



Bangladesh at 50: A Paragon of Development Marvels

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Finance Minister

Mr. AHM Mustafa Kamal FCA, MP has been working as Finance Minister of the Government of the People's Republic of Bangladesh since 7 January 2019. Under the dynamic leadership of Hon'ble Prime Minister Sheikh Hasina, Mr. Mustafa Kamal has been working hard to successfully achieve the Development Vision 2021 and 2041 and the Sustainable Development Goals 2030.

He obtained a master's degree in accountancy and law from the University of Dhaka in the year 1970, he obtained the first place in the merit list in the then All Pakistan Chartered Accountancy (CA) examination. He was the only Bengali to pass the Chartered Accountancy Examination in Pakistan at that time with such a record number of marks. He was awarded the title 'Lotus' for this brilliant achievement.

During this time he was a member of the Public Accounts Committee, a member of the Board of Investment, a member of the Privatization Commission, a member of the Parliamentary Standing Committee on the Ministry of Finance. He has been elected as a Member of Parliament for the third time from Cumilla-10 constituency in the 10th National Assembly election on the nomination of Bangladesh Awami League. From January 2014.

The year 2021 is very significant for Bangladesh as in this year we are celebrating three glorious events concomitantly. Firstly, the whole nation is rejoicing the birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, the greatest Bengali of all times and the founder of independent Bangladesh. Secondly, we are celebrating the golden jubilee of our glorious independence. Finally, Bangladesh got approval from United Nations General Assembly on 24 November 2021 to graduate from the least developed country (LDC) group by 2026. The country is, therefore, celebrating these historic occasions that have brought pride and joy to its citizens.

Our Father of the Nation Bangabandhu Sheikh Mujibur Rahman's bold leadership and tremendous sacrifice gave birth to an independent Bangladesh with a vision to build "Sonar Bangla" where progress and prosperity would prevail. He spent 4 thousand 682 days in prison for his relentless struggle to ensure rights and privileges of the people of Bangladesh. Despite inheriting a completely devastated country after the independence in 1971, the development journey that ensued from his visionary leadership was deeply rooted in the philosophy of freedom and equity and upholding the image of Bangladesh among the global community.

However, Bangabandhu's dream and efforts for the people and the country came to an abrupt halt when he and almost all of his family members were brutally assassinated by the conspirators on 15 August 1975. In the absence of our Great Leader, his legacy of blood, our Hon'ble Prime Minister Sheikh Hasina is now taking care of Bangabandhu's incomplete tasks. Her prudent and courageous leadership has been the core driving force to achieve remarkable success in the economic as well as the social sectors. The stable democratic government led by our Prime Minister took our economy to a commendable position in the world in just thirteen years. Like the Phoenix of Greek mythology, Bangladesh has emerged as a 'Development Miracle' and now being considered a role model for many developing countries.

In the economic front, as per the Spectator index 2019, Bangladesh achieved the highest growth rate in the world during 2009-2019 period amounting 188% followed by China with 177% and India with 117%. Our growth rate averaged 6.3 percent during last thirteen years while developing economies' average was 5.1 percent, and per capita nominal income (in US dollars) rose by 9 percent each year. Owing to the

Government's strategy at striking a careful balance between lives and livelihoods, despite the COVID-19 pandemic period, inflation moderated to 5.56 percent during FY 2021. Bangladesh is among the very few economies that achieved positive growth during the pandemic posting growth rates of 3.5% and 5.5% in FY 2020 and FY 2021 respectively. In the external front, export receipts remained resilient and more than quadrupled since FY 2006. In FY 2021, remittance inflow grew to USD 24.78 billion, a record increase by 36.10 percent compared to the previous year. The foreign exchange reserve also surged from USD 4.8 billion in FY 2006 to USD 48.02 billion by August 2021. This reserve is adequate to cover imports of goods and services for about 9 months.

On the socio-economic front, Bangladesh attained impressive results overtaking its neighbors in many key indicators. The average life expectancy in Bangladesh has gone up to 72.8 years in 2020. In 2020, mortality rate per thousand live births of children under-five has gone down to 28, infant mortality rate has gone down to 21, and maternal mortality rate per thousand is now only 1.63 persons. In 2005, Bangladesh's ranking in the Human Development Index was 140 among 177 countries, which has advanced to 133rd among 189 countries in 2019. It has secured 75th position in the 'Global Hunger Index 2020'. Bangladesh has made remarkable progress in improving the lives of women and girls as well. In April 2018, Hon'ble Prime Minister Sheikh Hasina received Global Women Leadership Award 2018. According to 'The Global Gender Gap Report, 2021', Bangladesh stands at the 65th position among 156 countries, a significant jump from the 91st place among 115 countries in 2006. Our decadal performance has been acknowledged in the latest Sustainable Development Report, 2021 published by UN-sponsored Sustainable Development Solutions Network (SDSN). Our beloved leader, Hon'ble Prime Minister H.E. Sheikh Hasina has been honoured with SDG Progress Award by the SDSN during 76th UNGA in September 2021.

Poverty reduction remained one of the major objectives of the government of Bangladesh and accordingly the issue was in the prime focus under the Five-Year Plans and the Perspective Plan. The government is devoted to ensure inclusive growth and accordingly has adopted a coordinated 'whole of society' approach combining various initiatives encompassing the government development programmes, investment and social security programmes. To fulfil the objectives of poverty reduction, the government formulated the National Social Security Strategy, 2015 and approved the Action Plan 2016-2021 for its implementation. Allocation in social protection schemes have observed a considerable expansion of 8 times from BDT 13,845 crore in FY 2009 to BDT 1,07,614 crore during FY 2022, which is equivalent to 3.1 percent of GDP. Attainment in poverty reduction was particularly remarkable as both the gravity and severity of poverty have declined significantly. The headcount poverty reduced to 20.5 percent in 2019 from 40.0 percent in 2005 and the hardcore poverty reduced to 10.5 percent from 25.1 percent in 2005.

From a poverty ridden rural agrarian economy Bangladesh has moved to a comparatively high-value, knowledge-intensive society, beyond apparel manufacturing. In 2018, we exported 12 industrial robots to Korea. Bangladesh now has 600,000 IT freelancers – the largest freelancing community in the world. These all speak of a quiet transformation where people have taken risks and faced challenges to adapt to the technological evolution and become more innovative. The demographic dividend that we are enjoying will last at least until 2061 and therefore it is highly likely that technological progress will be increasingly infused in the process economic development through a pool of young population who are techno-savvy. We have a population with a median age of only 25 years, of which a large number of young, energetic and digitally connected people are agile to new ideas and look for new ways to exploit the boon of technological progress. In fact, this is already happening with over 110 million active internet subscribers in Bangladesh. We are heading towards a knowledge-based society. The Government is also working hard to equip rural population with urban amenities following the 'My Village My Town' philosophy envisaged by our Hon'ble Prime Minister Sheikh Hasina.

The growth of skilled youth and the socio-economic development have portrayed Bangladesh as a lucrative destination for foreign investors. Currently, Bangladesh offers one of the most liberal investment regimes in South Asia in terms of the legal protection of foreign investment, generous fiscal incentives, concessions on machinery imports, unrestricted exit policy, and full repatriation of dividends and capital on exit. Bangladesh's position in the World Bank's Ease of Doing Business Index has improved from the 176th to the 168th position in 2019 and it has been included in the top 20 countries that have undertaken huge transformation activities to develop its position in the Index. The government has taken steps to establish 100 economic zones by 2030 that is estimated to create direct and indirect employment opportunities for around 10 million people and increase export by an additional USD 40 billion. A number of high-tech parks are also ready for technology and innovative enterprises. As these initiatives improved the investment climate, net FDI inflow grew on average by 26 percent annually in the last decade. In FY 2020, net FDI inflow stood at USD 2.38 billion. To draw further investment from abroad, the government is functioning to improve Bangladesh's place in the Ease of Doing Business Index and bring it within double digits (or below 100).

The leadership of Bangladesh Awami League followed prudent policies that resulted into significant economic development including remarkable improvement in domestic resource mobilization and the emergence of a vibrant and resilient private sector. Our Father of the Nation taught us to be self-sufficient. He said, "The beggar nation does not have dignity. The country cannot be built by begging from abroad. Money must be generated within the country." Steady economic growth, under the leadership of Hon'ble Prime Minister Sheikh Hasina, has substantially contributed to reducing dependence on foreign assistance from 47% in FY 2000 to 39% in FY 2019. Although the dependency on foreign assistance reduced over time, the flow of external development cooperation has increased significantly from USD 1.7 billion in FY 2000 to USD 9.8 billion in FY 2020, which bears the testimony of the overwhelming trust of the development partners on the government's capacity of utilizing development assistance effectively.

Over the last fifty years, there has been a paradigm shift in the foreign assistance flow to Bangladesh. The share of the grant has declined while loans have increased gradually. The share of disbursed grant and loan was 90.5 percent and 9.5 percent respectively in FY1971-72 and the trend completely reversed by the end of FY2019-20 with 4.2 percent and 95.8 percent for disbursed grants and loans respectively. In our early days of independence, most of our development assistance was in the form of food and commodity aid, which are now almost replaced by project credits. Bangladesh, with the supports from development partners, is now implementing several mega projects like metro rail, nuclear power plant, deep seaport and so on. These mega infrastructure projects, once completed, are expected to give a big boost to the economy. Despite the increased mobilization of external assistance, Bangladesh has been able to remain well below the thresholds of the debt sustainability indicators denoting the sound macroeconomic environment and solid future economic prospects. It may be noted that Bangladesh, since independence, has never failed to repay any installment of repayment and has never applied for re-scheduling of installments. The external Debt to GDP ratio of 15.49 percent remains far below the threshold limit of 40 percent denoting that there is almost no risk of debt distress for the Bangladesh economy in the medium-term.

Prior to the outbreak of COVID-19, Bangladesh achieved unprecedented economic growth consistently for more than one decade. Although the pandemic posed risk of considerably slowing the economy down, timely policy intervention, as early as in April 2020, following the guidelines of the Honorable Prime Minister Sheikh Hasina, we rolled out 28 stimulus packages of USD 22.1 billion which is 6.23 percent of our GDP. These stimulus packages played crucial role to keep our economy remain afloat. The balanced approach to optimize the tradeoff between lives and livelihood has proved to be instrumental

in rapidly bringing the economy back to normal while the rate of infection kept falling. The mass vaccination program has been initiated free of cost to provide the population required protection. As of 25 October 2021, a total of 61.01 million doses of vaccine have been administered. As a result, Bangladesh is now among the very few economies that have achieved positive growth rate even during the pandemic. Our Economy is projected to grow at 7.2 percent in the current fiscal year.

Our recent development and potentials of growing are now recognized worldwide. During the celebration of the birth centenary of our Father of the Nation Bangabandhu Sheikh Mujibur Rahman, world leaders praised the socio-economic development of Bangladesh. Indian Prime Minister Sri Narendra Modi mentioned, “Bangladesh is showing the world its potential. Now just have to move forward.” The US President Joe Biden said, “Bangladesh is an example of economic progress and a country of great hope and opportunity.” British Prime Minister Boris Johnson says, “Bangladesh is one of the fastest growing economies in the world and the UK and Bangladesh share the ambition to create an ever more prosperous and environmentally-sustainable future.” According to the Chinese President Xi Jinping, “Bangabandhu has dedicated his entire life for his country and people. That is why he is so dear to the people of Bangladesh even today. His dream of golden Bengal still inspires 160 million people for the development of Bangladesh.” Former Japanese Prime Minister Yoshihide Suga expressed, “Bangladesh’s location at the junction of South Asia and the Indian subcontinent and the country’s high economic growth in recent years, it has become an attractive destination for the Japanese business community.” Prime Minister of Canada Justin Trudeau said, “But Bangladesh is much different today than when I first visited with my father in 1983. Over the past 50 years, your country has made incredible progress. You have spurred economic growth, reduced poverty, increased access to education and health resources and built new opportunities for your people.”

Bangladesh is now the 42nd largest economy in the world in terms of Nominal GDP and 32nd in terms of PPP according to IMF’s estimates in October 2021. IMF has estimated that Bangladesh’s nominal economy will overtake Hong Kong and Singapore in 2023, UAE and, Philippines and Denmark in 2025 by crossing USD 500 billion mark. HSBC Global Research recently observed that Bangladesh is likely to be the biggest mover in the GDP rankings in 2030 and become the 26th largest economy in the world. Further, UK-based think tank the Centre for Economics and Business Research (CEBR) projected that Bangladesh’s economy will be 25th largest in 2035. Bangladesh is now well on track of development. Our hard-working people are our strength. We are committed to achieve the milestone of the agenda 2030. In fact, we aspire to be a rich country as that of G-20 countries by 2041 which was the dream of building “Sonar Bangla” envisaged by our Father of the nation Bangabandhu Sheikh Mujibur Rahman.

Joy Bangla, Joy Bangabandhu!

May Bangladesh live forever!