



ECONOMIC UPDATE

Highlights

- *Inflation ticks up in November driven by higher rice and protein prices, despite easing vegetable prices*
- *External sector gains momentum, driven by strong remittances and modest export growth*
- *Banking sector remains resilient with robust deposits amid moderate credit growth*
- *Fiscal and ADP performance improves year-on-year but remains below targets*

Inflation Rises Slightly Despite Rice Price Moderation; Food Pressures Concentrated in Rice and Protein, Offset by Vegetables

General inflation exhibited a slight increase in November 2025, rising to 8.29% from 8.17% in October, with food inflation increasing from 7.08% to 7.36% while non-food inflation remained relatively stable at around 9% (Figure 1a). Rice inflation, however, showed a more pronounced downward trajectory across all categories, with overall rice inflation declining from 13.77% in October to 12.26% in November—medium rice fell from 11.66% to 10.96%, fine rice from 16.26% to 15.43%, and coarse rice from 14.11% to 11.04% (Figure 1b).

Despite this decline, rice inflation remains substantially elevated and continues to exert considerable pressure on overall food prices.

At the broad level, rice continued to be the largest contributor with 40.28% in November, although it was 47.01% in October (Figure 2a). Fish and dry fish contributed 40.77% in November, slightly higher than 39.33% in the previous month. Other positive contributors show changes as well. Meat contribution fell from 13.44 to 10.81% between October and November, while oil and fat declined from 8.20 to 6.09%. Fruit remained broadly unchanged, contributing 9.70% in November compared to 9.85% in October. Milk, cheese, and eggs increased modestly from 3.95% to 5.20%. Vegetables continued to exert a strong negative contribution, although the disinflationary impact eased, with the contribution improving from –20.57% in October to –17.37% in November.

At the disaggregated level, contributions from all major rice varieties declined as seen in Figure 2b: medium declined from 19.54% in October to 17.68% in November, fine rice from 7.20% to 6.57%, and coarse rice from 16.81% to 12.65%.

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Among proteins, beef rose from 6.82% to 7.55%, hilsa increased marginally from 7.98% to 8.21%, and pangash increased from 12.36% to 13.24%. Soybean oil contribution declined from 7.79% to 5.77%, while liquid milk also declined slightly from 5.24% to 5.02%. Onion and potato continued to record negative contributions, with potato remaining strongly disinflationary (-16.71% in November vs -18.31% in October).

Gap Between Price and Wage Inflation Is Relatively Narrow but Price Pressure Persists

The gap between price inflation and wage inflation narrowed noticeably in October 2025, as price inflation declined to 8.17% while wage inflation remained almost unchanged at 8.01% (Figure 3). However, the gap widened again slightly in November, with price inflation rising to 8.29% compared to wage inflation of 8.04%. Overall, price inflation remained consistently above wage inflation throughout the period, implying that nominal wage growth has not fully kept pace with price increases. This persistent gap suggests continued pressure on real incomes, although the relatively narrow differential indicates partial coping with inflation through wage adjustments.

Moderation in Credit Growth Amid Stable Deposit Expansion

The Bank deposits reached BDT 1,924,635.70 crore in October, registering a robust year-on-year growth of 9.62% (Figure 4a). This performance follows an even stronger picture in August, when deposit growth peaked at 10.02%, before easing slightly to 9.98% in September. The sustained high growth rates from August through October underscore continued depositor confidence in the banking system and reflect healthy savings mobilization during this period.

The credit expansion showed moderate signs across all segments in October. Public sector credit witnessed the most notable slowdown, declining from 24.45% in September to 21.43% in October, while private sector credit growth decreased marginally from 6.29% to 6.23%. Overall, total domestic credit stood at BDT 2,335,885.40 crore with growth decelerating to 9.62% from 10.20% in September (Figure 4b).

Weighted Average Interest Rate (WAIR) Spread Varies Across Banking Groups

From the latest data available, October 2025 shows notable variation across different banking groups, reflecting differences in funding structures, risk profiles, and lending strategies. Foreign commercial banks recorded the highest interest rate spread at 8.88% (Figure 5), indicating comparatively wider margins between lending and deposit rates. In contrast, specialized and development banks exhibited the lowest spread at 3.37%, consistent with their mandate-driven operations, concessional lending, and relatively limited reliance on market-based pricing.

State-owned commercial banks and private commercial banks displayed broadly similar spreads, at 5.69% and 5.59% respectively. This proximity suggests convergence in pricing behavior between these two segments. Overall, the distribution of WAIR spreads indicates that while private and state-owned banks operate within a moderate margin range, foreign banks continue to maintain significantly higher spreads, and specialized banks remain structurally constrained to narrower margins. However, WAIR at around 5% is desirable to demonstrate improved efficiency in the banking sector.

Revenue Collection Falls Short of Monthly Targets Despite Double-Digit Year-on-Year Growth

Revenue target for the FY 2025-26 was BDT 499000 crores in total and for November 2025, it was BDT 36326 crores. In November 2025, Revenue collection from the three sources was BDT 29658 crore which was BDT 6668 crore less than the target for that month. Revenue at import and export level decreased BDT 1362 crores; Value added tax (VAT) at local level decreased BDT 2549 crores and income tax and travel tax decreased BDT 2757 crores compared to the target of November 2025. Overall, NBR's revenue collection in November 2025 demonstrated a declining gap with the proposed target for the three sources of revenues. Achieved average target of NBR is 83.95% of the total revenue collection for the month of November'25 lagged 16.05% behind the proposed target.

Moreover, revenue collection from the three sources for November 2025 rises from the collection of November 2024. Total NBR revenue collection in November 2025 was BDT 29658 crores which was BDT 25970 crores in November 2024 indicating a positive trend of total BDT 3688 crores. The growth with respect November'24 is 14.20% but Total revenue collection for the month of November'25 lagged 16.05% behind the proposed target.

ADP Utilization Improves Year-on-Year but Implementation Pace Remains Sluggish

Figure 6a provides a detailed picture of the ADP utilization for the July-November period of FY 2024-25 and FY 2025-26, showing the expenditure trends over these months. From the graph, it is evident that while there has been a noticeable increase in overall ADP utilization in FY 2025-26, but the pace of implementation remains slower than expected. A significant portion of the allocated funds for development projects have yet to be utilized, reflecting persistent inefficiencies in execution.

Although the total amount spent has increased, it still falls short of the target utilization rate, suggesting that the government may face difficulties in meeting its ADP goals if this trend continues.

The ADP utilization for the month of November 2025 reveals a concerning trend in the performance (Figure 6b). While there was a noticeable increase in utilization, but the rate of expenditure still appears lower than expected for this critical month. November is typically a key point in the fiscal year for assessing progress, and the graph suggests that while some progress has been made, the pace remains slow. This could reflect delays in project execution, slower-than-anticipated disbursement of funds, or administrative hurdles that prevent the timely implementation of planned activities.

In Figure 7, the ADP utilization in different financing modes for the July-November 2025 period with that of the same period in FY 2024-25, highlights both improvements and persistent challenges in Bangladesh's development program. When compared to July-November 2024, the graph shows that the year-on-year growth in expenditure for July-November 2025 was not significant enough to reflect substantial progress in project implementation. This could indicate that while the government has made some strides in terms of fund disbursement, there are still systemic issues slowing down the completion of development projects. These include administrative bottlenecks, slow approval processes, and delays in procurement, all of which hinder the timely execution of planned initiatives. Although there is a visible upward trend, it is clear that the rate of improvement is not as fast as needed to meet the country's development goals for the fiscal year.

Strong External Sector Performance in Bangladesh

In November 2025, Bangladesh's external sector demonstrated strong performance and resilience. Foreign exchange reserves reached their highest levels of the year, reflecting improved external inflows and effective liquidity management. Remittance inflows were also at a peak, approaching USD 2.9 billion, signaling robust overseas earnings and increased use of formal transfer channels, which supported foreign exchange availability and macroeconomic stability. Export earnings, driven primarily by the RMG sector, remained above USD 3.0 billion, contributing to overall external stability, while non-RMG exports stayed relatively modest but stable. The combined strength of rising reserves, high remittance inflows, and steady exports in November underscores a positive external sector outlook, although continued reliance on RMG exports highlights the importance of diversification for sustained resilience.

Foreign Exchange Reserves Reach Annual Peak, Enhancing External Stability

In November 2025, Bangladesh's foreign exchange reserves reached their peak levels for the year, with gross reserves at approximately USD 32,335 million and BPM6 reserves at USD 27,578 million (Figure 8). This represents a continued upward trajectory from mid-2025, reflecting strong external inflows, including export earnings, remittances, and possible balance of payments support. The consistent gap between gross and BPM6 reserves highlights the conservative nature of BPM6, which excludes encumbered or non-readily usable assets, providing a more policy-relevant measure of usable reserves. The month-on-month increase from October to November indicates strengthened reserve adequacy, supporting macroeconomic stability

and the central bank's capacity to manage external vulnerabilities. The high reserve level in November 2025, combined with robust remittance inflows and steady exports, underscores an improved external sector position for Bangladesh and signals enhanced resilience against short-term shocks.

Export Earnings Stabilize After Mid-Year Volatility

Bangladesh's export earnings reached approximately USD 3,891.6 million, showing a modest increase from October (USD 3,823.9 million) and reflecting relative stability in the external sector in November 2025 (Figure 9a). While export earnings experienced significant fluctuations, November Figure indicates a more stable phase, suggesting that seasonal disruptions and short-term shocks had eased. The steady export performance in November, supported largely by the ready-made garments (RMG) sector, combined with strong remittance inflows and rising foreign exchange reserves, reinforces Bangladesh's external resilience. Although overall export levels remain below mid-year peaks, the November 2025 outcome points to a gradual stabilization in external earnings, contributing positively to balance of payments management and macroeconomic stability.

RMG Continues to Dominate Export Basket, Highlighting Need for Diversification

In November 2025, Bangladesh's export earnings totaled approximately USD 3,891.6 million, with the ready-made garments (RMG) sector contributing USD 3,140.9 million and other exports accounting for USD 750.6 million (Figure 9b). RMG exports remain the dominant driver of overall export performance, representing over 80% of total earnings, while non-RMG exports continue to play a smaller but relatively stable role.

The stability of non-RMG exports, despite modest fluctuations, helps moderate overall volatility. This export composition highlights the ongoing dependence on garments while underscoring the need for diversification to strengthen resilience and reduce vulnerability to sector-specific shocks.

Divergence between REER-Based and Bilateral Exchange Rates of the Bangladeshi Taka

In Figure 10 a clear divergence is observed between the REER-based exchange rate and the bilateral BDT/USD rate. The bilateral exchange rate remains relatively stable, increasing only marginally from around BDT 121 per USD to about BDT 122.33 in November 2025, whereas the REER-based exchange rate fluctuates more widely and follows a pronounced upward trend, rising from 123.23 to above 130.12 in November. This widening gap indicates that, despite limited nominal depreciation against the US dollar, the taka faces growing real appreciation pressures when inflation differentials and movements in trading partner currencies are taken into account. Such a pattern suggests increasing real exchange rate misalignment and potential erosion of external competitiveness, particularly in the latter half of 2025.

Robust Remittance Inflows to Bangladesh

Remittance inflows to Bangladesh in November 2025 reached a remarkable USD 2,889.5 million, marking the highest monthly level in the 2024–25 period and showing a significant year-on-year increase from November 2024 (USD 2,200.0 million) which can be seen in Figure 11. This peak reflects stronger overseas earnings, improved use of formal transfer channels, and favorable policy incentives for remittance senders.

The data indicate a consistent upward trend in remittances from mid-2025, with inflows steadily above USD 2,400 million from July to November. Compared to the same months in 2024, November 2025 shows the most pronounced increase, highlighting both seasonal strength and structural improvement in Bangladesh's remittance performance. This surge provides crucial support to foreign exchange reserves and reinforces the stability of the country's external sector.

Recent Publications and Workshops/ Seminars Organized by the GED

Bangladesh State of the Economy (SOE) 2025

GED launched a publication titled "Bangladesh State of the Economy 2025," which analysed long-term patterns in economic indicators, enabled comparisons across periods, and provided a comprehensive review of the economy's performance over the past year, with a focus on economic reforms and recovery. When the interim government assumed power, it inherited a fragile economy affected by multiple shocks, including rising inflation, currency devaluation, declining foreign exchange reserves, deficits in both financial and current accounts, high non-performing loans, and lingering effects of macroeconomic mismanagement. The government has actively worked to restore macroeconomic stability through banking-sector discipline, exchange-rate stabilization, and inflation control, successfully stabilizing the economy, rebuilding confidence in the banking sector, and proposing long-term reform plans. The report provides an overview of the policies implemented and the economic responses observed, to help policymakers adopt short-term economic measures and corrective actions to achieve a more stable and resilient economy.



This publication can be downloaded from the GED Knowledge Portal: <https://gedkp.gov.bd/>

A Dissemination Seminar on the publication of the said report was held on 08 December 2025, at the NEC Conference Room, Bangladesh Planning Commission. Dr. Anisuzzaman Chowdhury, Honorable Special Assistant to the Honorable Chief Adviser, Ministry of Finance, graced the event as the Chief Guest. Dr. Ahsan H. Mansur, Governor, Bangladesh Bank, Mr. Mohammad Shafiqul Alam, Press Secretary to the Hon'ble Chief Adviser, Ms. Lamiya Morshed, Principal Coordinator (SDG), SDG Affairs, Dr. Md. Khairuzzaman Mozumder, Secretary, Finance Division, Ministry of Finance, Mr. Md. Abdur Rahman Khan FCMA, Chairman, National Board of Revenue (NBR) and Mr. SM Shakil Akhter, Secretary, Planning Division, Ministry of Planning joined the event as Special Guests. Professor Mahbubullah, Former Chairman, Department of Development Studies, University of Dhaka, Dr. Zahid Hussain, Former Lead Economist, The World Bank,

Dhaka Office, and Professor Mustafizur Rahman, Distinguished Fellow, Center for Policy Dialogue (CPD) attended the event as Distinguished Discussants.



The event was presided over by Dr. Monzur Hossain, Member (Secretary), GED. He mentioned that GED aims to publish SOE on a regular basis to facilitate informed policymaking. Representatives from ministries/ divisions/ agencies, development partners, academia, researchers, civil societies, print and electronic media attended the seminar.

Meeting on the ICPD Beyond 30 Committee- “Integrating Population Dynamics and Development Issues into National Plans and Policies (PD4Development)”

The first meeting of the ICPD Beyond 30 Committee was held on 11 December at the GED Conference Room, Bangladesh Planning Commission. Dr. Monzur Hossain, Member (Secretary), General Economics Division (GED) graced the event as the chair. Notable participants included Dr. Barkat-e-Khuda, former professor and chairman, University of Dhaka; Ms. Rasheda K. Choudhury, Former Adviser to the Caretaker Government and Executive Director, Campaign for Popular Education (CAMPE); and Dr. Md. Zillur Rahman, Professor, Department of Disaster Science and Climate Resilience, University of Dhaka.

The meeting was further attended by senior officials from key government ministries and agencies, including Ministry of Finance; Ministry of Planning (GED and BBS); Ministry of Health and Family Welfare; Local Government Division, MoLGRDC, Ministry of Youth and Sports; the Ministry of Women and Children Affairs; the Ministry of Education; and the ICT Division, alongside representatives from academia, NGOs, and civil society organizations. The meeting featured a keynote presentation by Dr. Mohammad Mainul Islam, Professor, Department of Population Sciences, University of Dhaka, entitled “Shaping the Future: Strategic Roadmap for Action and Collaborative Engagement.”

The core agenda and plans of the ICPD Beyond 30 roadmap center on advancing a people-centered, rights-based development framework that fully integrates population dynamics into national planning. The agenda prioritizes universal access to sexual and reproductive health and rights, acceleration of the “three zeros” commitments (zero unmet need for family planning, zero preventable maternal deaths, and zero gender-based violence), and protection of rights and choices for women, adolescents, youth, and marginalized groups.

Field Visit to Kurigram District for SDG Village selection

On 17–18 December, a team of GED, led by the Member (Secretary), Dr. Monzur Hossain, conducted a field visit to Kurigram District as part of the SDG Localization initiative with a view to identifying a suitable SDG Model Village.

On the first day, a consultation meeting was held at the DC office where discussions took place on the approach and criteria for selecting an SDG Village from Kurigram, a district widely recognized as a poverty-prone area.

District SDG committee, UNDP and The Hunger Project teams were present and provided opinions on the SDG Village selection process.



The next day, on 18th December, GED team visited two villages of Hatiya and Pandul Union of Ulipur upazila, Kurigram district. The visit aimed at understanding the overall development challenges and opportunities in the selected rural areas for potential SDG-focused interventions.

In general, both villages exhibit a high incidence of poverty, largely driven by landlessness, limited employment opportunities, and recurring climate-induced challenges such as flooding and waterlogging, which adversely affect agricultural production and livelihoods. Infrastructure-related initiatives, including river protection measures, alternative livelihood options, such as eco-tourism and other local economic activities that could improve poverty situation in these villages.

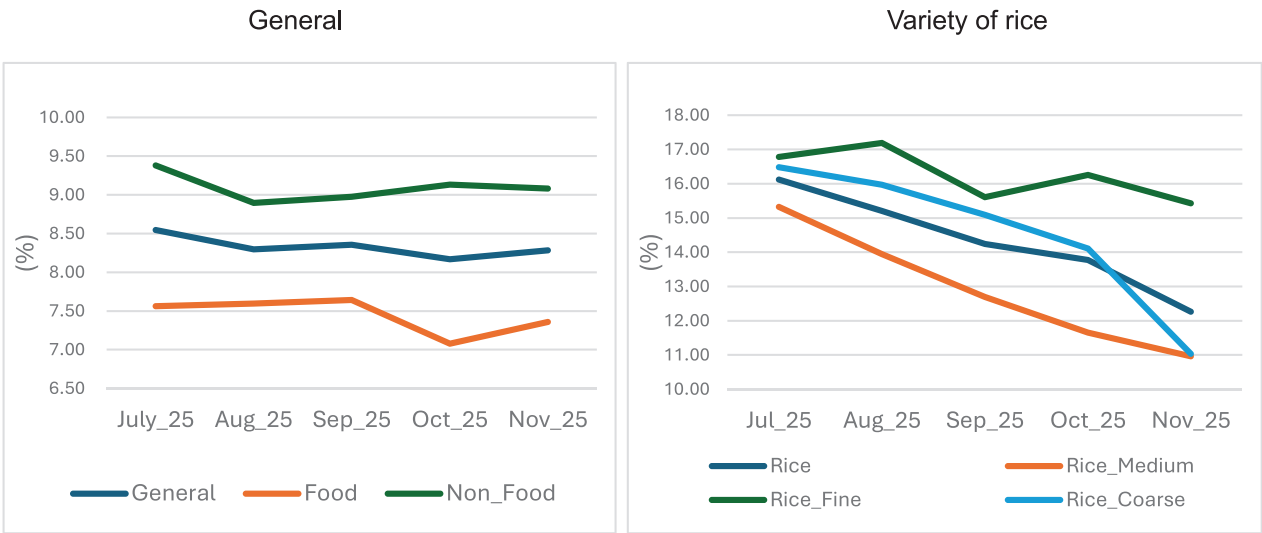
Based on the preliminary observations, GED expects that one of these villages can be identified as an SDG Model Village. The long-term objective is to address the key constraints through integrated interventions and thereby improve the overall SDG performance of the selected village.

Acknowledgments: The data used in this report were provided by the Bangladesh Bureau of Statistics (BBS), Export Promotion Bureau (EPB), Bangladesh

Bank, Implementation Monitoring and Evaluation Division (IMED), National Bureau of Statistics (NBR), and the Finance Division.

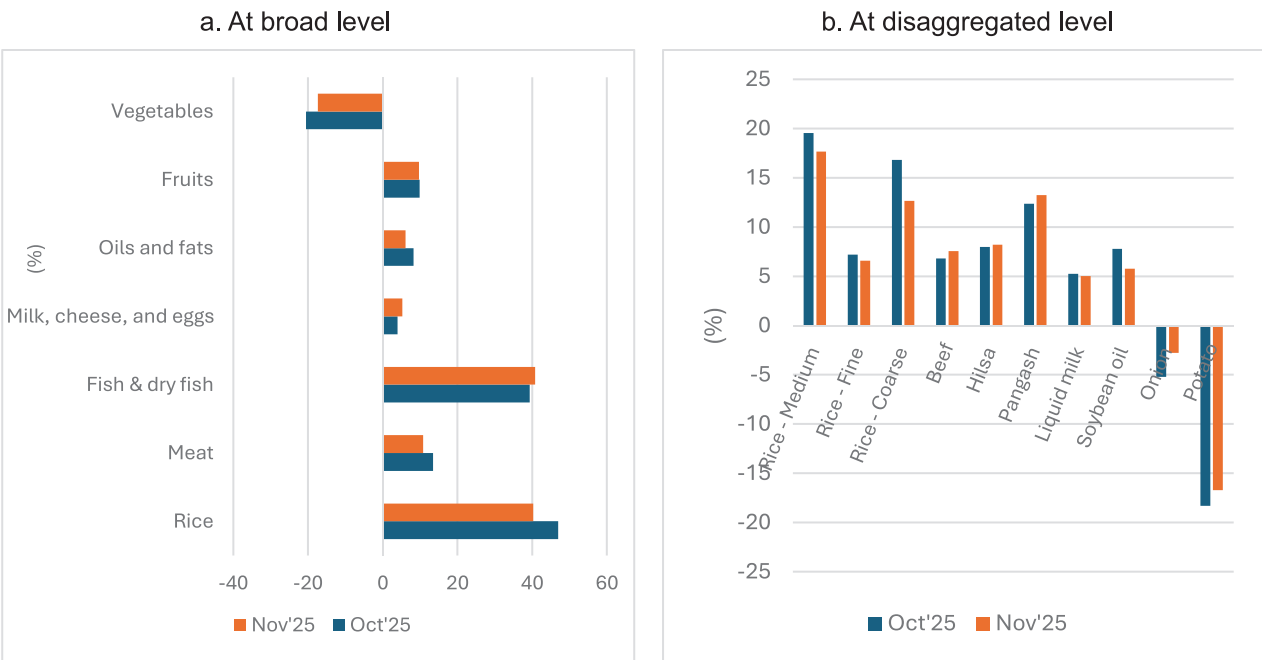
Annex: Tables and Figures

Figure 1: Inflation trend and change in CPI in the variety of rice till November 2025



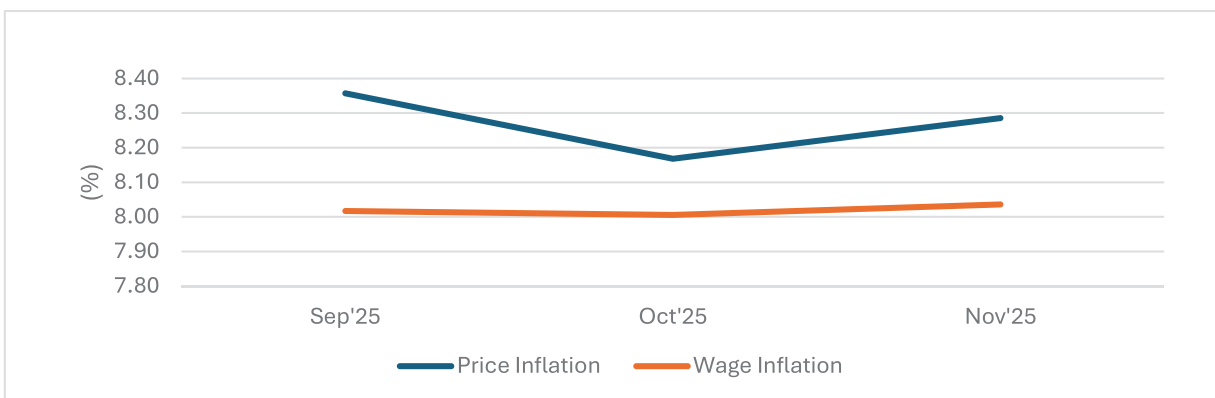
Source: Bangladesh Bureau of Statistics

Figure 2: Contribution of food items to food inflation in October & November 2025



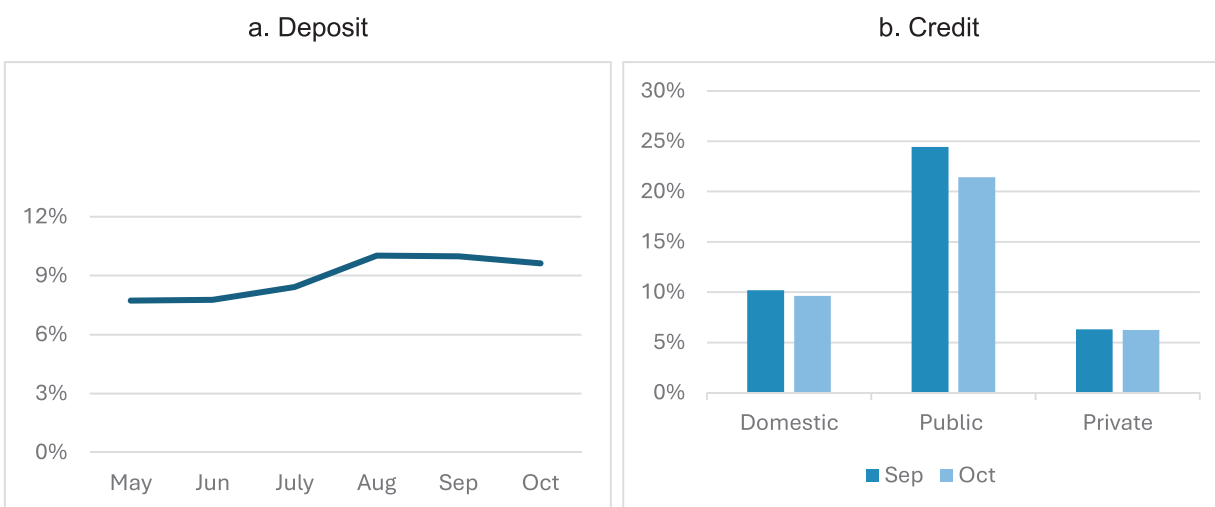
Source: Bangladesh Bureau of Statistics

Figure 3: Price vs Wage Inflation (September-November 2025)



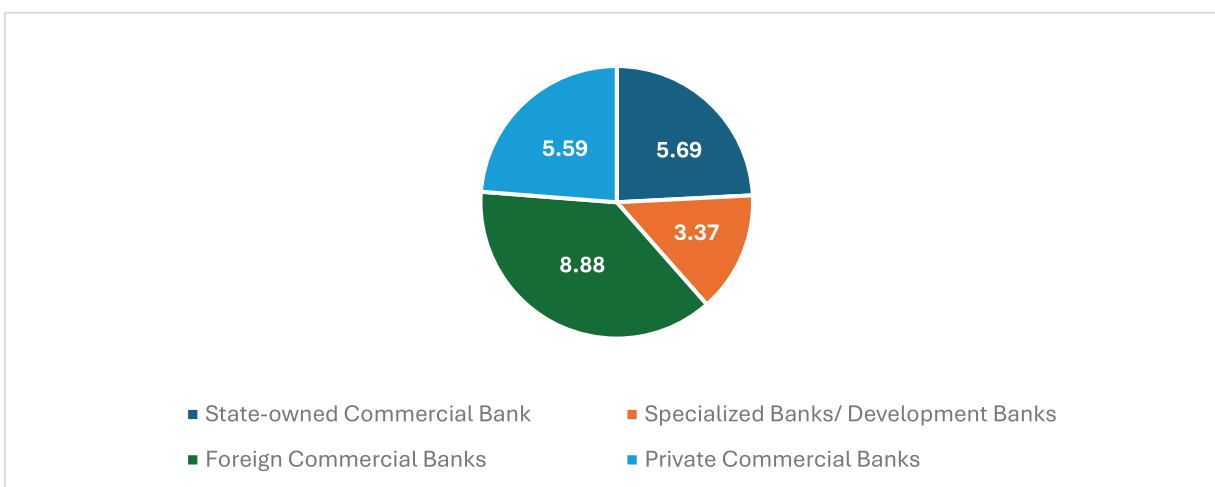
Source: Bangladesh Bureau of Statistics

Figure 4: Deposit and credit trends in October 2025



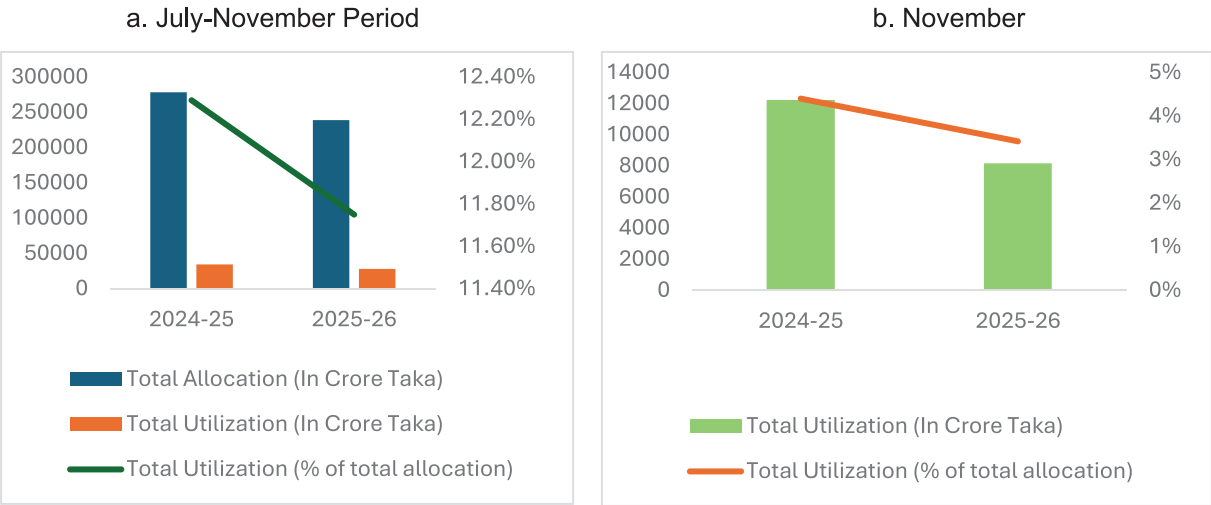
Source: Bangladesh Bank

Figure 5: Weighted average interest rate (WAIR) spread in October 2025



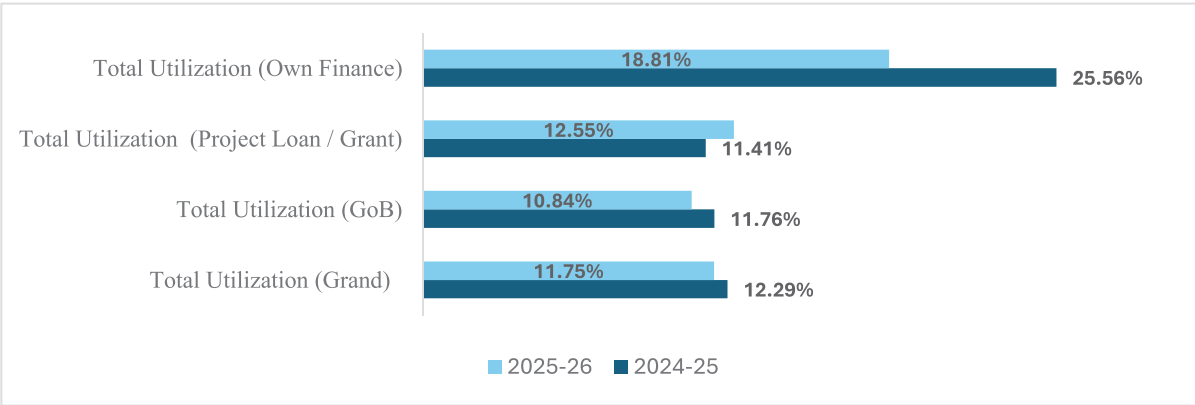
Source: Bangladesh Bank

Figure 6: ADP utilization between FY 2024-25 & 2025-26



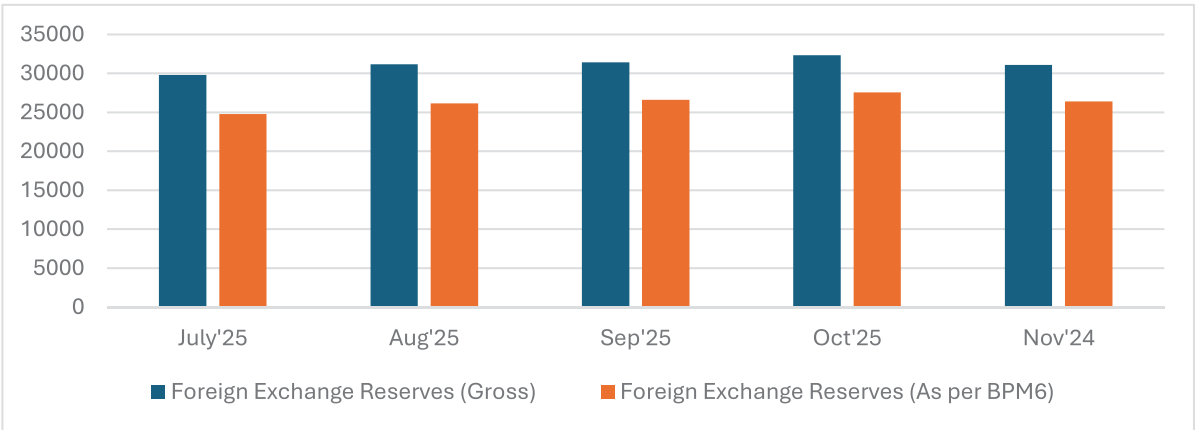
Source: Implementation Monitoring and Evaluation Division (IMED)

Figure 7: ADP utilization (% of total allocation) in July-November Period in terms of different financing mode)



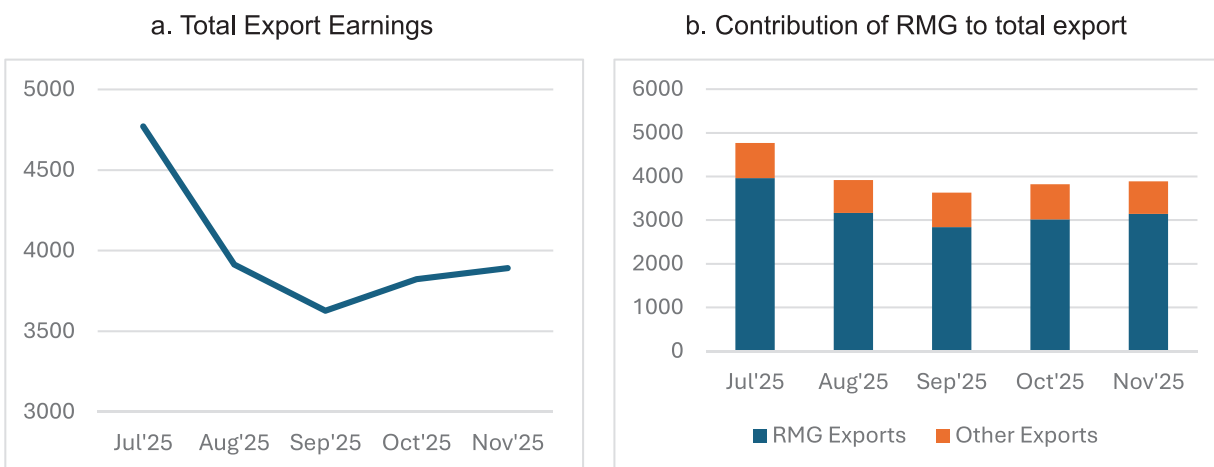
Source: Implementation Monitoring and Evaluation Division (IMED)

Figure 8: Monthly foreign exchange reserves (in million USD)



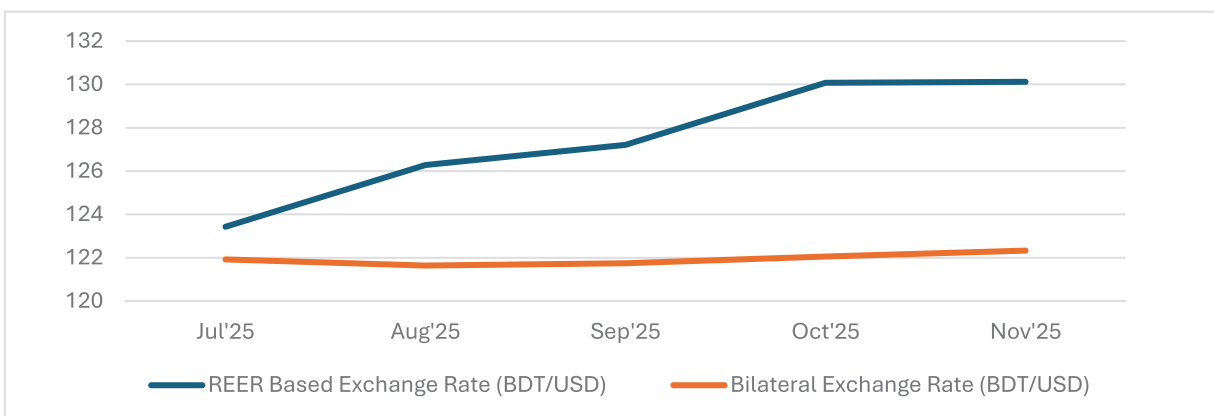
Source: Bangladesh Bank

Figure 9: Export earnings (in million USD)



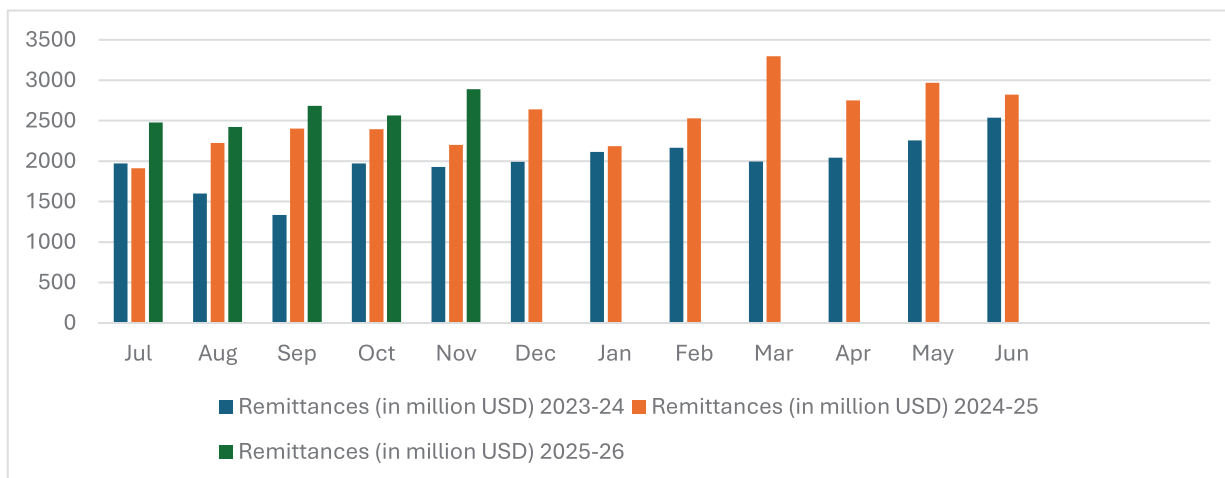
Source: Export Promotion Bureau

Figure 10: REER based and bilateral exchange rate (BDT/USD)



Source: Bangladesh Bank

Figure 11: Remittance receipt (in million USD)



Source: Bangladesh Bank

