

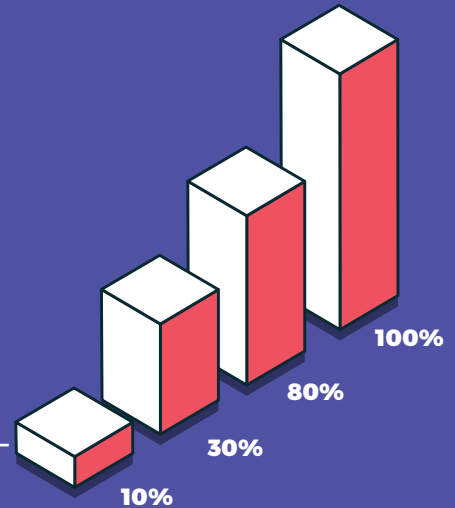


সেন্টার ফর পলিসি ডায়ালগ (সিপিডি)
Centre for Policy Dialogue (CPD)



Bangladesh Macroeconomic Pulse

Volume 1, Issue 11



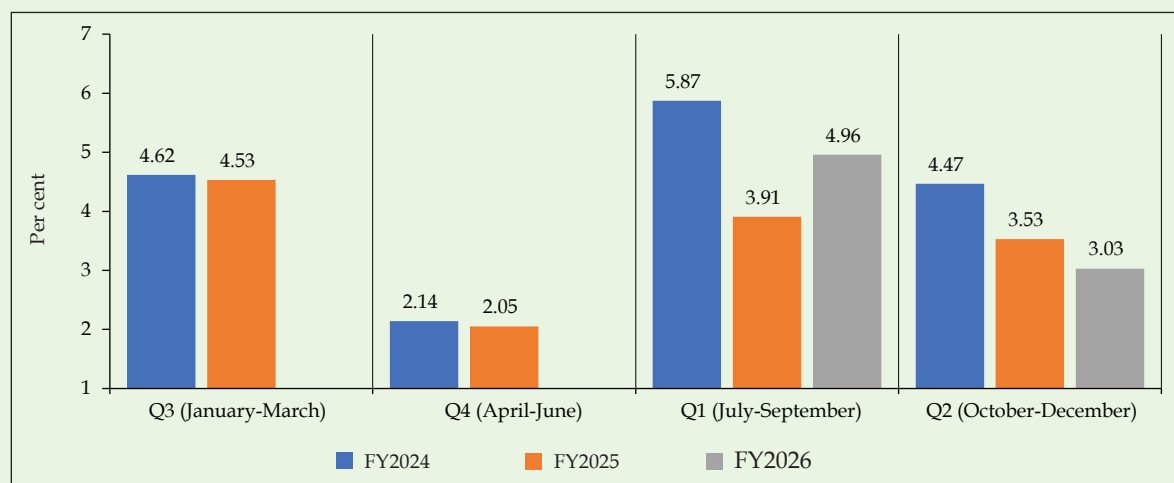
Special Focus: Summary of BBS' Provisional GDP Estimates for FY2026

Highlights

- The provisional GDP growth is estimated at 4.14 per cent in FY2026, compared with the actual growth rate of 3.49 per cent in FY2025, indicating a gradual recovery in economic activity. This improvement was mainly driven by a rebound in the services and agricultural sectors, which recorded a growth rate of 4.59 per cent and 2.78 per cent, respectively (BBS, 2026c).
- NBR tax collection reached 72.27 per cent of the annual target of BDT 499,000 crore during July-May FY2026, representing an increase of BDT 32,856 crore compared to the corresponding period of the previous year. Despite this increase, the collection still fell short of the revised July-May target by BDT 81,443 crore (NBR, 2026).
- Export performance remained weak during July-May FY2026, registering a negative year-on-year growth of 2.55 per cent. Export earnings also declined in May 2026, falling by 7.07 per cent year-on-year to USD 4.40 billion (EPB, n.d.).
- Headline inflation increased to 8.63 per cent in May 2026, while food inflation also rose to 7.96 per cent. Non-food inflation remained elevated at 9.18 per cent, indicating renewed inflationary pressures. Additionally, stagnant wage growth of 8.10 per cent continues to weaken household purchasing power (BBS, 2026a).
- The non-performing loan (NPL) ratio increased to 32.26 per cent in March 2026 from 30.60 per cent in December 2025, indicating a further deterioration in asset quality in the banking sector (Bangladesh Bank, 2026c). This increase may have been driven by weak recovery of defaulted loans, continued interest accumulation on overdue balances and stricter central bank supervision.

National Accounts and Real Economy

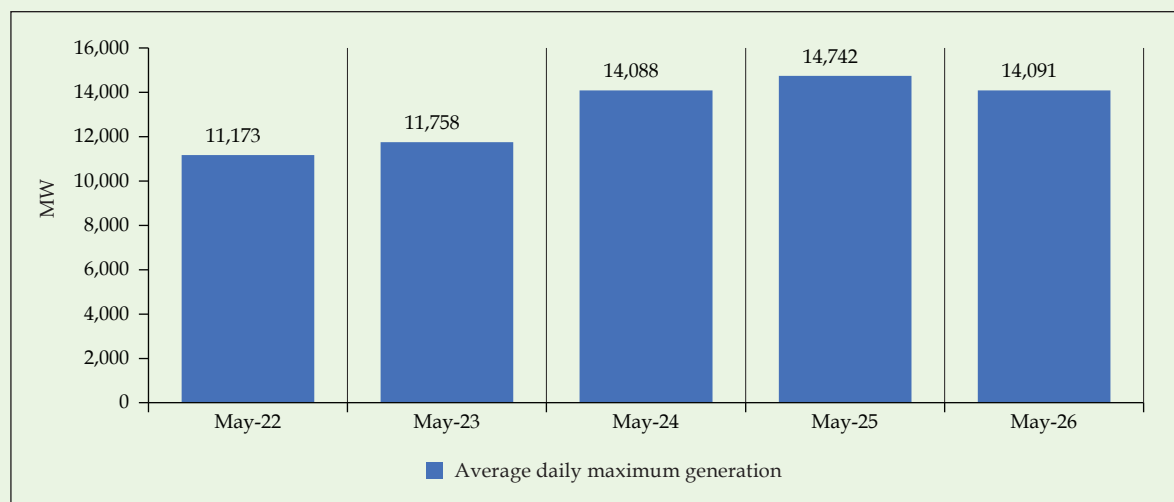
Figure 1: Quarterly Growth Rate of Gross Domestic Product (GDP)



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

- 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 RMG exports, global uncertainty, and energy constraints, which significantly weighed on industrial sector performance during this quarter.

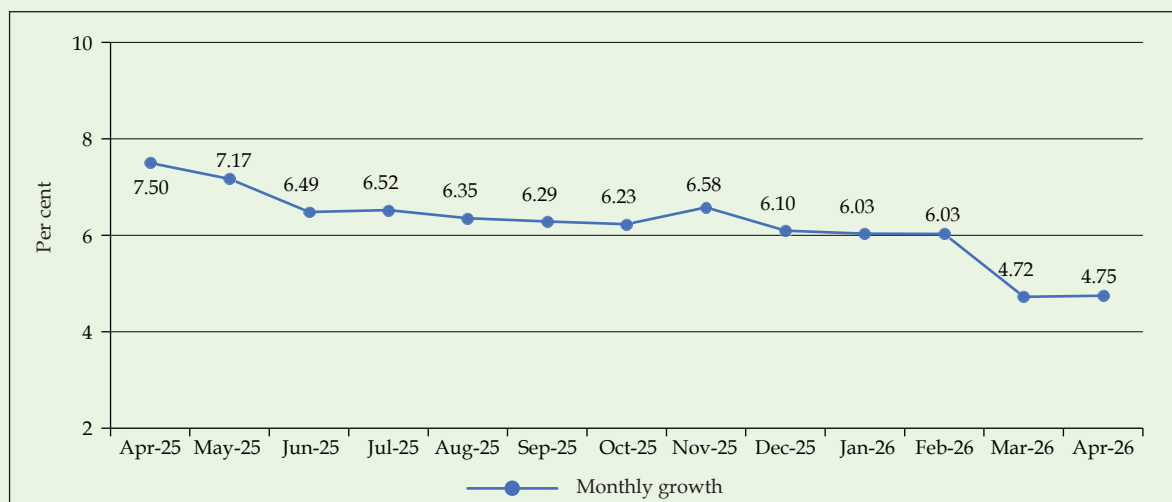
Figure 2: Monthly Average of Daily Maximum Electricity Generation (MW)



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

- The average daily maximum electricity generation in May 2026 reached 14,091 MW, showing a decline of 651 MW compared to May 2025.
- Amid fuel shortages and rising electricity demand, generation remained constrained in May 2026, posing challenges in ensuring energy security during the summer months.

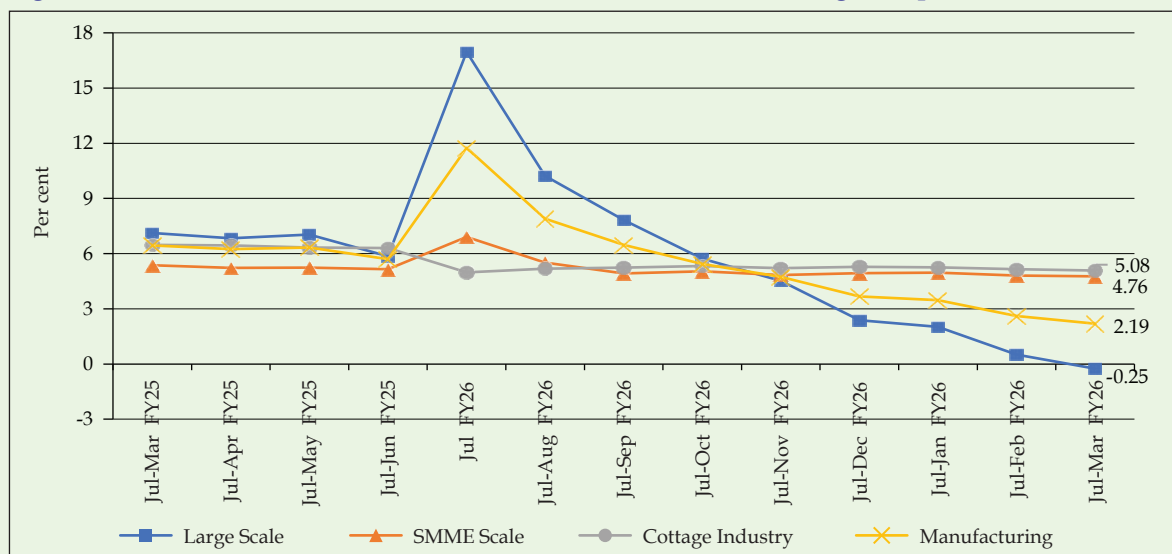
Figure 3: Monthly Growth of Private Sector Credit



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

- Private sector credit growth increased marginally from 4.72 per cent in March 2026 to 4.75 per cent in April 2026.
- Despite this slight improvement, growth remained near its lowest level in recent years, reflecting weak investment activity and continued fragility in overall business conditions.

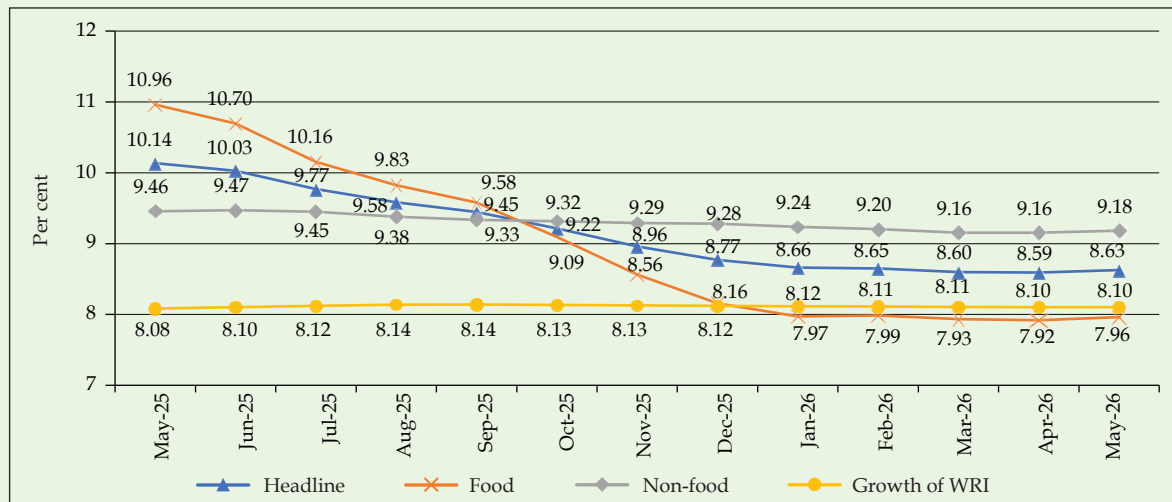
Figure 4: Growth of the Index of Industrial Production of Manufacturing Enterprises



Source: Authors' illustration based on data from BBS (2025c, 2026b).

- Large-scale manufacturing recorded a significant decline during July–March FY2026, with production growth turning negative compared to the corresponding period of the previous year. This slowdown was the primary factor behind the moderation in overall manufacturing growth.
- Small, medium and micro enterprises (SMMEs) and cottage industries also experienced a decline in growth during this period.

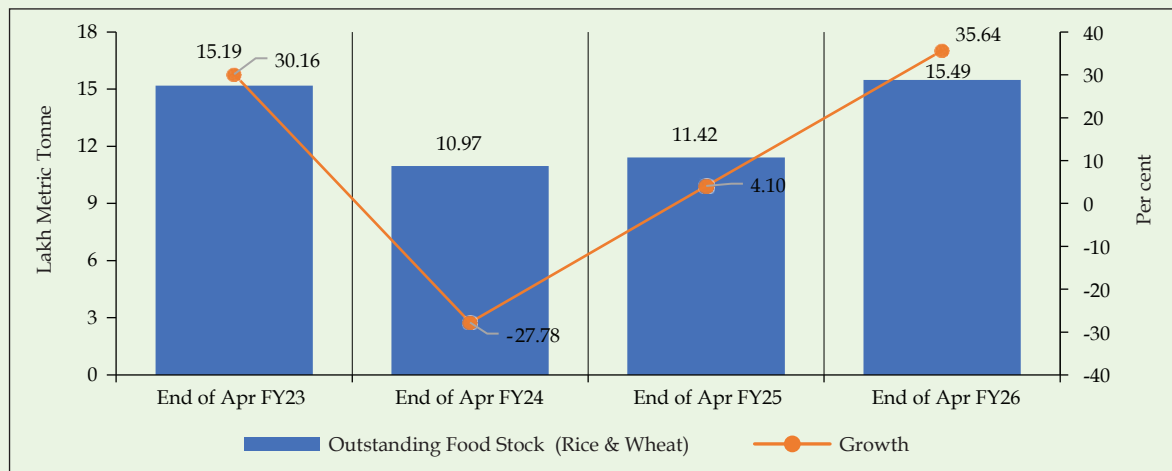
Figure 5: Monthly Trends in Inflation and Wage Rate Index Growth (moving average)



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

- Headline inflation increased to 8.63 per cent in May 2026, while food inflation also rose to 7.96 per cent. Non-food inflation remained elevated at 9.18 per cent, indicating renewed inflationary pressures.
- Additionally, stagnant wage growth of 8.10 per cent continues to weaken household purchasing power and erode real incomes.

Figure 6: Outstanding Food Stock (rice and wheat)



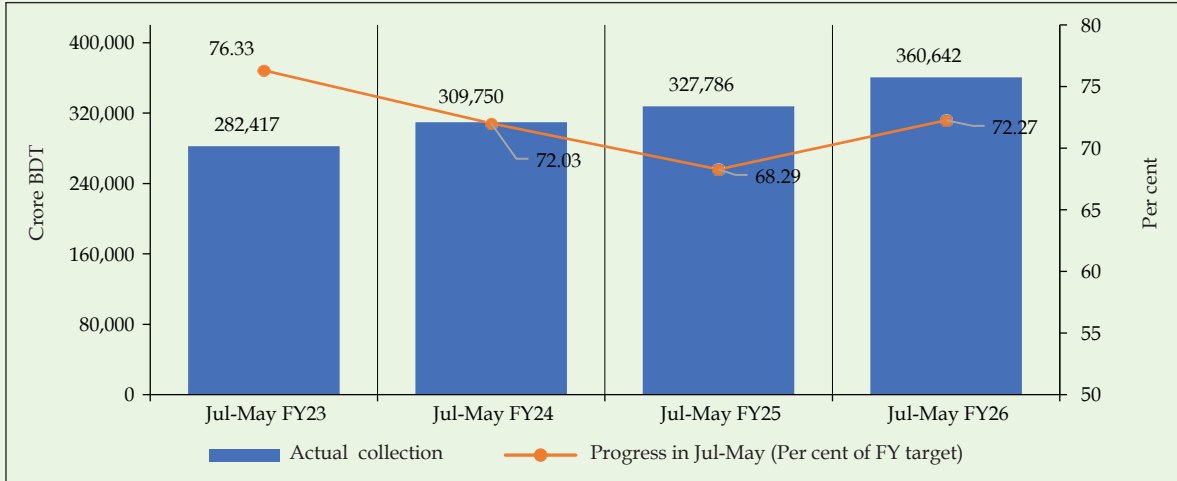
Source: Authors' illustration based on data from Bangladesh Bank (2024a, 2026a).

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 15.49 lakh metric tonnes at the end of April 2026, with a year-on-year increase of 35.64 per cent.
- Additionally, food grain distribution rose by 3.41 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

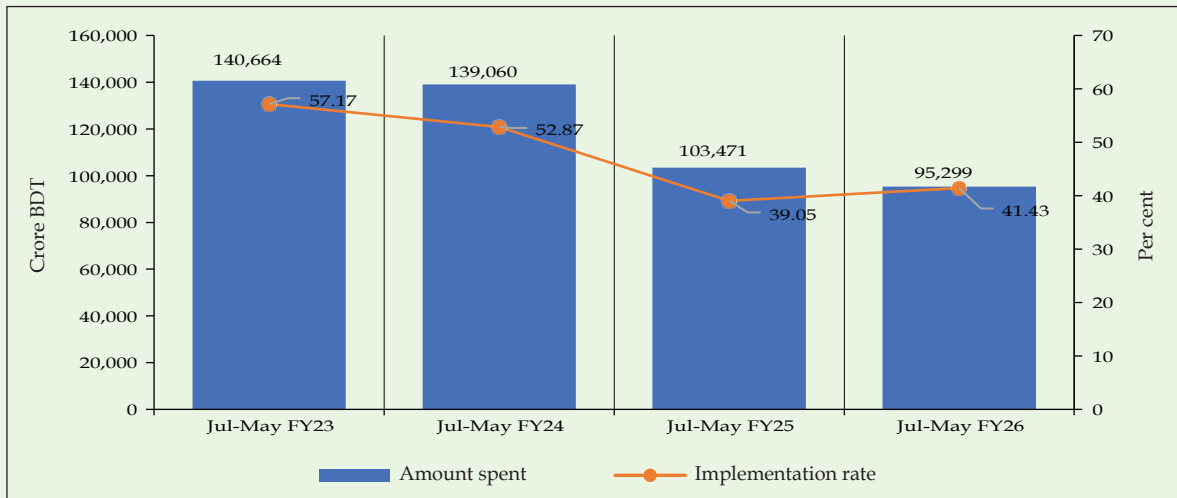


Source: Authors' illustration based on data from NBR (2024, 2025, 2026) and Ministry of Finance (MoF, 2023, 2024, 2025).

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

- NBR tax collection reached 72.27 per cent of the annual target of BDT 499,000 crore during July-May FY2026, representing an increase of BDT 32,856 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 by BDT 81,443 crore to meet the revised July-April target of BDT 442,085 crore (NBR, 2026).

Figure 8: Monthly Comparison of ADP Implementation Progress

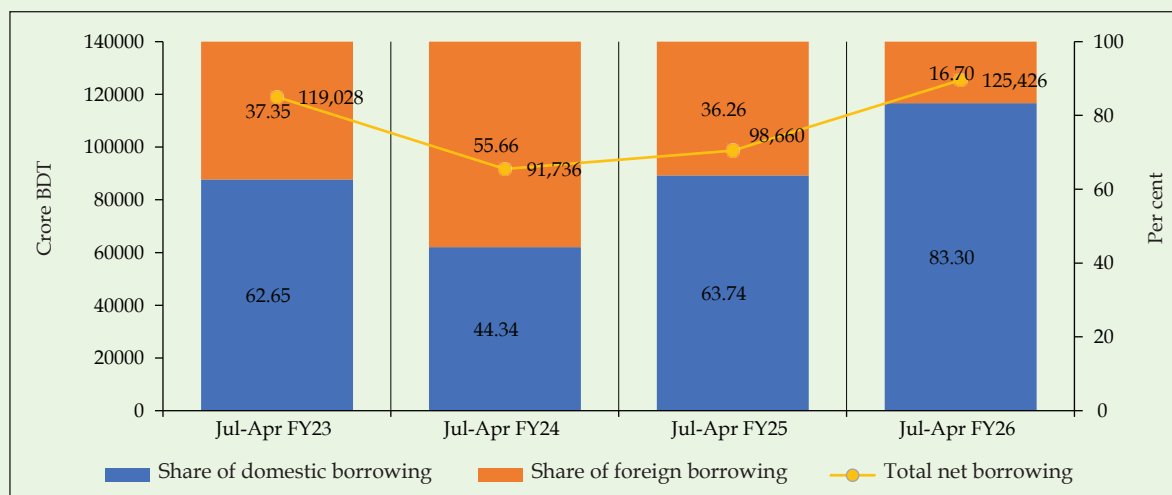


Source: Authors' illustration based on data from Implementation Monitoring and Evaluation Division (IMED, 2026).

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

- ADP implementation during July-May FY2026 reached 41.43 per cent of the total fiscal year target, showing a marginal improvement compared to the corresponding period of the previous year, but remaining significantly below the historical levels.

Figure 9: Government Borrowings to Finance the Budget Deficit



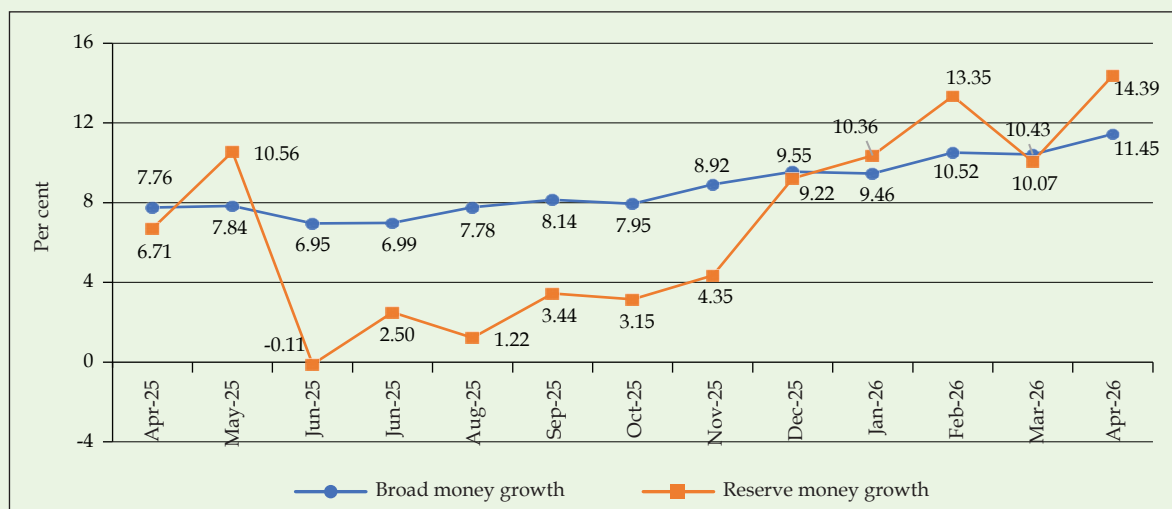
Source: Authors' illustration based on data from Bangladesh Bank (2023, 2025a, 2026a).

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

- Total net borrowings increased by 27.13 per cent during July-April FY2026 compared to the corresponding period of the previous year, with domestic borrowing accounting for 83.30 per cent of total borrowings.
- The share of net foreign borrowing reduced drastically due to significant foreign repayments. The government continued to heavily rely on domestic financing sources, particularly the banking sector.

Monetary Sector

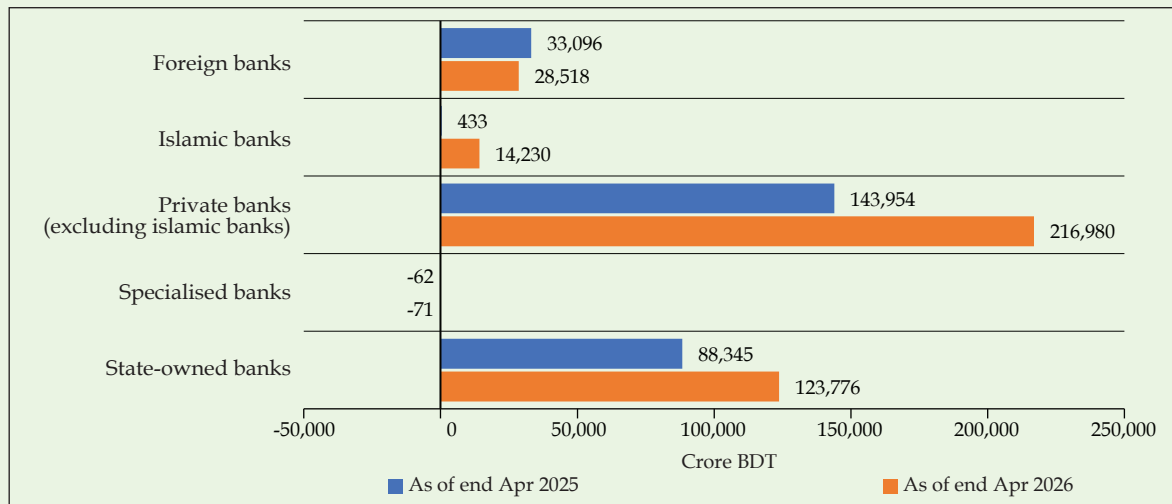
Figure 10: Monthly Trends in Growth of Broad Money and Reserve Money



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

- Broad money growth stood at 11.45 per cent in April 2026, up from the April 2025 figure of 7.76 per cent, reflecting an expansion in overall liquidity conditions.
- Reserve money growth substantially increased to 14.39 per cent in April 2026 compared to the corresponding period of the previous year, indicating a rapid expansion of monetary base.

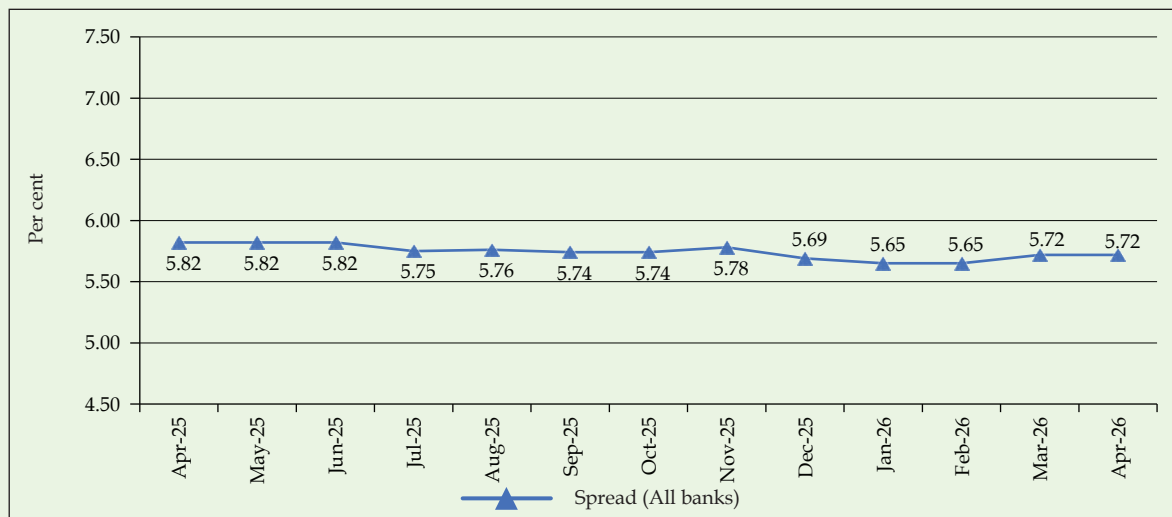
Figure 11: Liquidity Surplus in the Scheduled Banks



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

- Total liquid assets in scheduled banks improved substantially in April 2026 compared to the April 2025 level, driven by strong performance across private, state-owned banks, and foreign banks.
- Islamic banks also recorded an improvement in their liquidity position, while specialised banks failed to maintain their minimum required liquid assets during this period.

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

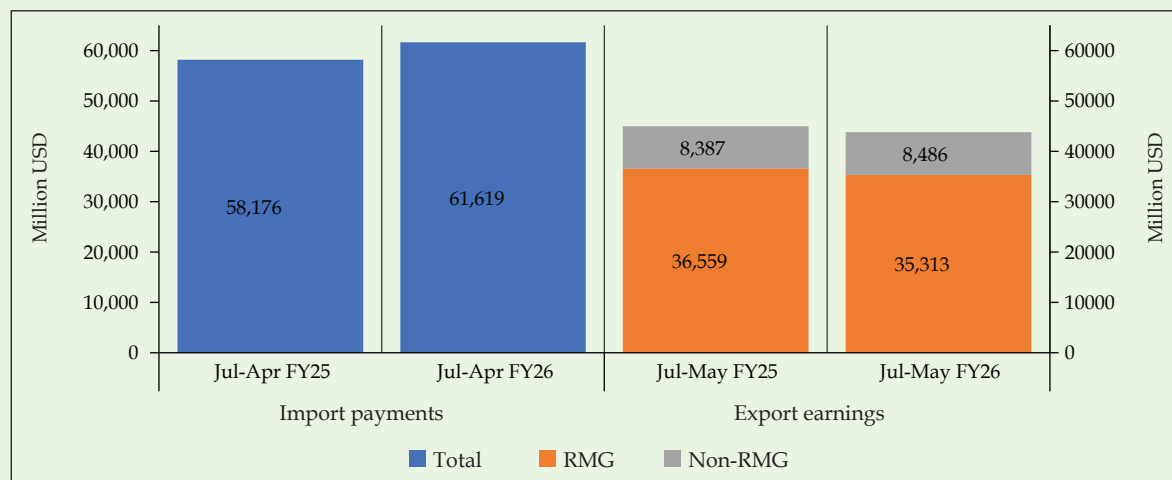


Source: Authors’ illustration based on data from Bangladesh Bank (2026a).

- The spread between lending and deposit rates in banks remained unchanged at 5.72 per cent in April 2026 compared with the March 2026 figure.

External Sector

Figure 13: Monthly Exports and Imports Situations

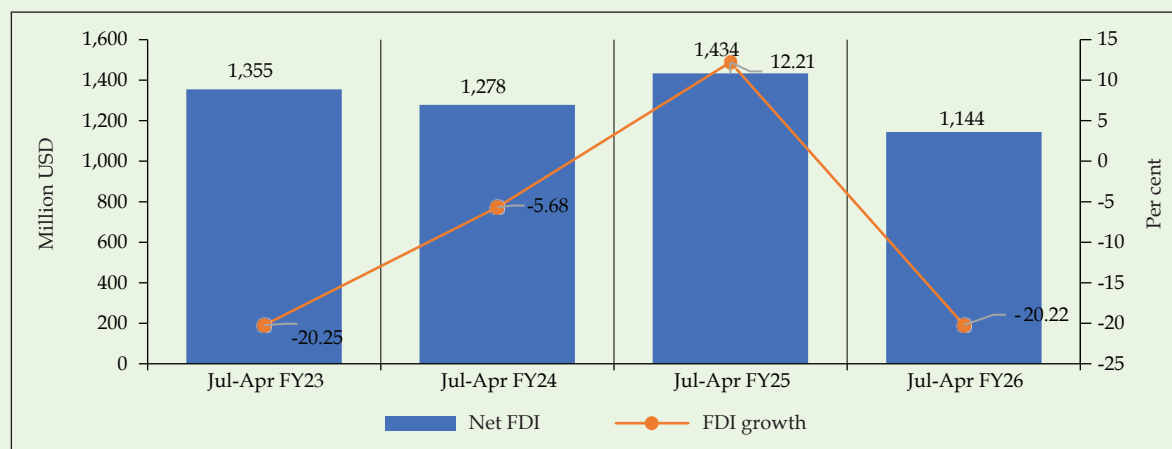


Source: Authors' illustration based on data from Export Promotion Bureau (EPB, n.d.) and Bangladesh Bank (2026b).

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

- Export performance remained weak during July–May FY2026, registering a negative year-on-year growth of 2.55 per cent. Export earnings also declined in May 2026, falling by 7.07 per cent year-on-year to USD 4.40 billion.
- Meanwhile, import payments continued to rise during July–April FY2026, with a year-on-year growth of 5.92 per cent.

Figure 14: Net Foreign Direct Investment (FDI) Situation

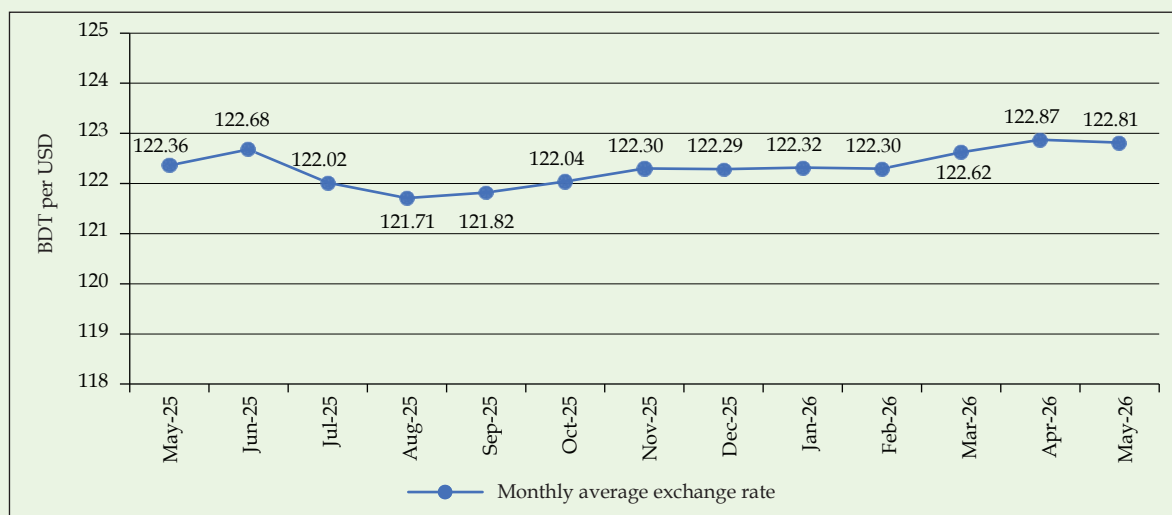


Source: Authors' illustration based on data from Bangladesh Bank (2023, 2024b, 2025a, n.d.a).

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

- Net FDI reached USD 1,144 million during July–April FY2026, showing a decline of 20.22 per cent compared to the corresponding period of the previous year. This decline indicates uncertainty in foreign investment flows.

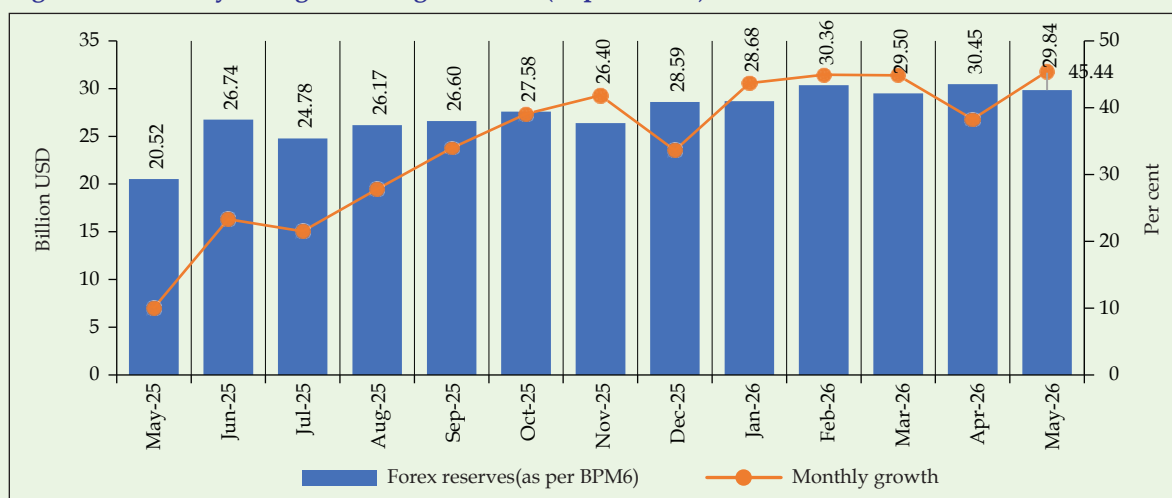
Figure 15: Monthly Exchange Rate Movements (BDT/USD)



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

- The exchange rate of Bangladeshi Taka (BDT) depreciated by an average of BDT 0.45 against the United States Dollar (USD) in May 2026, compared to the corresponding period of the previous year.

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

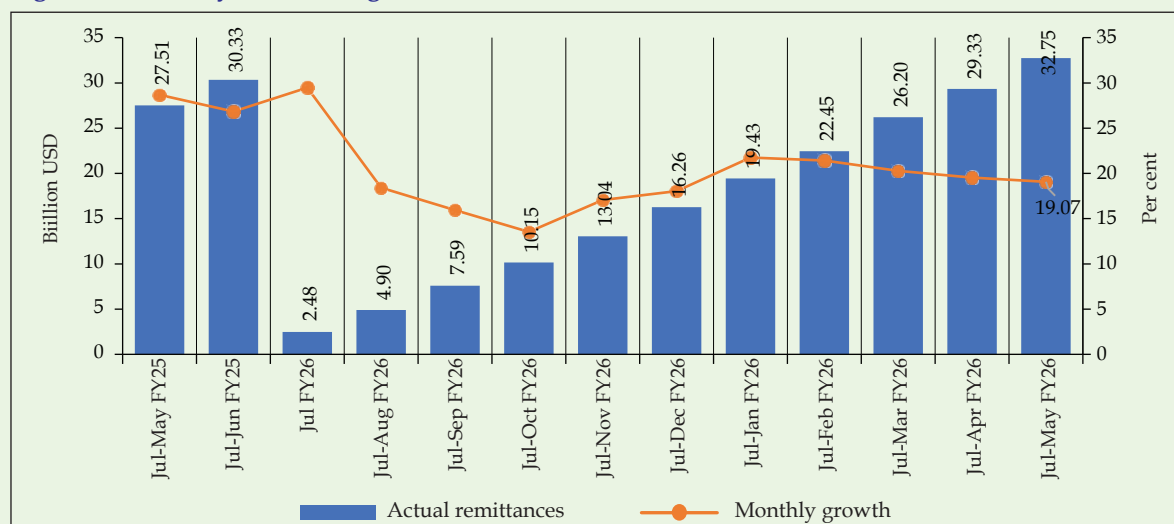


Source: Authors' illustration based on data from Bangladesh Bank (n.d.b).

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

- Foreign exchange reserves stood at USD 29.84 billion in May 2026, reflecting a 45.44 per cent year-on-year growth, mainly driven by robust remittance inflows.

Figure 17: Monthly Data of Wage Earners' Remittance

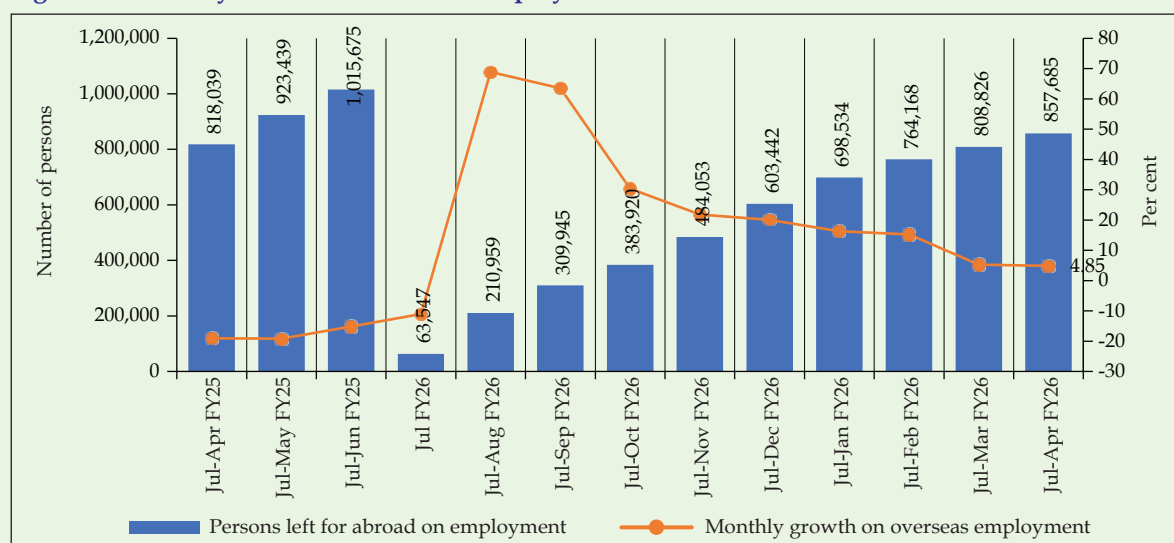


Source: Authors' illustration based on data from Bangladesh Bank (n.d.c).

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

- Remittance inflows continued to rise, reaching USD 32.75 billion during July-May FY26, and registering a growth of 19.07 per cent compared to the corresponding period of FY25. This robust growth has played 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 rose by 4.85 per cent during July-April FY26 compared to the corresponding period of FY25. This upward trend is anticipated to further boost remittance inflows.

Special Focus of the Month

- *Summary of the Provisional Estimates of GDP for FY2026 by the BBS*

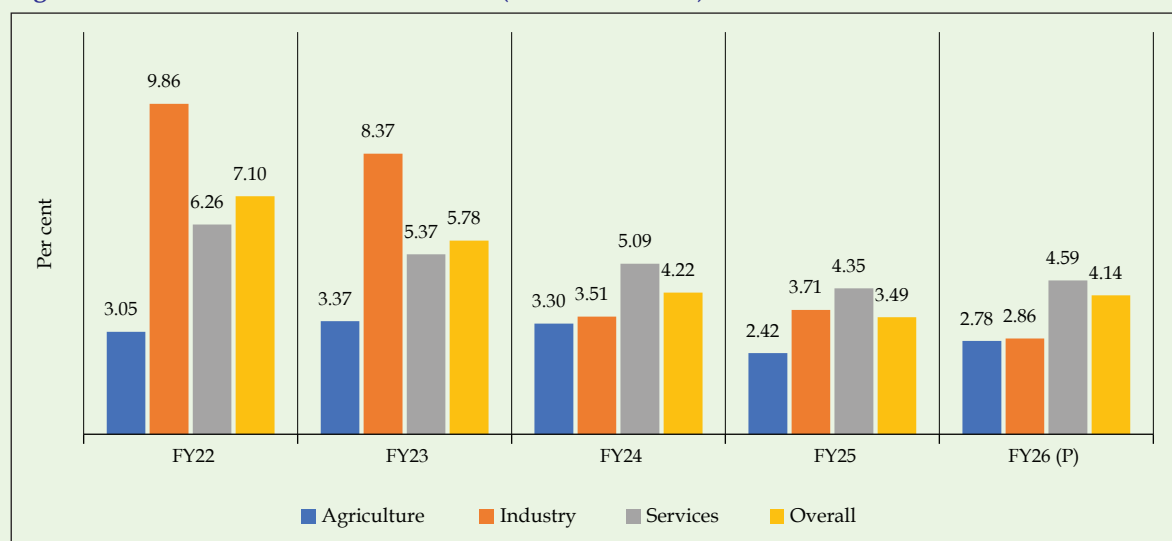
According to the provisional estimates of the Bangladesh Bureau of Statistics (BBS) (2026c), overall GDP growth is estimated at 4.14 per cent in FY2026, compared with the actual growth rate of 3.49 per cent in FY2025, indicating a gradual recovery in economic activity. This improvement is likely attributable to a rebound in the agriculture and services sectors, although growth in the industrial sector decelerated.

Agricultural growth is estimated at 2.78 per cent in FY2026, up from 2.42 per cent in FY2025. Growth in crops and horticulture is estimated to have increased from 1.84 per cent to 2.08 per cent, while animal farming growth rose from 3.08 per cent to 3.30 per cent over the same period. Fishing sector growth also increased noticeably from 1.41 per cent to 2.25 per cent.

Similarly, services sector growth is estimated to have increased from 4.35 per cent in FY2025 to 4.59 per cent in FY2026. Transportation and storage growth increased from 4.33 per cent to an estimated 4.61 per cent, while accommodation and food service activities grew from 4.38 per cent to an estimated 5.30 per cent. Real estate growth is estimated to have risen from 3.18 per cent to 4.21 per cent. Among the social sectors, education recorded a considerable improvement, with growth rising from 4.75 per cent to 6.07 per cent. However, growth in human health and social work activities is estimated to decline slightly from 6.59 per cent to 6.30 per cent.

Meanwhile, growth in the industrial sector declined from 3.71 per cent in FY2025 to 2.86 per cent in FY2026. Weaker manufacturing performance mainly caused this slowdown, as manufacturing growth is estimated to have fallen from 5.83 per cent to 3.31 per cent. Within manufacturing, large industry growth decreased sharply from 5.94 per cent to an estimated 1.97 per cent. However, construction is estimated to have recovered from a contraction of 1.45 per cent in FY2025 to positive growth of 1.29 per cent in FY2026. Growth in electricity, gas, steam and air conditioning supply is also estimated to have increased from 5.26 per cent to 5.77 per cent over this period.

Figure 19: Sector-wise GDP Growth Rates (FY2022 - FY2026)



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

Note: P: provisional.

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Disclaimer: These 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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