Bangladesh Economy

- Firm economic management and strong political leadership of current government has helped Bangladesh to be moved out from the list of Low- income-Country to **Lower middle income country in 2015.**
- **In 2018 Bangladesh first time met the criteria** to be graduated from **Least developed country status** to developing country's status.
- **In 2026 Bangladesh will completely graduated** from least developed country to developing country but due to covid pandemic this **graduation procedure will be extended to 2029.**

- Government of Bangladesh has adopted vision 2041 & associated perspective plan 2041 for setting the roadmap to become an upper **middle income country & eliminate extreme poverty by 2031**.
- The perspective plan 2041 is targeted to be implemented through a 3 medium development plans starting with **“8th five year” plan in 2021, “Delta plan 2100”and “Blue Economy”strategies**

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- Asian Development Bank(ADB)projects that Bangladesh economy will grow at 7.1% in the 2020-2021 and Bangladesh achieved.
- According to United Nation's Conference on Trade and Development(UNCTAD) in 2018 Bangladesh was the second largest FDI recipient in South Asia.
- According to the Economist Intelligence Unit's report Bangladesh was ranked 9th from the top list of 66 emerging stable economics in 2020.

Macroeconomic situation in Bangladesh: Economic growth

- Trend of achieving economic growth, the growth exceeded 7 percent in FY 2015-16 and 8 percent in FY 2018-19.
- In FY 2018-19, the growth stood at 8.15 percent.
- Due to Covid pandemic's drastic impact on economy the GDP growth in FY 2019-20 has slowed to 3.51 percent.
- Bangladesh's economy is turning around in the context of tackling the corona virus of the world economy & according to BBS the GDP growth in FY 2020-21 stood at 5.47 %.

Macroeconomic situation in Bangladesh: Per Capita GDP & GNI

- The volume of GDP at current market prices reached Tk. 35,30,184 crore in FY 2020-21, GDP is provisionally estimated Tk. 39,76,462 crore in FY 2021-22, Tk. 4,46,278 crore higher than previous fiscal year.
- Per capita GDP in FY 2020-21 was US$ 2,462, US$ 228 up from the previous fiscal year 2019-20.
- Per capita gross national income increased to US$ 2,591 in FY 2020-21, US$ 265 up from FY 2019- 20.

Scetoral Contribution in Bangladesh's GDP

- the growth of agriculture sector increased to 3.17 percent in the FY 2020-21, slightly lower than 0.25 percentage point from FY 2019-20.
- During the same period, industry sector grew by 10.29 percent, which was 3.16 percent in the previous fiscal year.
- The service sector grew by 6.26 percent in FY 2021-22.

Macroeconomic situation in Bangladesh:Inflation,Export, Import

- Inflation in FY 2020-21 stood 5.56 percent, 0.09 percentage point lower than FY 2019-20, which is slightly higher than the target rate of inflation.
- The inflation rate is targeted to be 5.8 percent for the FY 2021-22.

- Foreign trade of Bangladesh has started to return to a positive trend after confronting the adverse effect of COVID-19 pandemic.
- In FY 2019-20 total export earnings decreased by 16.93 percent to US$ 33,647.09 million compared to the previous fiscal year.
- Export earnings stood at US$ 38,758.31 million in FY 2020-21, which is 15.10 percent higher than the export earnings in the previous fiscal year.

- The total import payments for FY 2019-20 stood at US$ 54,784.7 million, which was 8.56 percent lower than the previous fiscal year.
- Country's total import payments stood at US$ 65,594.7 million in FY 2020-21, which was 19.73 percent higher than the import payments of the preceding fiscal year.
- Majority of the total imported commodities came from China. India was the second largest source of import while Japan held the third position.

Macroeconomic situation in Bangladesh: Sectoral growth

- According to BBS growth of agriculture sector has slowed to 3.45 percent in the FY 2020-21, from 4.59 percent in FY 2019-20.
- Industry sector grew by 6.12 percent, which was 3.25 percent in the previous fiscal year.
- The service sector grew by 5.61 percent in FY 2020-21 compared to 4.16 percent in the previous fiscal year.

Remittances, Employment & Foreign exchange reserve

- Due to COVID-19 pandemic, the global labor market has drastically affected because of low- skilled workers who do not have the option to work from home.

- In FY 2020-21, Bangladeshi expatriates' remittance stood at US$ 24,777.72 million which was significantly higher (36.10%) than the previous fiscal year.
- The major portion of remittance has been received from Middle East countries

- In FY 2020-21 the highest share of remittance remitted from KSA which was 23.56 percent of total remittances followed by UAE (10.24%), Kuwait (7.50%) and Oman (6.38%). USA (13.13%) obtained the top position among the Western and European countries.
- Foreign exchange reserves reached US$ 36.04 billion.
- The foreign exchange reserves increased to a record US$ 46.39 billion at 30 June 2021.
- Bangladesh observed overall 0.05 percent depreciation of Taka against US dollar in July-April FY 2020-21 compare to that of the FY 2019-20.

Monetary Management & Interest rate

- Monetary policy stance and the monetary and credit programme have been announced for FY 2020-21 with prime objectives of recovering the economy from the adversity of the COVID-19 pandemic .
- Bangladesh Bank has reviewed the FY 2020-21 monetary programme in January 2021 and decided to revise the targets of some monetary aggregates .

- In order to rationalize the rate of interest in other sectors including productive sector, banks are advised to limit the difference between lending and deposit rates.
- The weighted average lending rate of commercial banks decreased continuously and stood at 7.48 percent at the end of February 2021 from 9.62 percent of end February 2020.

Fiscal Management

- Fiscal Policy is controlled by government through government spending and tax controlling.
- In order to move out of recession fiscal policy is the most effective tool rather than monetary policy.
- Fiscal policy of Bangladesh government can be understood by the mega projects currently running by our country.

Mega Projects taken by Bangladesh government

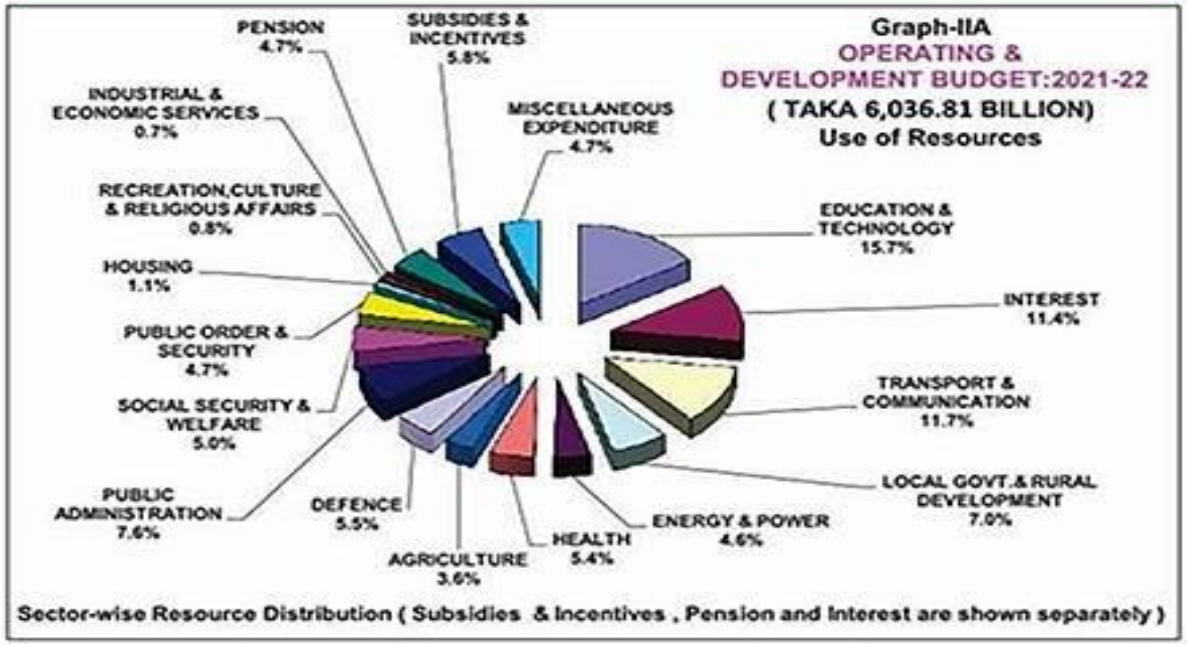
- Padma Multipurpose bridge
- Padma bridge railway link
- Dohajari-Coxsbazar-Ramu-Gundhum railway
- Metrorail
- Payra deep sea port
- Ruppur nuclear power plant
- Matarbari Maheshkhali electricity plant
- Rampal power plant

- Matarbari deep sea port
- LNG terminal Cox’s-bazar

Synopsis of National budget 2021-22

BUDGET HIGHLIGHTS

- Country's 50th budget
- Size of budget Tk 6,03,681cr
- Tk 10,000 crore to combat Corona
- GDP growth rate 7.2%
- ADP allocation Tk 2,25,324cr
- Budget deficit Tk 2,14,681cr
- Inflation 5.3%
- Freedom fighters to get Tk 20,000 monthly from Tk 12000
- Corporate Tax reduced to 22.5% from 25%



Stimulus packages for reviving covid pandemic affects

- Formulation of an overall program with short, medium, and long-term targets to address the crisis resulting from the outbreak of COVID-19 and overcome its potential adverse effects on the economy.

- Providing low-interest credit facilities through the banking system to industries and business enterprises to revive economic activities and increase the competitiveness of entrepreneurs at home and abroad.

- Priority will be given to create jobs and discouraging luxury spending.

- Increasing the scope of the government's social security programmes to protect the ultra-poor and the low-income groups that have suddenly become unemployed as well as the people engaged in informal sectors.

- Increasing money supply in the market. However, this strategy is being implemented with utmost caution so that the negative effects of inflation can be controlled.