

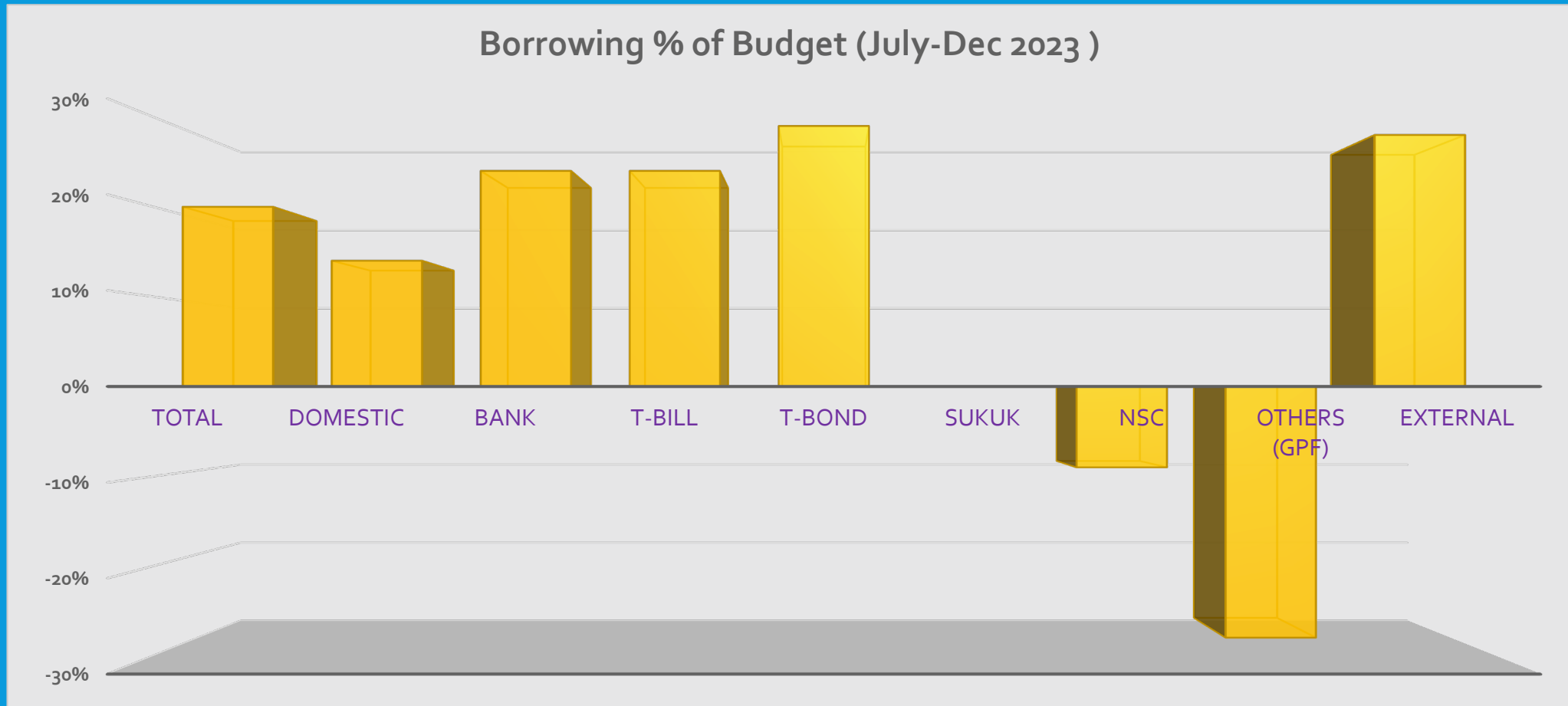


# BANGLADESH

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Joint Secretary  
Ministry of Finance  
Bangladesh

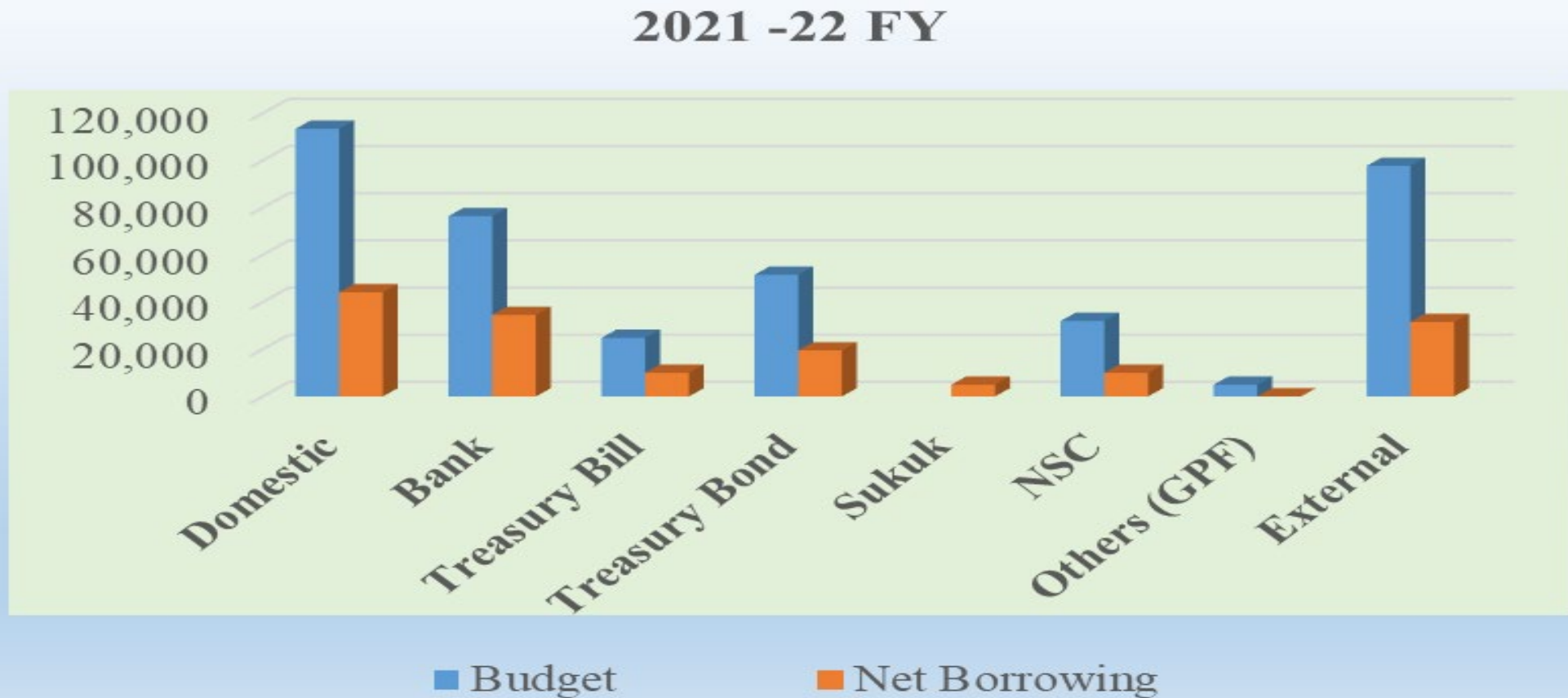
DMF Stakeholders' Forum  
The World Bank

# DEBT COMPOSITION OF BANGLADESH



# DEBT COMPOSITION OF BANGLADESH

Borrowing during 2021-22 FY



# DEBT COMPOSITION OF BANGLADESH

Comparative Borrowing  
2021-22 and July-Dec 2022

Borrowing Sources	2022-23 (Jul-Dec)			2021-22 (Jul-Dec)		
	Budget	Net Borrowing	% of Budget	Budget	Net Borrowing	% of Budget
Total Borrowing	241,793	48,024	20%	211,191	75,701	36%
Domestic	146,335	20,948	14%	113,453	44,152	39%
Bank	106,334	25,445	24%	76,452	34,560	45%
Treasury Bill	38,142	9,248	24%	24,852	10,035	40%
Treasury Bond	56,192	16,197	29%	51,600	19,525	38%
Sukuk	12,000	-	0%		5,000	
Non-Bank	40,001	-4,497	-11%	37,001	9,592	26%
NSC	35,000	-3,107	-9%	32,000	10,026	31%
Others (GPF)	5,001	-1,390	-28%	5,001	-434	-9%
External	95,458	27,076	28%	97,738	31,548	32%

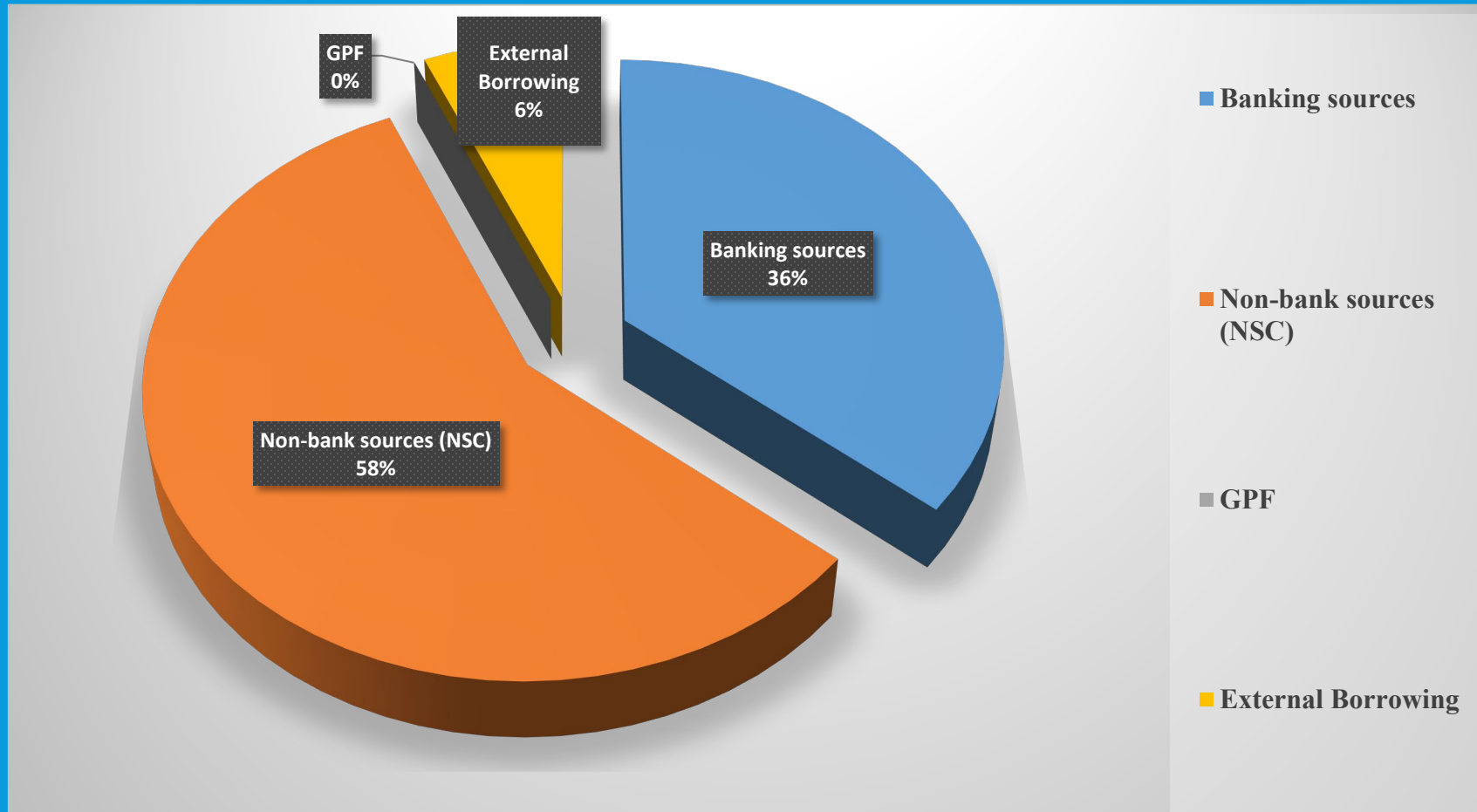
# DEBT COMPOSITION OF BANGLADESH

Month wise Borrowing from NSC  
(Jul-Dec FY22)

<b>Month</b>	<b>Gross Issuance</b>	<b>Redemption</b>	<b>Net Borrowing</b>
July'22	7018	6625	393
August	7520	7512	8
September	6973	7044	-71
October	6533	7496	-963
November	6885	7868	-983
December	5542	7033	-1491
<b>Total Borrowing</b>	<b>40472</b>	<b>43579</b>	<b>-3107</b>

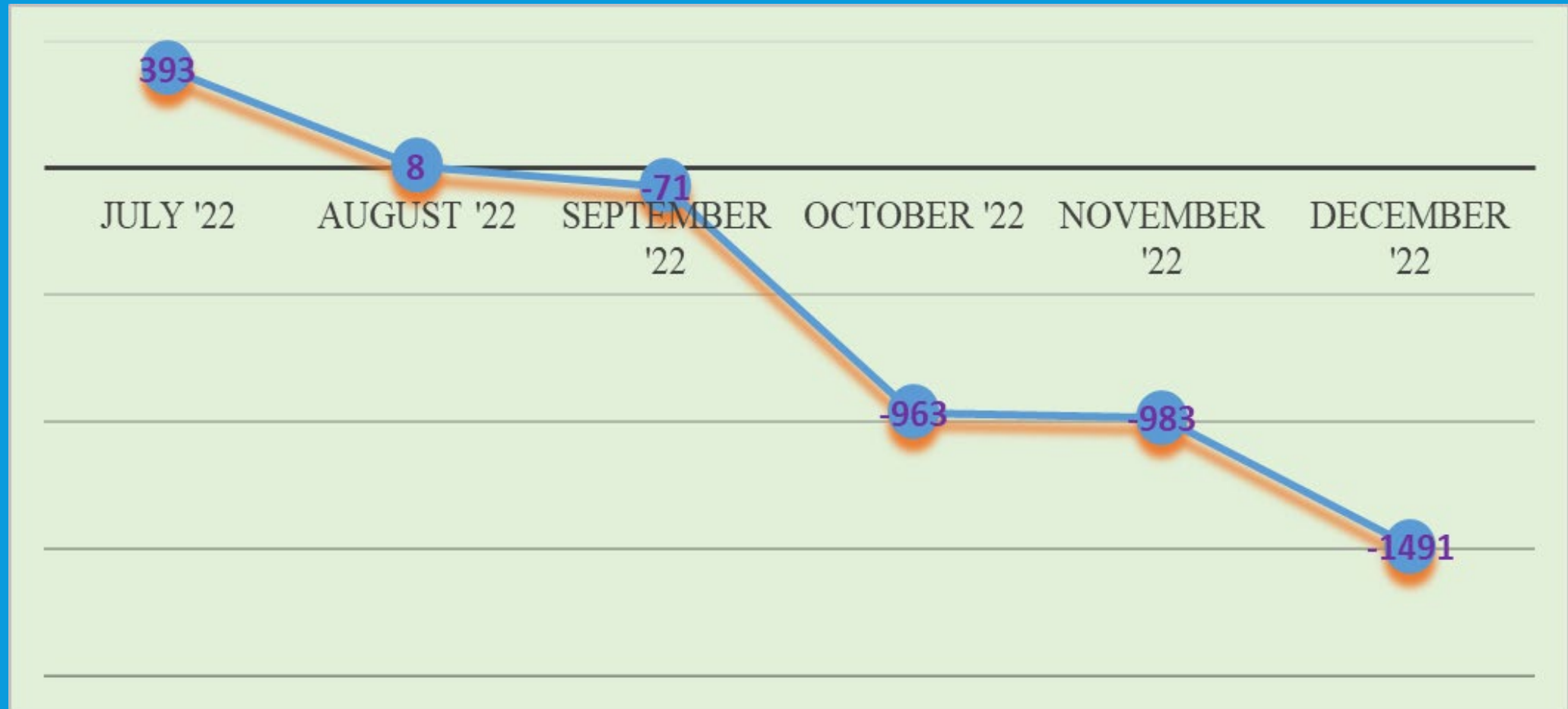
# COST OF BORROWING

Interest Expenditure of Borrowing  
(Jul-Dec FY22)



# RELIANCE ON RETAIL INSTRUMENT

Borrowing from NSC



# RELIANCE ON RETAIL INSTRUMENT

Cause of reduce borrowing from NSC

Slab in interest rate for different investors

Compulsion of Tax Return

NID based Automation System



# MANAGEMENT OF G-SEC

- ✓ Treasury Bills
- ✓ Treasury Bond
- ✓ Sukuk
- ✓ Special Bond

# MANAGEMENT OF G-SEC

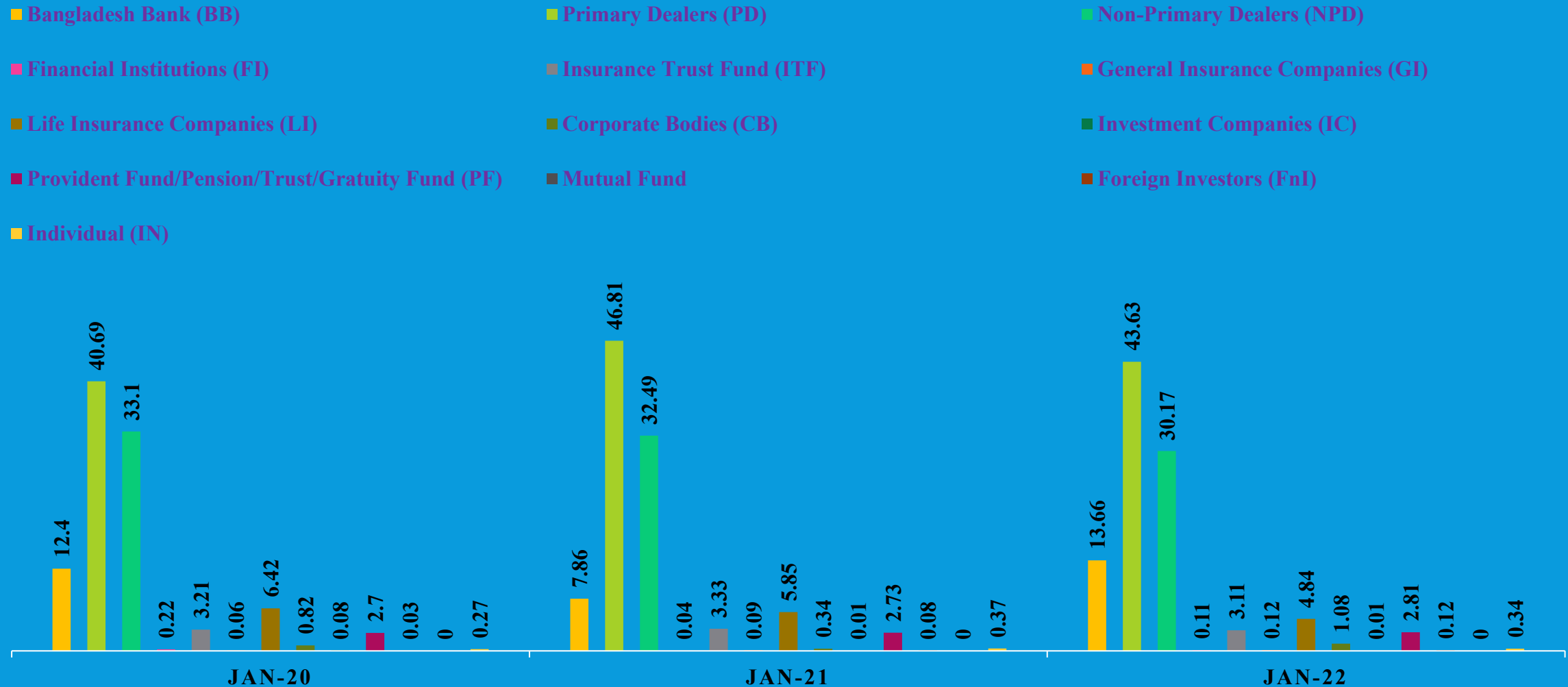
- ✓ Only Primary Dealers (PD) can submit bids in the auctions.
- ✓ Other institutions and individuals can submit bids in auction but through the PDs.
- ✓ At present 20 banks are performing as Primary Dealer.

# MANAGEMENT OF G-SEC

- ✓ Non-resident individual and institutional investors also eligible to buy BGTBs through a Non-Resident Foreign Currency Account and Non-Resident Investor's Taka Account maintained with commercial banks of Bangladesh.
- ✓ Bangladesh Bank have its own depository system for the transaction and settlement of Government securities in the Market Infrastructure (MI) Module.

# COMPOSITION OF INVESTORS

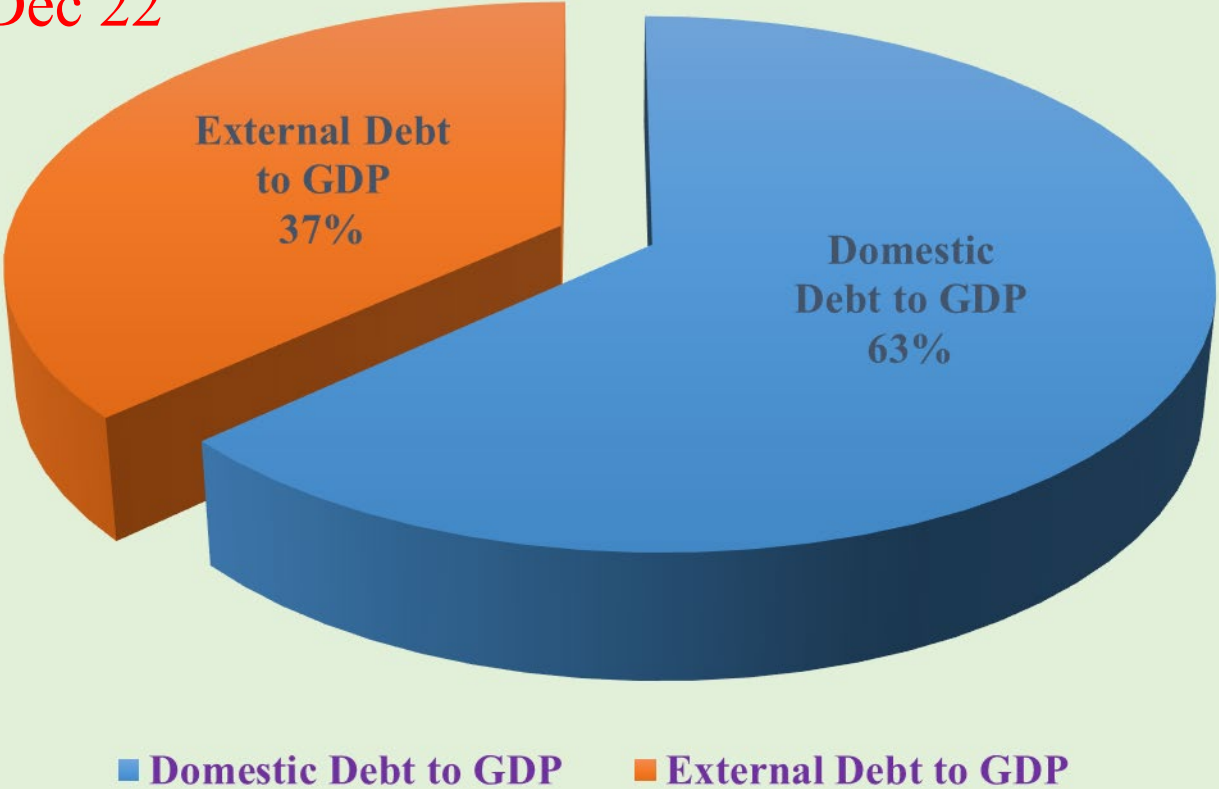
Domestic Borrowing



# DOMESTIC VS EXTERNAL

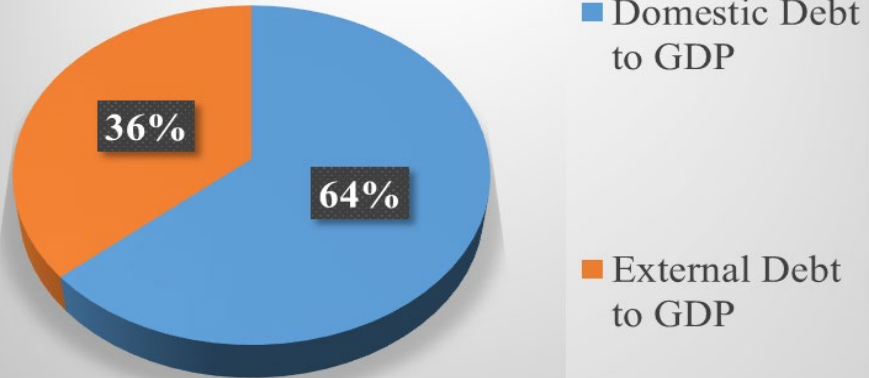
Debt to GDP Ratio

Dec 22



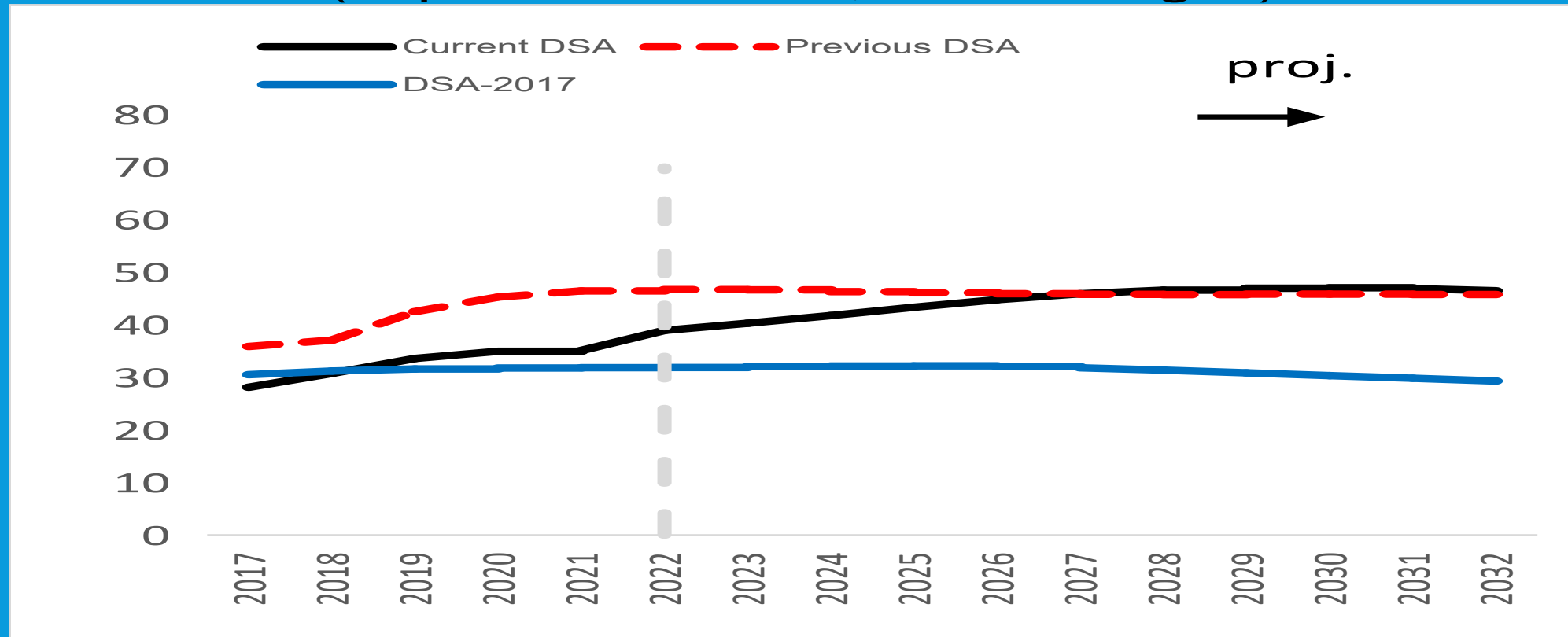
	As on 30 June 2022	As on 31 Dec 2022
<b>GDP</b>	<b>3,971,716</b>	<b>4,449,959</b>
<b>Debt to GDP (%)</b>	<b>32.38%</b>	<b>30.56%</b>
<i>Domestic Debt to GDP</i>	20.47%	19.42%
<i>External Debt to GDP</i>	11.91%	11.14%

2021-22



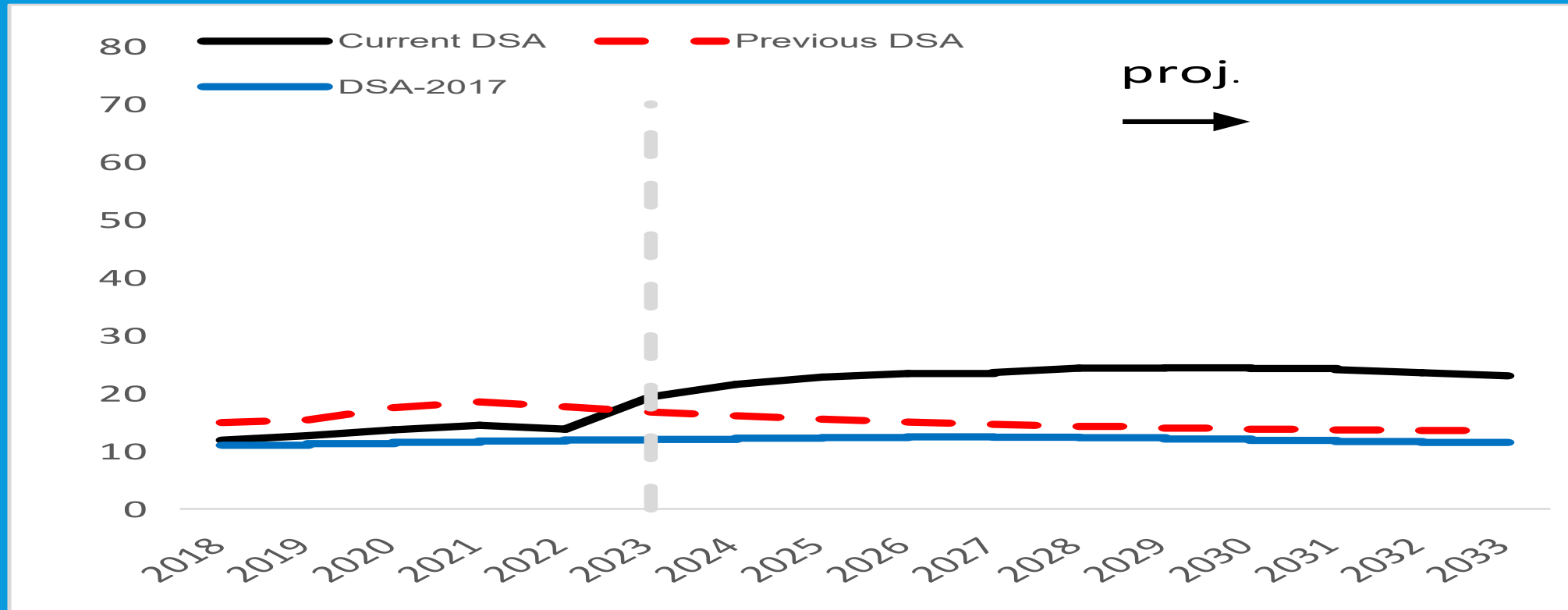
# INTERPRETING LATEST DSA

Gross Nominal Public Debt  
(in percent of GDP; DSA vintages)



# INTERPRETING LATEST DSA

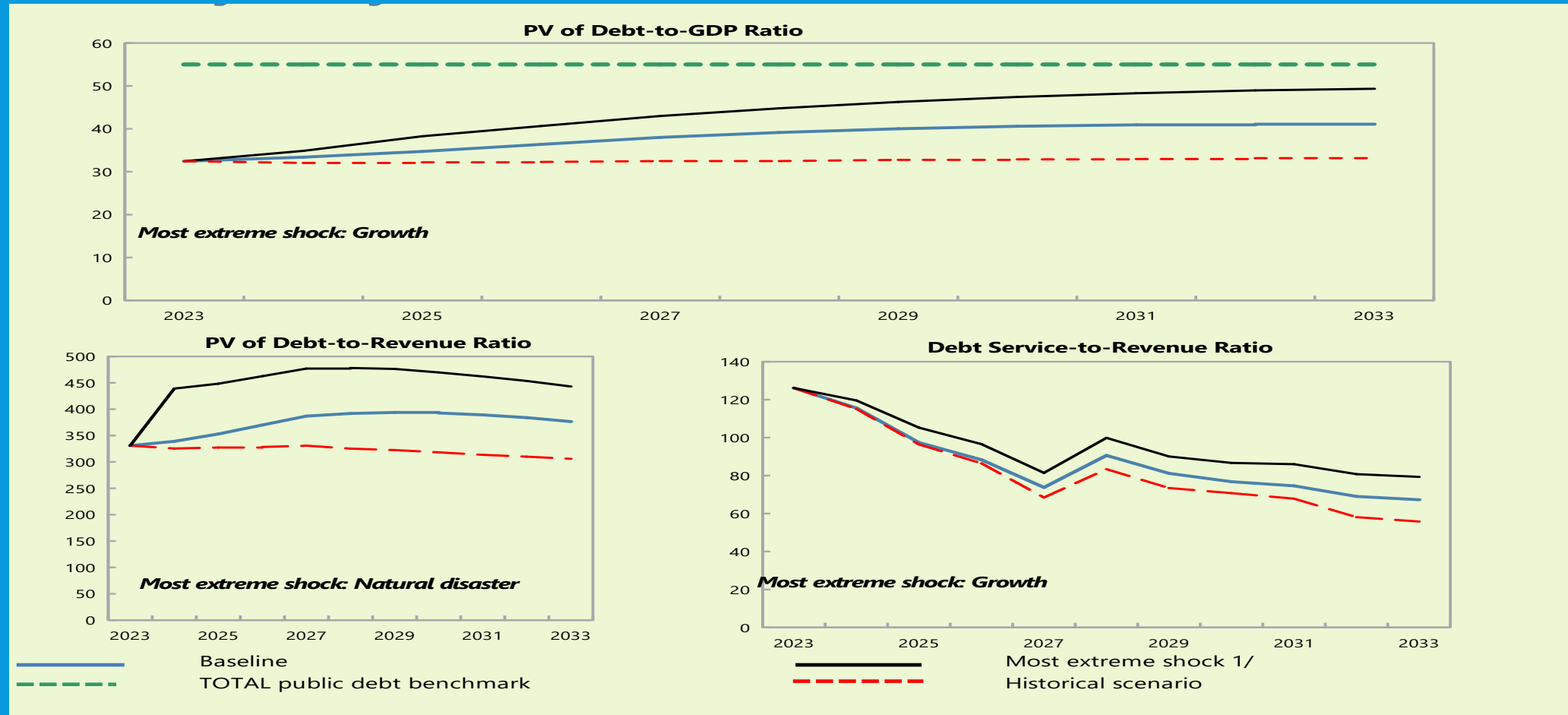
Gross Nominal PPG External Debt  
(in percent of GDP; DSA vintages)



DSA Interpretation

# INTERPRETING LATEST DSA

DSA Interpretation





# NSC SCENARIO

- ✓ Open Tap Issuance
- ✓ Administered Rate of Interest (Costliest borrowing)
- ✓ Over borrowing from NSC often suspend the borrowing calendar

# WAY FORWARD

Expansion or Contraction

## BUDGET AT A GLANCE

(Taka in Crore)

Description	Budget 2023-24	Revised 2022-23	Budget 2022-23	Actual 2021-22
<b>Revenue and Foreign Grants</b>				
<b>Revenues (Statement I)</b>	<b>5,00,000</b>	<b>4,33,000</b>	<b>4,33,000</b>	<b>3,34,642</b>
Tax Revenue	4,50,000	3,88,000	3,88,000	2,99,585
NBR Tax Revenue	4,30,000	3,70,000	3,70,000	2,92,881
Non-NBR Tax Revenue	20,000	18,000	18,000	6,704
Non-Tax Revenue	50,000	45,000	45,000	35,056
<b>Foreign Grants/1 (Statement V)</b>	<b>3,900</b>	<b>3,263</b>	<b>3,271</b>	<b>2,322</b>
<b>Total :</b>	<b>5,03,900</b>	<b>4,36,263</b>	<b>4,36,271</b>	<b>3,36,964</b>

# WAY FORWARD

Expansion or Contraction

<b>Expenditure</b>				
<b>Operating Expenditure</b>	<b>4,75,281</b>	<b>4,14,283</b>	<b>4,11,406</b>	<b>3,25,682</b>
Recurrent Expenditure (Statement III)	4,36,247	3,90,085	3,73,242	3,07,725
of which Interest	93,531	89,167	79,530	77,779
Domestic Interest	82,000	80,691	73,175	73,225
Foreign Interest	12,376	9,322	7,200	4,554
Capital Expenditure/2 (Statement IV)	39,034	24,198	38,164	17,956
<b>Net Outlay for Food Account Operation (Statement VIII)</b>	<b>502</b>	<b>1,097</b>	<b>540</b>	<b>2,437</b>
<b>Loans &amp; Advances (Net)/3 (Statement VIA)</b>	<b>8,420</b>	<b>3,520</b>	<b>6,501</b>	<b>- 5,104</b>
<b>Development Expenditure</b>	<b>2,77,582</b>	<b>2,41,607</b>	<b>2,59,617</b>	<b>1,95,173</b>
Scheme/4 (Statement X)	3,768	3,732	3,155	2,872
Non-ADP Special Project (Statement VIA)	7,986	7,436	7,721	4,451
Annual Development Programme/5 (Statement IX)	2,63,000	2,27,566	2,46,066	1,86,060
Non-ADP FFW and Transfer/6 (Statement X)	2,828	2,873	2,675	1,790
<b>Total - Expenditure :</b>	<b>7,61,785</b>	<b>6,60,507</b>	<b>6,78,064</b>	<b>5,18,188</b>

# WAY FORWARD

Expansion or Contraction

<b>Overall Deficit (Including Grants) :</b>	<b>- 2,57,885</b>	<b>- 2,24,244</b>	<b>- 2,41,793</b>	<b>- 1,81,224</b>
<b>(In percent of GDP) :</b>	<b>- 5.2</b>	<b>- 5.1</b>	<b>- 5.4</b>	<b>- 4.6</b>
<b>Overall Deficit (Excluding Grants) :</b>	<b>- 2,61,785</b>	<b>- 2,27,507</b>	<b>- 2,45,064</b>	<b>- 1,83,546</b>
<b>(In percent of GDP) :</b>	<b>- 5.2</b>	<b>- 5.1</b>	<b>- 5.5</b>	<b>- 4.6</b>

# WAY FORWARD

Financing: 2,57,885 Crore BDT

## External

Net Foreign Borrowing 1,02,490

Gross 1,27,190 crore

Repayment 24,700 crore

## Domestic

Long Term Bank Source 1,32,395

Short Term Bank Source 45,815

**NSC 18,000 crore**

Others (GPF) 5,000 crore

NSC in borrowing mix

# WAY FORWARD

- ✓ Tag NSC with market instrument
- ✓ Stick to the borrowing plan (no overborrowing)
- ✓ Giving the gap between previous profit and market rated interest as transfer to the marginal investors (widower women/elderly people)
- ✓ Shifting peoples interest to Universal Pension Scheme (from FY 2023-24)

Thank you for patient hearing...