank (n.d.b).

Note: Data for monthly reserve growth is presented on the right vertical axis.

- Foreign exchange reserves stood at USD 28.58 billion in December 2025, reflecting a 33.58 per cent year-on-year growth, mainly driven by robust remittance inflows.

Figure 17: Monthly data of wage earner's remittance

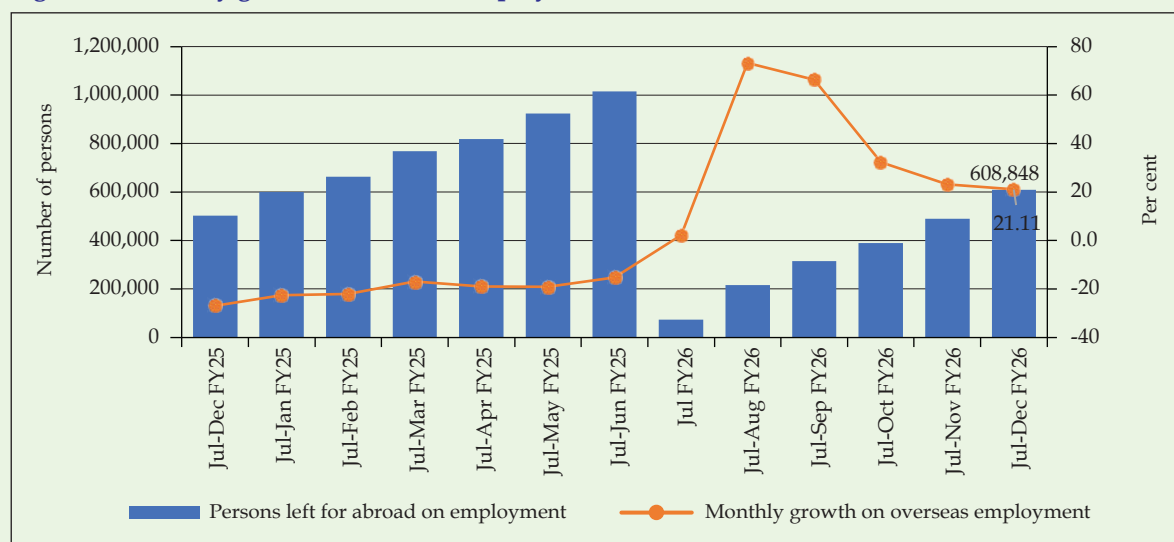


Source: Authors' illustration based on data from Bangladesh Bank (n.d.c).

Note: Data for monthly remittance growth is presented on the right vertical axis.

- Remittance inflows continued to surge to USD 16.26 billion during July-December FY26, an 18.05 per cent year-on-year increase compared to the corresponding period of FY25. 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 (2026).

Note: Data for growth of overseas employment is presented on the right vertical axis.

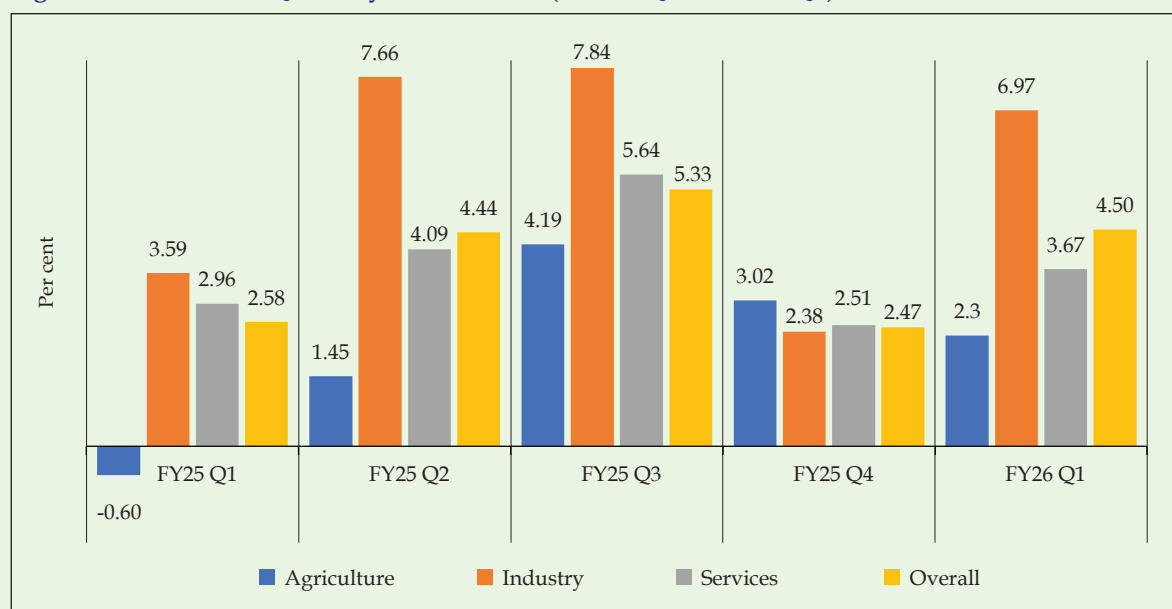
- Overseas employment increased by 21.11 per cent during July-December FY26 compared to the corresponding period of FY25. This upward trend is anticipated to further boost remittance inflows.

Special Focus of the Month

- Summary related to the estimate of Provisional Gross Domestic Product (GDP) for the 1st Quarter (July–September 2025) of the Fiscal Year 2025–26 by Bangladesh Bureau of Statistics

According to a report by the Bangladesh Bureau of Statistics (2025d), overall GDP growth increased to 4.50 per cent in Q1 FY2026, up from 2.58 per cent in Q1 FY2025. This indicates a positive shift in economic momentum at the start of the fiscal year. Sectoral data shows that this improvement was primarily driven by a strong rebound in the industrial sector, with a growth rate of 6.97 per cent (nearly doubling from the corresponding period). Growth in the services sector also increased to 3.67 per cent, reflecting resilient domestic demand. Moreover, agriculture returned to positive terrain, growing by 2.30 per cent after contracting in Q1 FY2025, thereby supporting overall growth.

Figure 19: Sector-wise Quarterly GDP Growth (FY2025 Q1 – FY2026 Q1)



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

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Disclaimer: The analyses are based on the most recent publicly available data from official sources at the time of their preparation.

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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