

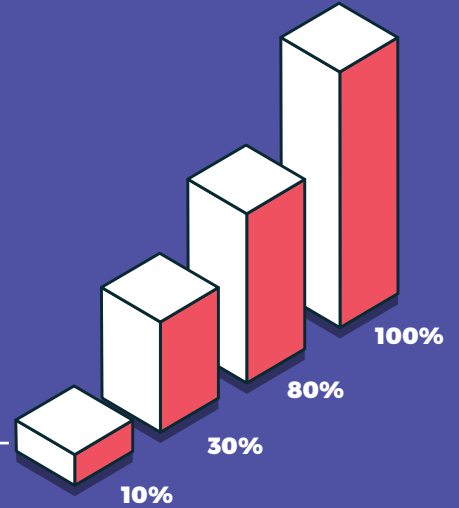


সেন্টার ফর পলিসি ডায়ালগ (সিপিডি)  
Centre for Policy Dialogue (CPD)



# Bangladesh Macroeconomic Pulse

Volume 1, Issue 9

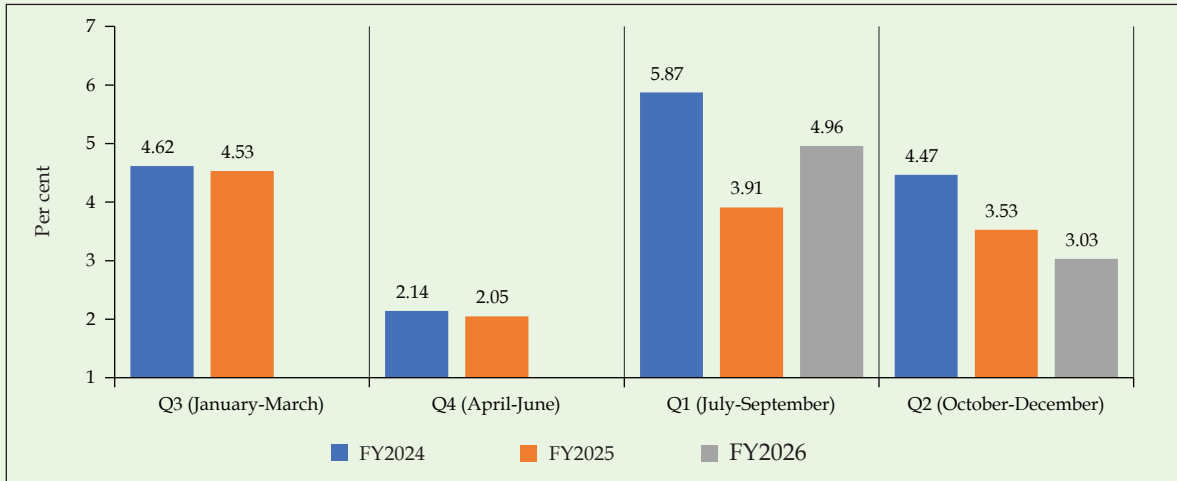


## Highlights

- Bangladesh lost an estimated USD 68 billion to illicit trade flows between 2013 and 2022, significantly draining public revenue and foreign exchange, according to a report published in March 2026 ([Global Financial Integrity, 2026](#)).
- The non-performing loan ratio declined to 30.60 per cent in December 2025 from 35.73 per cent in September 2025, largely due to an extensive loan rescheduling drive conducted under more relaxed central bank policies ([Bangladesh Bank, 2026c](#)).
- Export performance continued to deteriorate during July–March FY2026, registering a negative year-on-year growth of 4.85 per cent, mainly due to a slowdown in RMG exports. Monthly exports also declined substantially by 18.07 per cent year-on-year to USD 3.48 billion in March 2026 (EPB, n.d.).
- Headline inflation continued to decline to 8.60 per cent in March 2026, with food inflation falling to 7.93 per cent during this period. However, the slow pace of decline in non-food inflation, combined with declining wage growth of 8.11 per cent, continues to weaken household purchasing power and reduce real incomes (BBS, 2026a).

# National Accounts and Real Economy

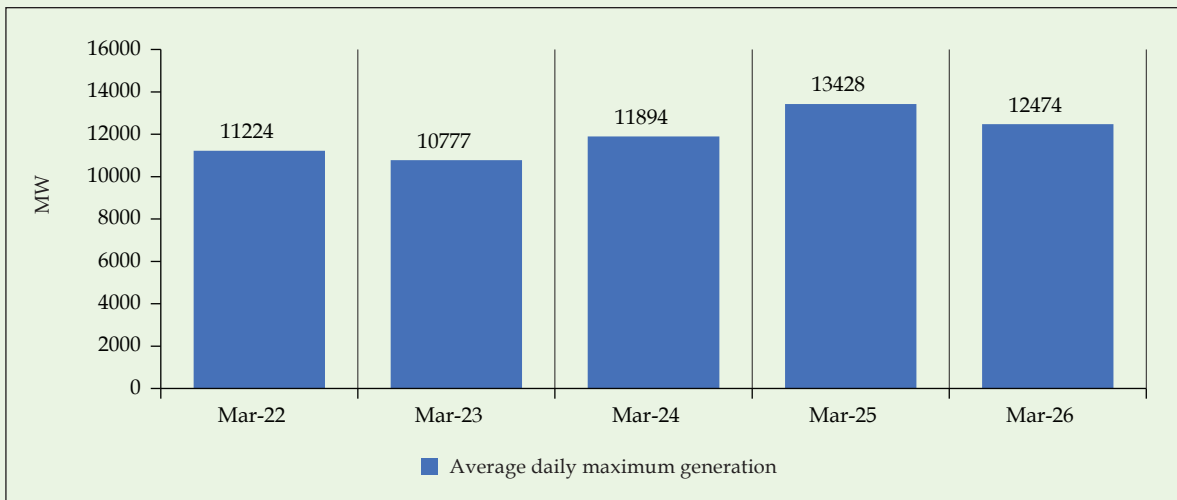
**Figure 1: Quarterly Growth Rate of Gross Domestic Product (GDP)**



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

- The Gross Domestic Product (GDP) growth slowed to 3.03 per cent in Q2 FY2026, down from 3.53 per cent in Q2 FY2025. This slowdown can be attributed to lower readymade garment (RMG) exports, global uncertainty, and energy constraints, which significantly weighed on industrial sector performance during this quarter.

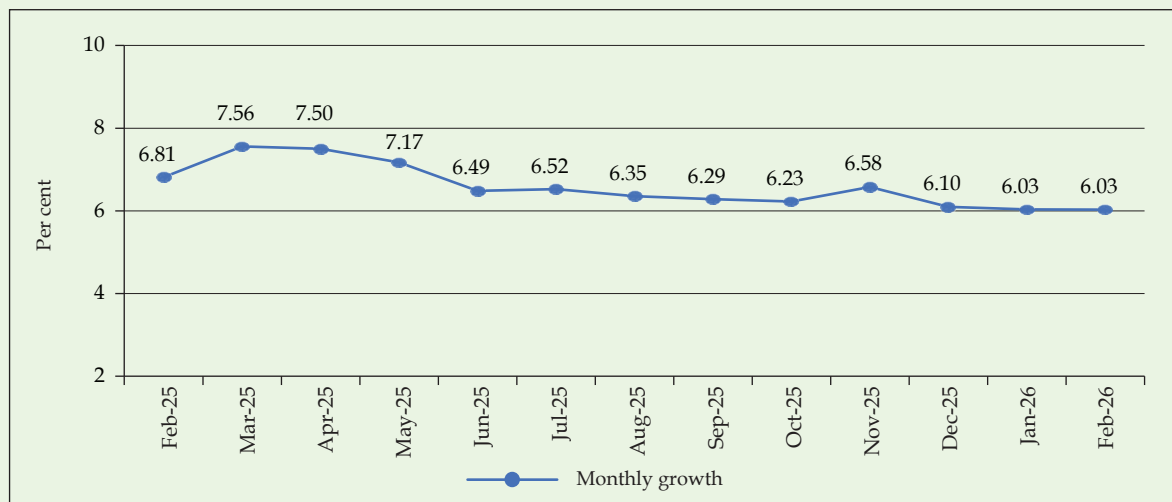
**Figure 2: Monthly Average of Daily Maximum Electricity Generation (MW)**



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

- The average daily maximum electricity generation in March 2026 reached 12,474 MW, showing a decline of 954 MW compared to March 2025.
- Amid fuel shortages and rising electricity demand, generation remained constrained in March 2026, posing challenges in ensuring energy security during the summer months.

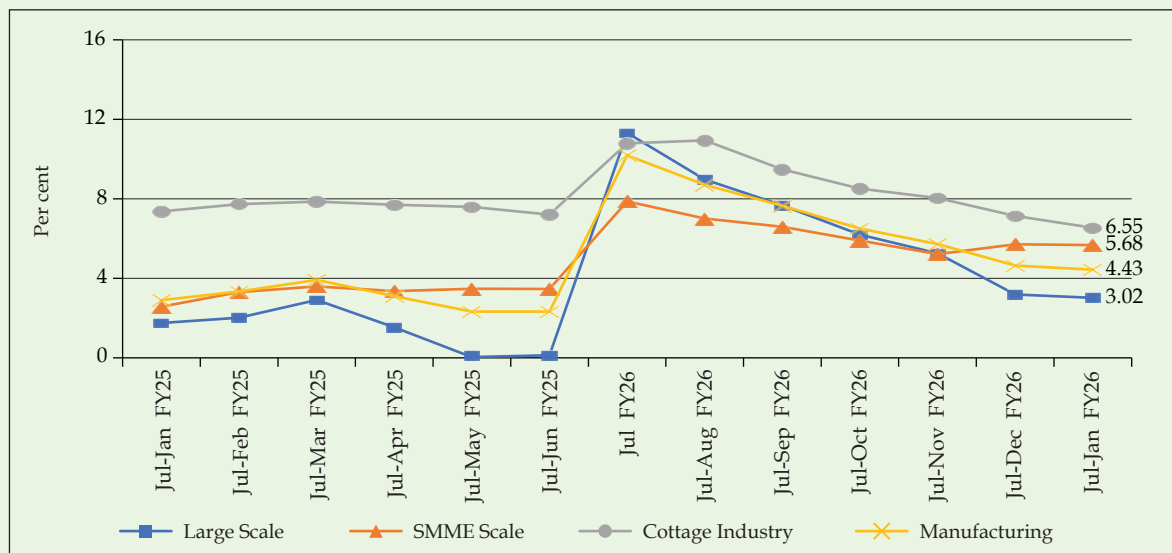
**Figure 3: Monthly Growth of Private Sector Credit**



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

- Private sector credit growth remained stagnant at 6.03 per cent in February 2026, the lowest level in recent years. This downturn reflects sluggish investment activity and overall business fragility.

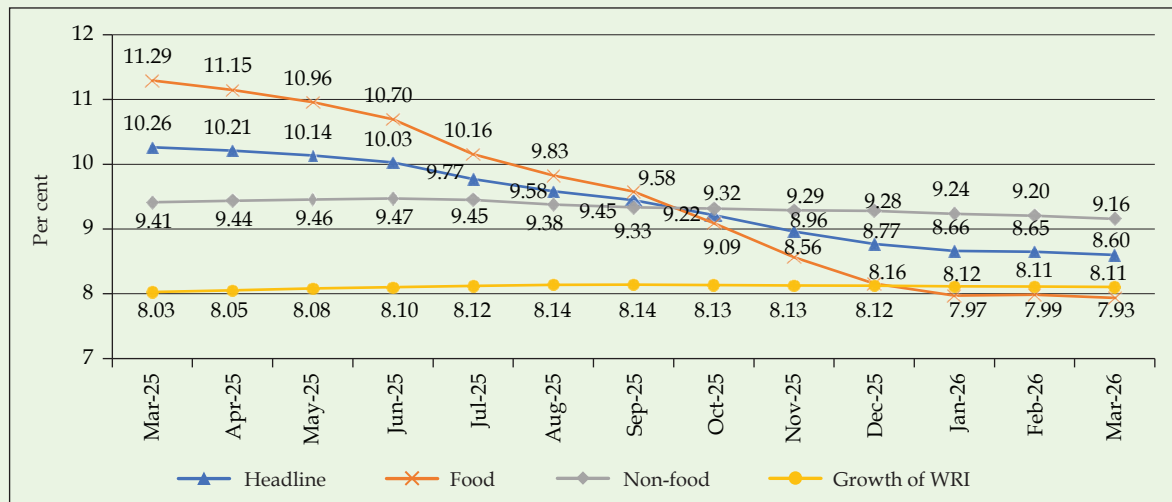
**Figure 4: Growth of Index of Industrial Production of Manufacturing Enterprise**



Source: Authors' illustration based on data from BBS (2024, 2026b).

- Large-scale, small, medium and micro enterprises (SMMEs), along with cottage industries all exhibited a declining trend during July–January FY2026, resulting in overall moderate manufacturing growth during this period.

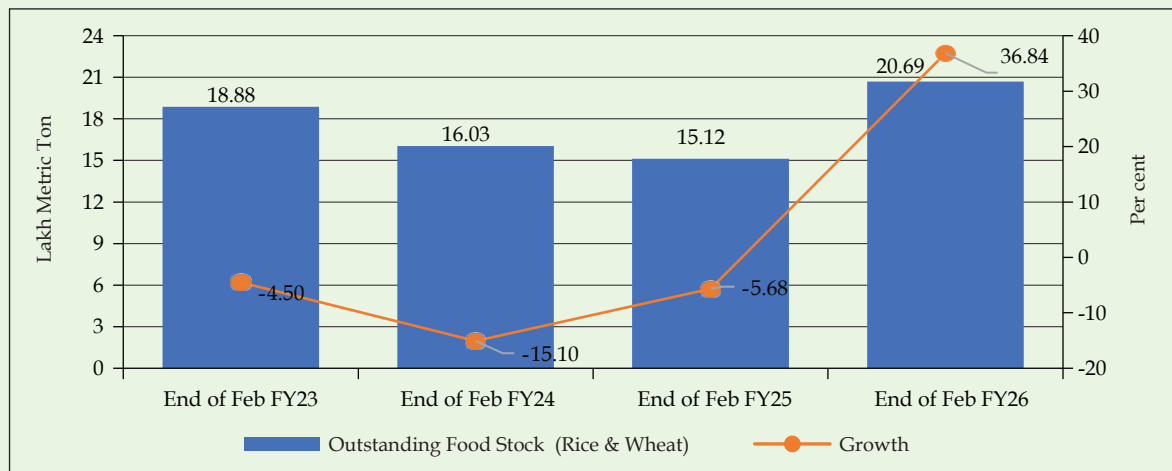
**Figure 5: Monthly Trends in Inflation and Wage Rate Index Growth (moving average)**



Source: Authors' illustration based on data from BBS (2026a).

- Headline inflation continued to decline to 8.60 per cent in March 2026, with food inflation falling to 7.93 per cent, indicating a marginal reduction in food prices compared to the corresponding period of the previous year.
- However, the slow pace of decline in non-food inflation, combined with declining wage growth of 8.11 per cent, continues to weaken household purchasing power and reduce real incomes.

**Figure 6: Outstanding Food Stock (rice & wheat)**



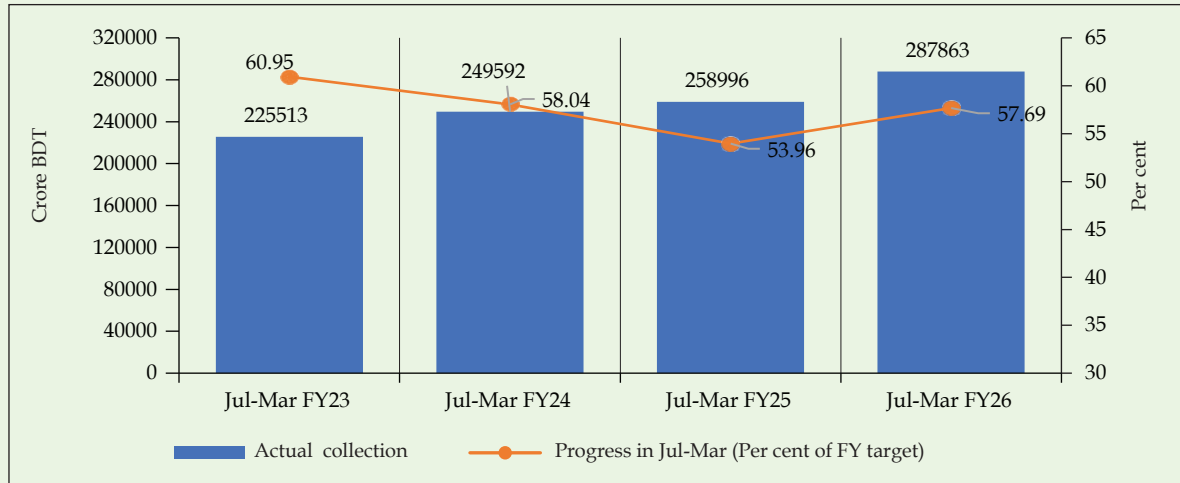
Source: Authors' illustration based on data from Bangladesh Bank (2024b, 2026a).

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 20.69 lakh metric tonnes at the end of February 2026, with a year-on-year increase of 36.84 per cent.
- Additionally, food grain distribution rose by 2.62 lakh metric tonnes compared to the corresponding period of the previous year (Bangladesh Bank, 2026a), indicating an increase in public food distribution.

# Public Finance

**Figure 7: Monthly Progress on NBR Tax Collection**

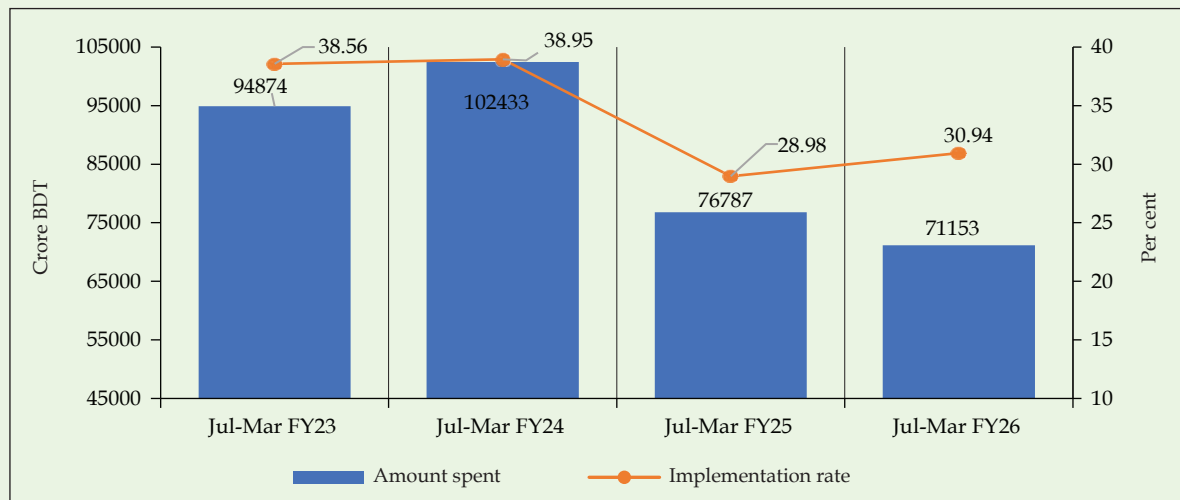


**Source:** Authors' illustration based on data from NBR (2024, 2025, 2026) and Ministry of Finance (MoF, 2023, 2024, 2025).

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

- Tax collection of the National Board of Revenue (NBR) reached 57.69 per cent of the annual target of BDT 499,000 crore during July- March FY2026, representing an increase of BDT 28,867 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 BDT 97,990 crore to meet the revised July- March target of BDT 385,853 crore (NBR, 2026).

**Figure 8: Monthly Comparison of ADP Implementation Progress**

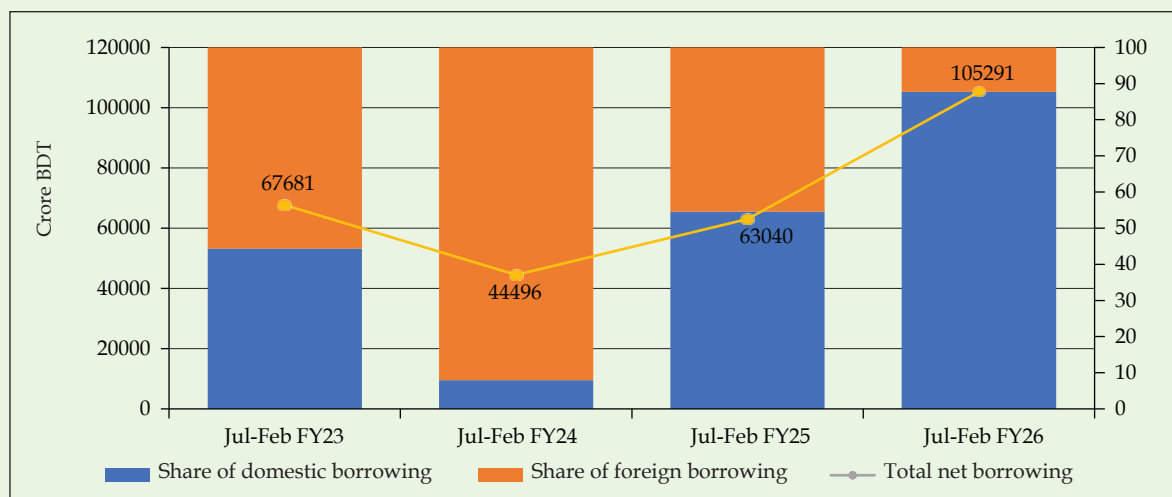


**Source:** Authors' illustration based on data from Implementation Monitoring and Evaluation Division (IMED, 2026).

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

- ADP implementation during July- March FY2026 stood at just 30.94 per cent of the total fiscal year target, showing a marginal improvement compared to the previous year, but remaining below the historical levels.

**Figure 9: Government Borrowings to Finance the Budget Deficit**



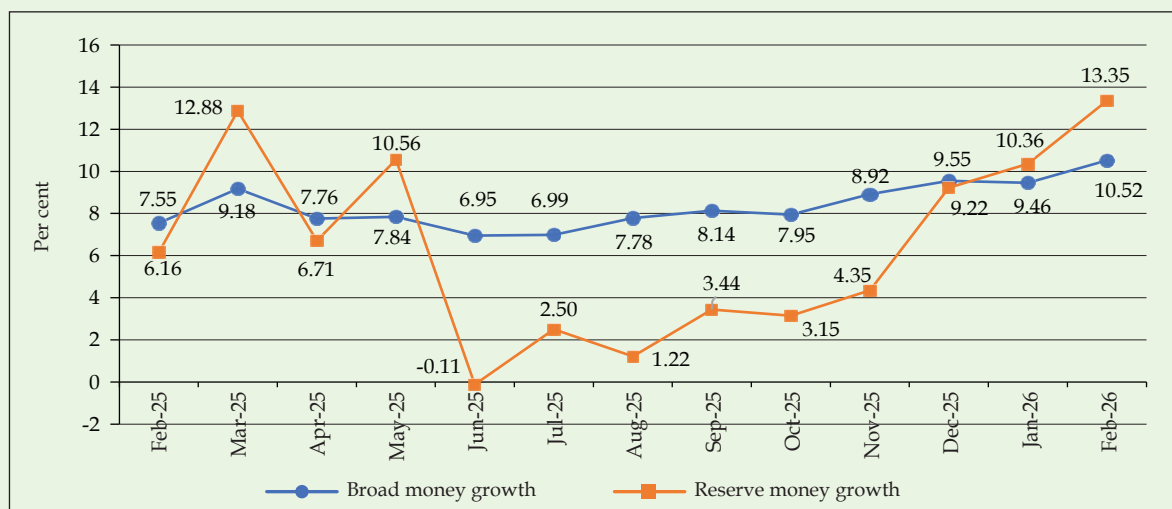
Source: Authors' illustration based on data from Bangladesh Bank (2024b, 2026a).

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

- Total net borrowings increased by 67 per cent during July-February FY2026 compared to the corresponding period of last year, with domestic borrowing accounting for 88 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

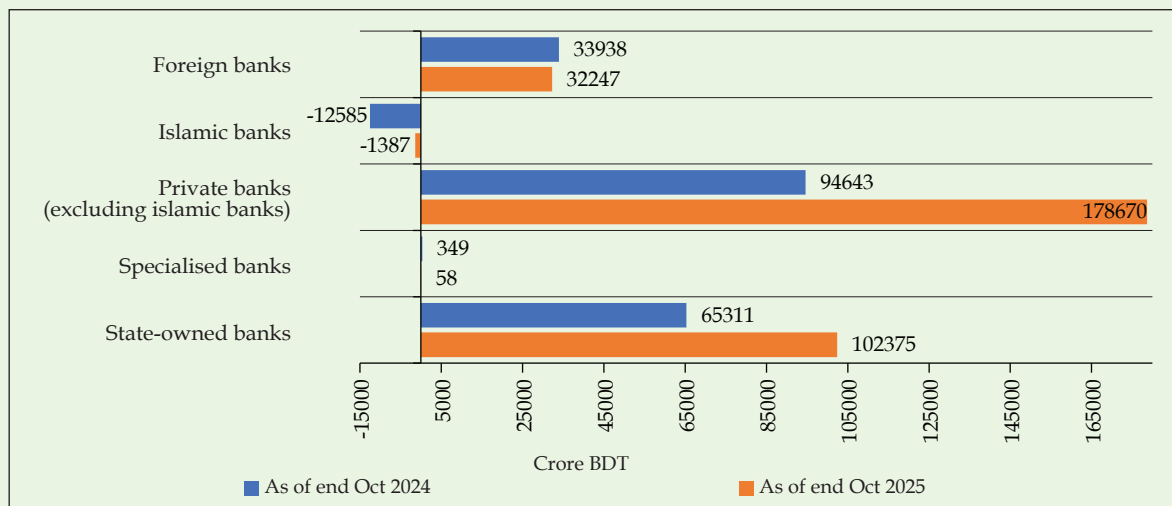
**Figure 10: Monthly Trends in Growth of Broad Money and Reserve Money**



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

- Broad money growth stood at 10.52 per cent in February 2026, up from the February 2025 figure of 7.55 per cent, reflecting an expansion in overall liquidity conditions.
- Reserve money growth substantially increased to 13.35 per cent in February 2026, indicating a rapid expansion of the monetary base.

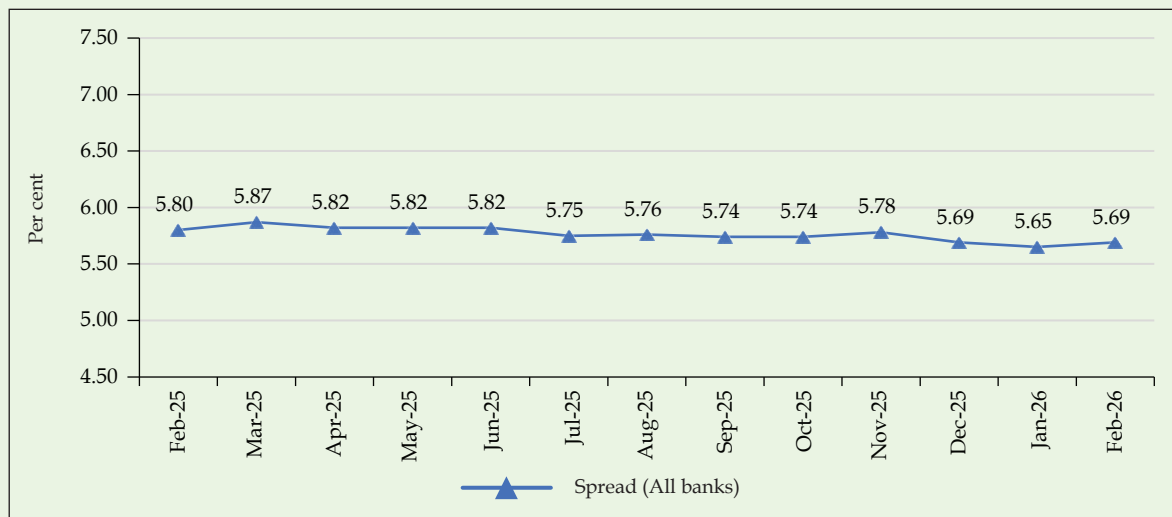
**Figure 11: Liquidity Surplus in the Scheduled Banks**



Source: Authors' illustration based on data from Bangladesh Bank (2024a, 2026a).

- Total liquid assets in scheduled banks improved in October 2025 compared to the October 2024 level, driven by strong performances from private and state-owned banks.
- However, Islamic banks failed to keep the minimum required assets, and specialised banks performed poorly during this period.

**Figure 12: Monthly Interest Rate Spread of Banks and Non-bank Financial Institutions**

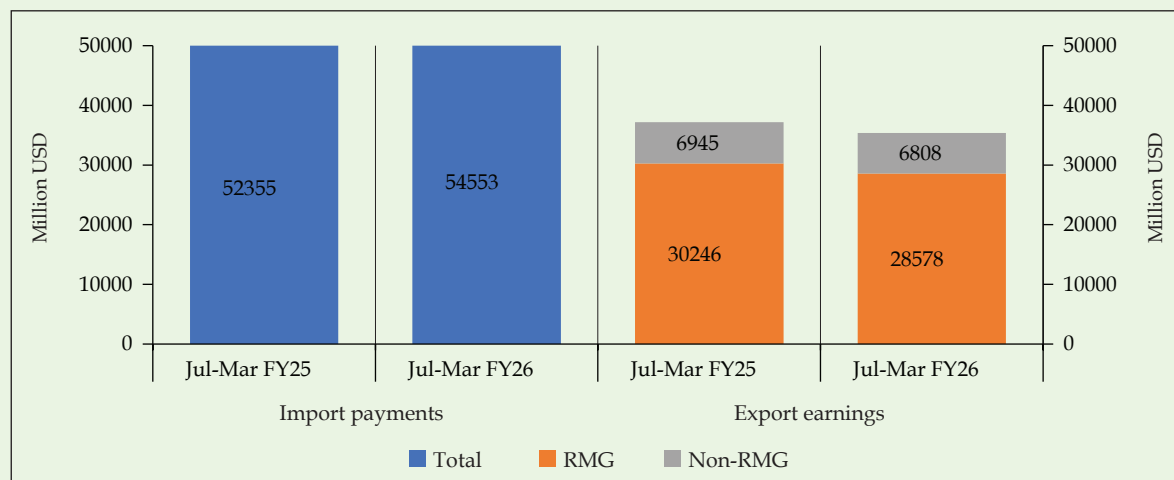


Source: Authors' illustration based on data from Bangladesh Bank (2026b).

- The spread between lending and deposit rates in banks expanded marginally to 5.69 per cent in February 2026 from 5.65 per cent in January 2026, due to a reduction in deposit rates.

## External Sector

**Figure 13: Monthly Exports and Imports Situations**

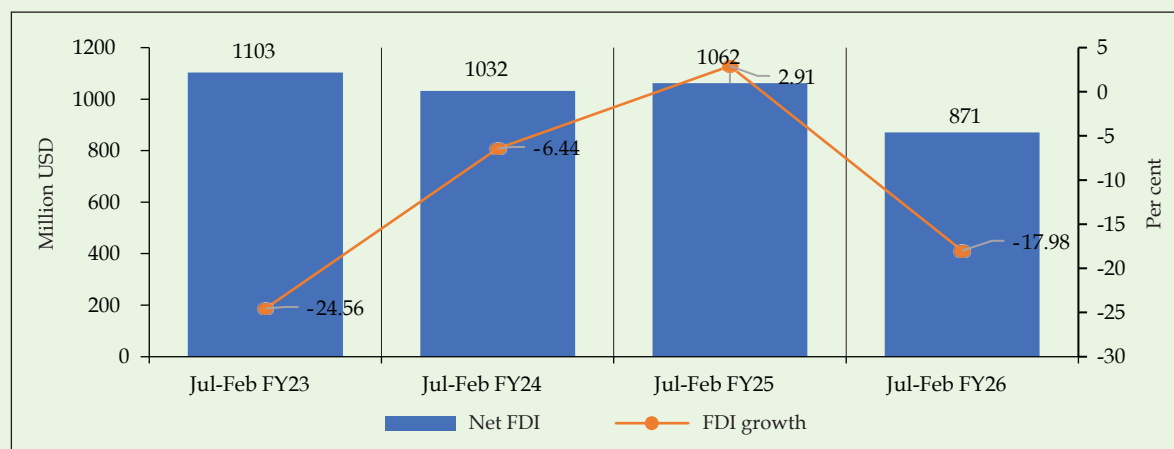


**Source:** Authors' illustration based on data from Export Promotion Bureau (EPB, n.d.) and Bangladesh Bank (2026b).

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

- Export performance continued to deteriorate during July–March FY2026, registering a negative year-on-year growth of 4.85 per cent. Monthly exports also declined substantially by 18.07 per cent year-on-year to USD 3.48 billion for the month of March 2026.
- Meanwhile, import payments continued to rise during July– March FY2026, with a year-on-year growth of 4.20 per cent.

**Figure 14: Net Foreign Direct Investment (FDI) Situation**

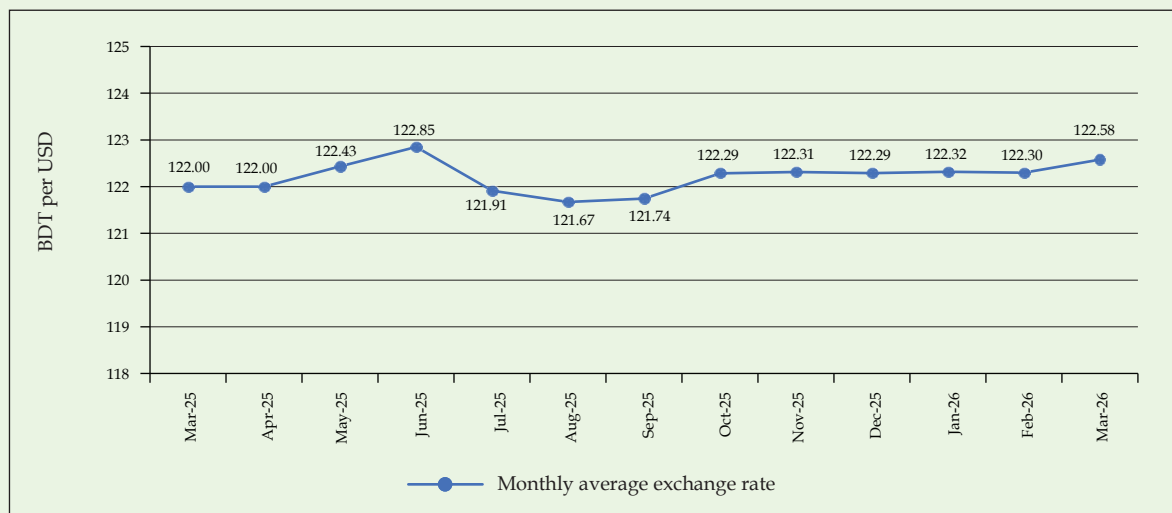


**Source:** Authors' illustration based on data from Bangladesh Bank (2023, 2024b, 2025, n.d.a).

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

- Net FDI stood at USD 871 million during July–February FY2026, showing a year-on-year decline of 17.98 per cent compared to the corresponding period of the previous year. This moderation in growth indicates uncertainty in foreign investment flows, potentially linked to election-related concerns.

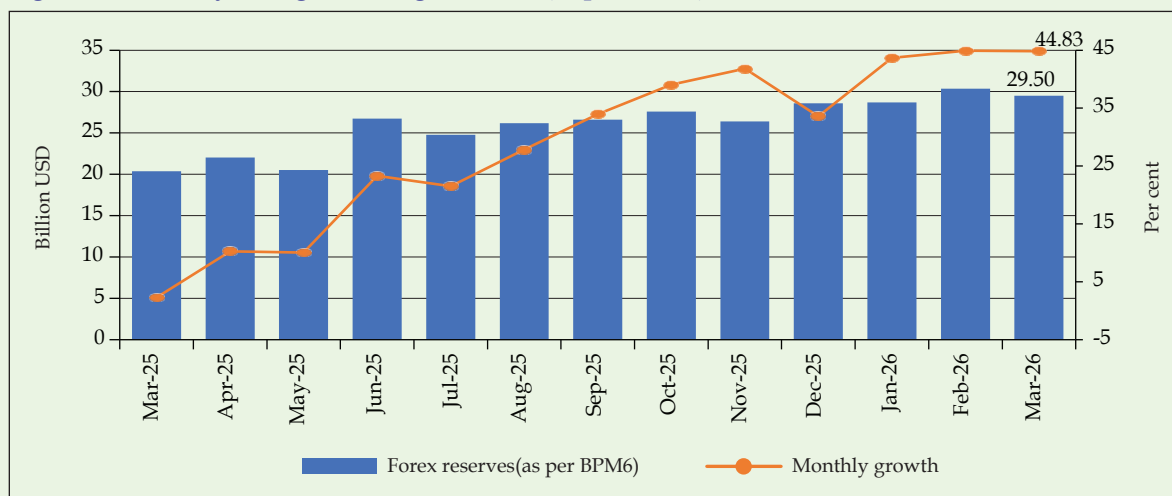
**Figure 15: Monthly Exchange Rate Movements (BDT/USD)**



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

- The exchange rate of Bangladeshi Taka (BDT) depreciated by BDT 0.58 against the US Dollar (USD) on average in March 2026, compared to the corresponding period of last year.

**Figure 16: Monthly Foreign Exchange Reserve (as per BPM6)**

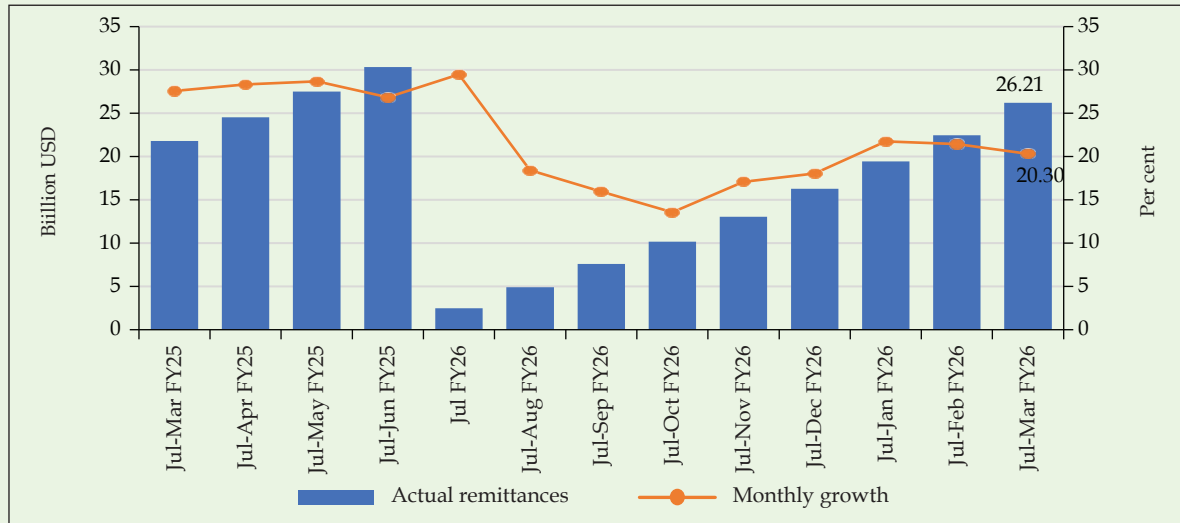


Source: Authors' illustration based on data from Bangladesh Bank (n.d.b).

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

- Foreign exchange reserves stood at USD 29.50 billion in March 2026, reflecting a 44.83 per cent year-on-year growth, mainly driven by robust remittance inflows.

**Figure 17: Monthly Data of Wage Earner's Remittance**

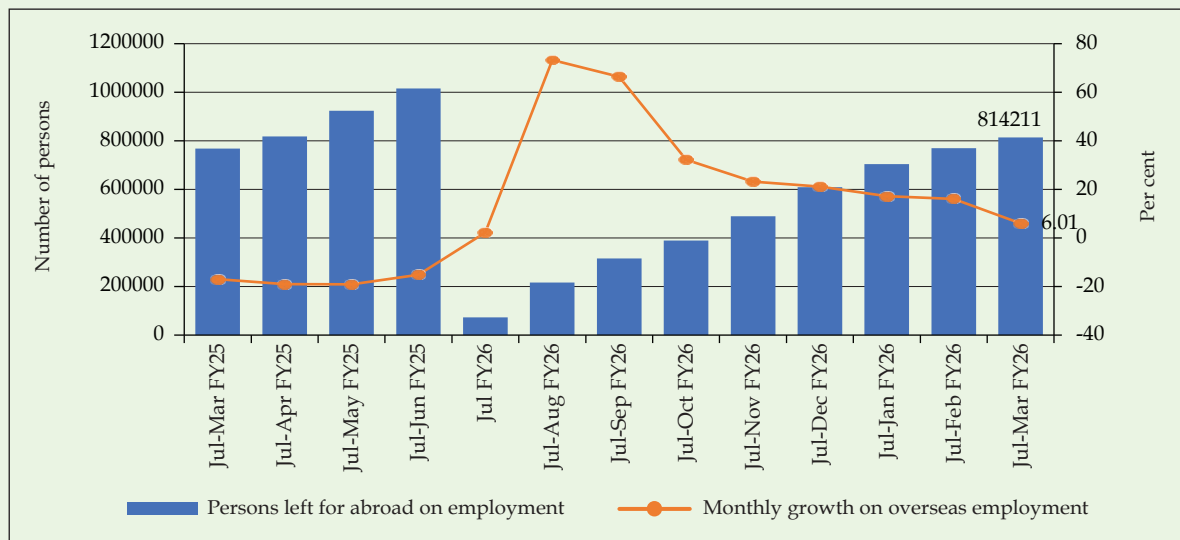


**Source:** Authors' illustration based on data from Bangladesh Bank (n.d.c).

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

- Remittance inflows increased substantially to USD 26.21 billion during July-March FY2026, registering a growth of 20.30 per cent compared to the corresponding period of FY2025. This robust 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 (2026b).

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

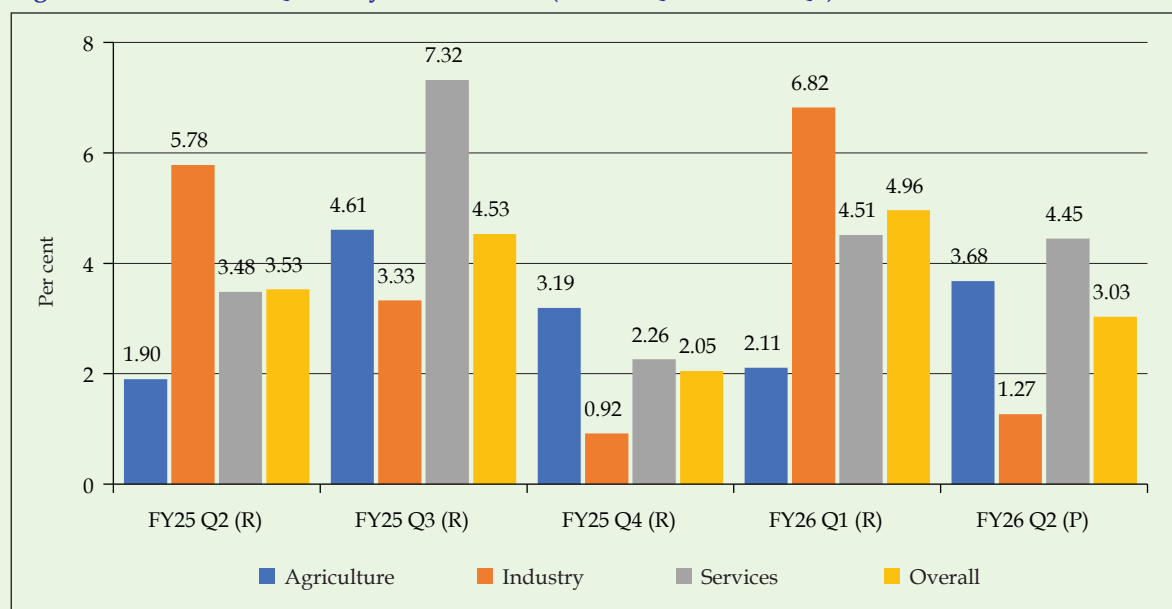
- Overseas employment increased by 6.01 per cent during July-March FY2026 compared to the corresponding period of FY2025. This upward trend is anticipated to further boost remittance inflows.

## Special Focus of the Month

- Summary related to the estimate of Provisional Gross Domestic Product (GDP) for the 2nd Quarter (October–December 2025) of the Fiscal Year 2025–26 by Bangladesh Bureau of Statistics

According to the Bangladesh Bureau of Statistics (BBS) (2025b), overall GDP growth slowed to 3.03 per cent in the second quarter of FY2026 from 3.53 per cent in Q2 FY2025. The decline in growth can be attributed to lower RMG exports, global uncertainty, United States reciprocal tariff issues, and energy constraints. Sectoral data shows that this slowdown was primarily driven by weaker performance in the industrial sector, where the growth rate fell to 1.27 per cent in this quarter from 5.78 in the corresponding period of the previous year. Within this sector, manufacturing growth declined sharply from 9.45 per cent to 1.13 per cent, while construction growth turned positive, rising from (-) 2.27 per cent to 1.56 per cent over the same period. In addition, electricity, gas and water supply growth contracted from 4.70 per cent to 3.44 per cent. Agricultural growth rose to 3.68 per cent in Q2 FY2026 from 1.90 per cent in Q2 FY2025. Similarly, services sector growth increased from 3.48 per cent to 4.45 per cent over the same period, mainly driven by the strong growth in wholesale and retail trade, with growth rate increasing from 1.34 per cent to 7.13 per cent. However, several key sub-sectors including, transportation, accommodation and food service, real estate, public administration, health and education, recorded slower growth. Meanwhile, financial and insurance activities, and art, recreation and other service activities registered positive growth within the sector.

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



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

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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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