



Socioeconomic Progress and Recent Macroeconomic Development in Bangladesh

Finance Division, Ministry of Finance
Government of the People's Republic of Bangladesh
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Executive Summary

Except the temporary downturn in FY20 due to the outbreak of the COVID-19 pandemic, Bangladesh has exhibited sustained economic growth and made remarkable progress in all socio-economic indicators during the last 14 years. Alongside achieving an average growth rate of 6.3 percent during the period, Bangladesh has been able to maintain macroeconomic stability with tolerable inflation, a reasonable budget deficit, a sustainable debt-GDP ratio and greater resilience to external shocks. Bangladesh attained a record 7.8 percent GDP growth in FY19. Other macroeconomic indicators, such as per capita income, food production, imports and exports, remittances and foreign exchange reserves recorded noteworthy and sustained progress during the last couple of years. Bangladesh has also made important strides in social development parameters, such as reducing poverty, enhancing life expectancy, improving the literacy rate, increasing per capita food production, etc.

The success in advancing the macroeconomic and social indicators has enabled the country to uplift itself from the Low Income Country group and elevate into a Lower Middle-Income Country in 2015. Bangladesh has also fulfilled all three criteria for graduation from the list of Least Developed Countries and is poised to become a Developing Country in 2026. It is worth mentioning that the present government's achievement on socio-economic indicators during 2009-2021 has continued to substantially outpace the past government's performance during 2001-2006. The solid macroeconomic stability in Bangladesh over the last 14 years have created resilience for the economy to weather any shock, which was evident during the COVID-19 pandemic. Despite the adverse effects of the pandemic, Bangladesh experienced positive growth in the three years (FY20-FY22), whereas many countries experienced negative growth during this period. It needs to be mentioned that rising food and commodity prices, disruption in the supply chain mainly due to the Ukraine-Russia war have brought new challenges for the world. Bangladesh is not immune to the situation, as imported inflation has brought inflationary and exchange rate pressures on the domestic economy. To address the emerging challenges, the government has taken various monetary and fiscal measures to contain inflation and reduce the size of the current account deficit.

Economic Progress

- ✓ **Economic growth:** GDP growth rate was 7.25 percent (provisional) in FY22. Despite the COVID-19 pandemic, the average growth in the last three years was 5.88 percent. Average GDP growth during FY 09-FY22 was 6.34 percent, whereas it was 5.40 percent during FY01-FY06;
- ✓ **Per capita income** has grown more than 5 times to USD 2,824 in FY22 from USD 543 in FY06;
- ✓ **Export earnings** increased to USD 52.8 billion (5 times) in FY22 from USD 10.50 billion in FY06;
- ✓ **Remittance** inflows stood at USD 21.03 billion (4.4 times) in FY22 from USD 4.80 billion in FY06;
- ✓ **Foreign exchange reserves**, which was only USD 3.5 billion at the end of FY06, increased to USD 41.83 billion (12 times) at the end of FY22;
- ✓ **Total production of food crops** was 27.8 million metric tons in FY06, which has increased by 54.17 percent to reach 42.9 million metric tons in FY21;
- ✓ **Electricity and gas productions** were 80,423 gigawatt hours and 25,174 million cubic meters in FY21, which were 22,977 gigawatt hours and 14,921 million cubic meters respectively in FY06;
- ✓ **The share of the industrial sector in GDP** at constant price has increased to 37.07 percent in FY22 from 26.4 percent in FY06;
- ✓ **The size of the government budget** has increased to BDT 6,780.63 billion in FY22, which is around 11 times of that in FY06 (BDT 610.60 billion);
- ✓ **Revenue earnings** was 9.8 percent of GDP in FY22 despite the COVID-19 pandemic, which was 8.8 percent of GDP in FY06;
- ✓ **Total investment to GDP** ratio has increased to 31.68 percent of GDP in FY22 from 26.10 percent in FY06;
- ✓ **Net Foreign Direct Investment (FDI) inflow** reached USD 2.18 billion in FY22, with an increase of 61 percent over that in FY21;
- ✓ **Public investment** has risen substantially to 7.6 percent of GDP in FY22 from 5.8 percent in FY06;
- ✓ **Inflation rate** was 6.15 percent (12 months average CPI) in FY22;

- ✓ **Exchange rate** of taka against the US dollar has depreciated due to the Russia-Ukraine crisis and remained at 95.00 in August 2022.

Progress in the Social Sector

- ✓ **Life expectancy:** The average life expectancy at birth, which was 66.5 years at the end of 2006, increased to 73.3 years at the end of 2022;
- ✓ **Headcount poverty** reduced to 20.5 percent in 2019 from 38.4 percent in 2006. Poverty continues to decline steadily to date;
- ✓ **Hardcore poverty** reduced to 10.5 percent in 2019 from 24.2 percent in 2006;
- ✓ **Literacy rate** (7+ years of age) improved to 74.7 percent in 2022 from 52.5 percent in 2006;
- ✓ **Maternal mortality rate:** In 2006, the number of deaths in terms of maternal mortality was 3.37 per thousand live births, which was reduced to 1.63 per thousand live births in 2020;
- ✓ **Infant mortality rate** came down to 21 per thousand live births in 2020 from 48 per thousand live births in 2006;
- ✓ **Women empowerment:** Female participation in the labour force increased 36.3 percent in FY17 from 29.2 percent in FY06. Women empowerment has significantly contributed to poverty reduction;
- ✓ **Population growth** rate came down to 1.22 percent in 2022 from 1.49 percent in 2006;
- ✓ **Social safety net programmes** have been expanded significantly over the years. In FY23, BDT 1,135.76 billion is allocated for social safety net programmes, which is 16.75 percent of the total budget and 2.55 percent of GDP.

Digital Bangladesh: The Government promised to transform the country into a digital one in 2009 and significant development occurred in the expansion of the information technology sector. In 2022, the number of mobile phone and internet users in the country stood at 92.3 million (55.89 percent of the total

population) and 50.7 million (30.68 percent of the total population), respectively. Tele density (voice + internet subscription) increased to 105.65 percent. It is to be noted that the number of mobile phone users in 2006 was only 19.1 million and that of internet users was 1.45 million. Bangladesh launched its first satellite, Bangabandhu Satellite-1, into space in 2018.

Section One

Overall Socio-economic Progress

The spectacular economic growth in Bangladesh during the last decade has been supported by solid macroeconomic stability. The continuity of pro-poor policy and effectiveness of public investment underpinned by a demographic dividend, strong growth in ready-made garment (RMG) exports and remittances helped the Bangladesh economy stay on high economic growth trajectory. Side by side, development in various socio-economic indicators have also been impressive, which Nobel Laureate economist Amartya Sen termed as 'remarkable'. This booklet is an attempt to make a synopsis of the socioeconomic advancement in the country. The socio-economic progress achieved during the last thirteen years are summarized in this section, and its key features are described in details in subsequent sections of the booklet. To highlight the extent of the country's socio-economic progress, achievements made during the present government (2009-2022) are compared with those of the previous government (2001-2006). The appendices present the historical data on national income, economic growth, food production, imports and exports, remittances, exchange rate, revenue earnings, sector-level expenditure, foreign aid, and loan repayments.

1.2 Robust economic growth and strong macroeconomic stability have given the country's economy a strong resilience which eventually helped the country recover from the economic shocks of the COVID-19 pandemic and the Russia-Ukraine war. Because of the timely initiatives taken by the government at the very early stage of the COVID-19 pandemic to tackle its adverse impacts and the effective management of the stimulus packages adopted, the country was able to make a quick and strong economic recovery from the pandemic. For example, in FY20, the first year of the pandemic when growth in all major economies plummeted, the economy of Bangladesh grew at 3.5 percent, the fourth highest growth level in the world. The strong rebound in growth has also been manifested in following years as the country logged a growth rate of 7.25 percent in FY22. However, the new challenges brought by the Russia-Ukraine war have been threatening to drag the world economy back into recession.

Bangladesh's major market destinations of exports and remittances are experiencing bleak economic prospects coupled with high inflation and output contraction which have a spillover effect on the external sector of the economy. After maintaining stable inflation hovering around 5 percent more than a decade, Bangladesh's inflation rose to 6.15 percent in FY22. An effective demand management policy along with policies to boost the supply side of the economy are in place to contain the upswing trend in inflation.

1.3 Having set the objectives to elevate itself into an upper middle income country by 2031 and become a happy and prosperous high income country by 2041, Bangladesh has framed medium to long term strategic planning and undertaken comprehensive initiatives to increase public sector investment, reduce physical and socio-economic infrastructure gaps, create an investment-friendly environment for the private sector, promote export diversification, develop the knowledge base and skills of citizens, and ensure effective redistribution of wealth through pro-poor and inclusive growth strategy. In FY19, the GDP growth rate reached a record high of 7.88 percent. After a slight slowdown in FY20, growth has rebounded gradually and a 7.5 percent growth has been targeted for FY23. Currency depreciation, relative high inflation in export destination countries and competitive export sector have been working as lever to maintain external balance of the economy.

1.4 On the fiscal front, the government had been able to contain the budget deficit within the sustainable level of 5 percent of GDP during the decade before the pandemic. Despite the continuation of the pandemic and the resultant higher spending as part of countercyclical measures during the last 3 years, the government has successfully maintained the budget deficit within 5 percent of GDP. The government has been consistently undertaking different initiatives on fiscal consolidation and currently made a fiscal buffer to manage the economic uncertainties from the spill-over effect of the Russia-Ukraine War. Success in ensuring a robust automation of the public financial system has helped the country quickly implement the COVID-19 related social protection and other fiscal measures in a transparent manner. Fiscal measures are also in place to tackle the adversities arising from climate change.

1.5 The impact of our economic progress has been manifested in the living standards of the people. Life expectancy at birth has increased to 73.3 years in 2022 from 66.5 years in 2006. The literacy rate was 52.5 percent in 2006 and increased to 74.7 percent in 2022. The poverty rate declined to 20.5 percent in 2019 from 38.4 percent in 2006, and hard core poverty reduced to 10.5 percent in 2019 from 24.2 percent in 2006. Bangladesh has demonstrated better progress than other South Asian countries in almost all the social indicators. Moreover, it has been able to elevate itself into a lower middle-income country in 2015, and after fulfilling the three LDC graduation criteria in 2018 and 2021 is now poised to graduate from the list of Least Developed Countries and become a Developing Country in 2026.

1.6 A comparative assessment of the performances during the two periods of 2001-2006 and 2009-2021 clearly reflects the effectiveness of the pro-growth and inclusive development policies adopted by the present government. The average annual GDP growth rate has moved from 5.4 percent to 6.3 percent between these two periods. Bangladesh is now among the fastest-growing economies of the world. In FY06, per capita GNI was only USD 543, which has grown to USD 2,824 in FY22.

1.7 A brief account in **Table-1** of the socio-economic advancement during the 2009-2022 period of the current government compared to the 2001-2006 period of the previous government depicts the extent of the socio-economic success achieved by the present government.

Table 1 Socio-economic Achievements during 2001-2006 and 2009-2022

Indicators	2001-2006	2009-2022	2021-2022/latest
GDP Growth Rate (% Annual Change)	5.40 (Average)	6.35 (Average)	7.25*
Investment (as % of GDP)	25.2 (Average)	29.22 (Average)	31.68*
Exports*** [Billion USD] (average)	7.9	31.97 (Average)	

Indicators	2001-2006	2009-2022	2021-2022/latest
Exports (Billion USD) (end point)	10.5 (FY06)	52.08* (FY22)	52.08*
Remittances [Billion USD]	3.5 (Average)	15.14 (Average)	21.03*
Foreign exchange Reserve [Billion USD]	2.6 (Average)	25.36 (Average)	41.83
Budget Size, (Billion BDT)	497.44 (Average)	3039.65 (Average)	6780.64 (2022-23)
Per capita income [USD] (end point)	543 (FY06)	2,824* (FY22)	2,824*
Life Expectancy (year)	66.5 (2006)	72.8 (2020)	72.8 (2020)
Poverty Rate (%)	38.4 (2006)	20.5** (2019)	20.5** (2019)
Extreme Poverty Rate (%)	24.2 (2006)	10.5** (2019)	10.5** (2019)

Sources: Finance Division, Bangladesh Bank, Bangladesh Bureau of Statistics; * provisional; ** estimated, *** Exports include exports of both goods and services

1.8 At the outbreak of the pandemic, the Bangladesh government promptly embraced the National Preparedness and Response Plan for COVID-19 to protect lives. The government adopted various restrictions such as enforcing lock-down, social distancing measures and mandated wearing of face masks. Although these were successful in containing infections and deaths by the coronavirus, these have also led to a significant disruption in economic activities. Therefore, the government has also adopted an economic recovery plan in March 2020 with short, medium, and long-term targets to address the economic impacts of the pandemic and facilitate quick economic recovery. Following the guidelines of Hon'ble Prime Minister Sheikh Hasina, the government undertook a comprehensive stimulus and economic recovery programme that has gradually been expanded to 28 measures amounting USD 22.08 billion (5.31 percent of GDP) to facilitate the implementation of these

strategies (Info on the stimulus packages is attached as **Appendix 1**). By June 2022, around 80 percent of the economic recovery programme has been implemented. The main objective of the government is to provide financial assistance and support to various enterprises in the industrial and services sectors and farmers and workers in the export-oriented industries, make direct cash transfers to targeted poor people, promote agricultural production, ensure food security, facilitate employment creation, increase the coverage of social safety nets, and provide interest subsidy to ensure that Bangladesh makes a quick recovery from the economic losses sustained by the pandemic. The pandemic recovery programmes are inclusive in nature and covers around 73 million individual and around 200 thousand institutional beneficiaries.

1.9 Although Bangladesh has made a strong recovery from the COVID-19 pandemic, economic uncertainties are still looming in the context of the global economic recession escalated from the Russia-Ukraine War. High inflation has eroded the purchasing power compromising the living standard of the people. External economic challenges still prevail in the areas of remittances and exports. The current account balance situation has shown a temporary deterioration in FY22 with a deficit of USD 18.7 billion, as the trade deficit has widened and remittances inflow has slightly slowed compared to that in FY21. The foreign exchange reserves stood at USD 38.943 billion on 7 September 2022 which is sufficient to pay five months' import bills. The government has taken measures to bring stability in the external sector, and as a result, in July-August of FY23, higher export and remittances receipts are recorded compared to that of July-August of FY22. Exports and remittances in July-August of FY23 registered a growth rate of amounted to 25.31percent and 12.29 percent respectively. On the other hand, import payments have shown a decrease registering C&F imports of USD 6.333 billion in July 2023, which was USD 7.665 in June 2022.

Section Two

Economic Progress

Since 2009, Bangladesh has been exhibiting an impressive level of economic achievements, as almost every macroeconomic indicator reached a significant height. Section 2 elaborates the socio-economic progress made by Bangladesh during 2009-2022. **Table-2** summarises the movement of key macroeconomic indicators during this period vis-à-vis the progress made during the previous government's tenure (2001-2006).

Table 2: Economic Advancement

Fiscal Year	GDP Growth Rate	Investment (percent of GDP)	Share of Industry (percent of GDP)	Export Earnings (Billion USD)	Remittances (Billion USD)	Foreign Exchange Reserve (Billion USD)	Budget Allocation (Billion BDT)	ADP (BDT)
2001-02	3.80	24.30	24.00	6.00	2.50	1.60	387.60	158.50
2002-03	4.70	24.70	23.70	6.60	3.10	2.50	439.00	170.60
2003-04	5.20	25.00	24.00	7.60	3.40	2.70	493.70	190.00
2004-05	6.50	25.80	24.60	8.70	3.90	2.90	556.30	205.00
2005-06	6.70	26.10	25.40	10.50	4.80	3.50	610.60	215.00
5 years' average	5.40	25.20	24.40	7.90	3.50	2.60	497.40	187.80
2008-09	5.05	27.08	26.50	15.60	9.68	7.50	941.40	230.00
2009-10	5.57	27.08	26.10	16.20	10.98	10.70	1105.20	285.00
2010-11	6.46	28.30	26.40	22.90	11.65	10.90	1300.10	398.80
2011-12	6.52	29.14	26.70	24.30	12.84	10.40	1612.10	410.80
2012-13	6.01	29.29	27.60	27.03	14.46	15.30	1893.30	523.70
2013-14	6.06	29.51	29.60	30.19	14.22	21.50	2162.20	600.00
2014-15	6.55	29.82	30.40	31.21	15.31	25.00	2396.70	750.00
2015-16	7.11	30.24	32.45	34.26	14.93	30.20	2400.47	910.00
2016-17	6.59	30.95	32.98	34.66	12.77	33.40	2687.29	835.00
2017-18	7.32	31.82	33.85	36.67	14.98	32.94	3220.50	1195.38
2018-19	7.88	32.21	34.99	40.54	16.42	32.72	3916.88	1472.86
2019-20	3.45	31.31	34.94	33.67	18.21	36.04	4134.91	1507.80
2020-21	6.94	31.02	36.01	38.76	24.78	46.39	4595.40	1604.04
2021-22(p)	7.25	31.68	37.07	52.08	21.03	41.83	5935.01	2099.77
14 years' average	6.34	29.96	31.11	31.29	15.16	25.34	2743.09	915.94

- Base year 2005-06 was used for FY02 to FY15 and base year 2015-16 was used for FY16 to FY22

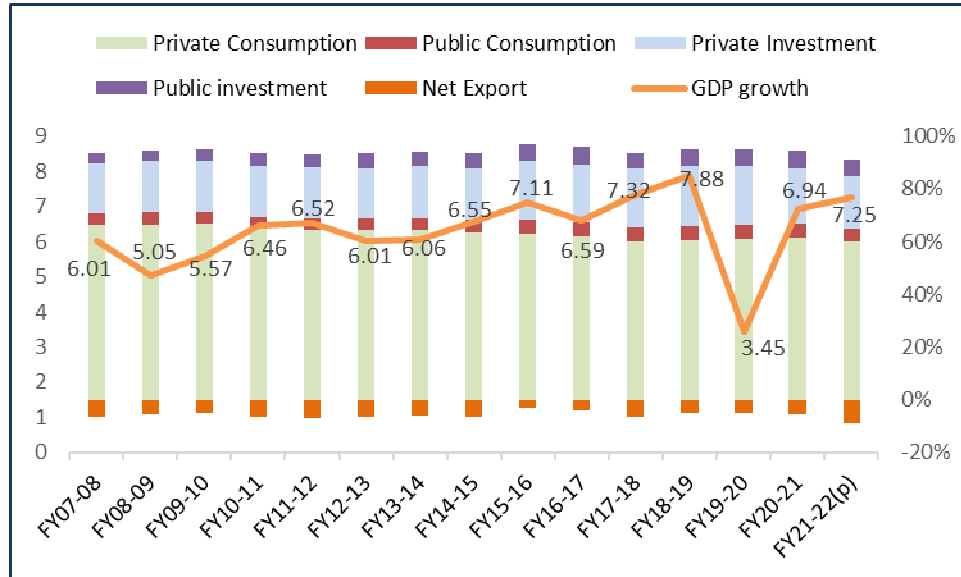
Source: Finance Division; Bangladesh Bank and Bangladesh Bureau of Statistics, 'p=Provisional estimate

Real GDP Growth

2.2 The average GDP growth rate was about 6.3 percent during the period of 2009-2022. In comparison, the average GDP growth rate in emerging and developing economies during the period was 5.1 percent. GDP at current market prices stood at BDT 39,764.62 billion or USD 460.8 billion (provisional estimates) in FY22 from BDT 4,823.4 billion or USD 72 billion in FY06. Moreover, Bangladesh is one of the few countries that achieved appreciable economic growth during the COVID-19 pandemic. Despite the pandemic, the average growth during the last three years was 6.09 percent.

2.3 Prior to the COVID-19 pandemic, Bangladesh's GDP growth rate was above 7 percent for two consecutive fiscal years. Strong domestic demand (consumption and investment) driven by vibrant economic activity and strong export and remittance inflows have been the main driving force behind this encouraging growth scenario (shown in **Figure-1**). At the same time, the government's solid and prudent macroeconomic policies played a crucial role in achieving consistent high growth.

Figure 1: Contribution to GDP Growth

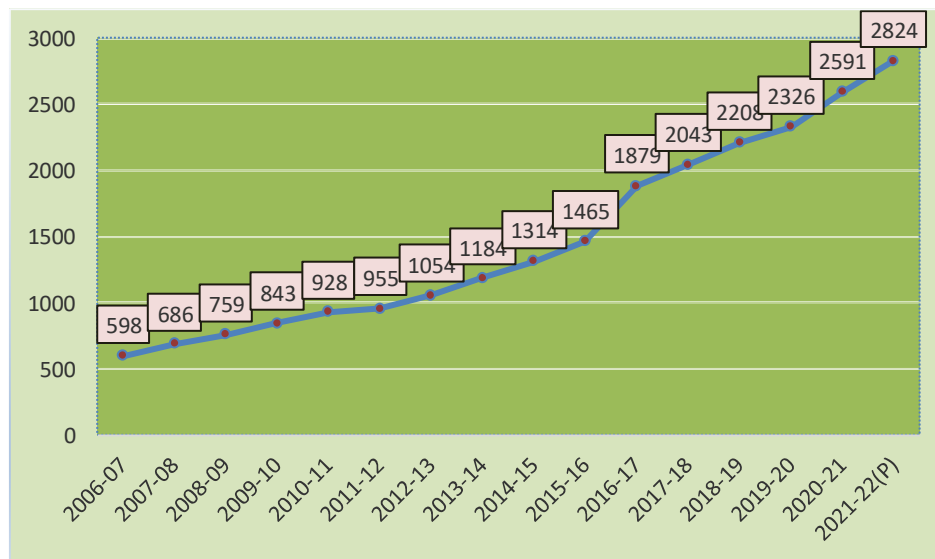


Source: Bangladesh Bureau of Statistics (BBS); FY18-19 estimates provisional

Per Capita Income

2.4 Per capita income of Bangladesh has increased significantly to USD 2,824 in FY22 from just USD 543 in FY06. In terms of purchasing power parity, per capita income reached USD 6,633 (at the current price) in 2022 from USD 1,980 in 2006 (World Bank data). Robust GDP growth accompanied by a decreasing population growth rate has contributed to this considerable rise in per capita income.

Figure 2: Per Capita GNI (USD)



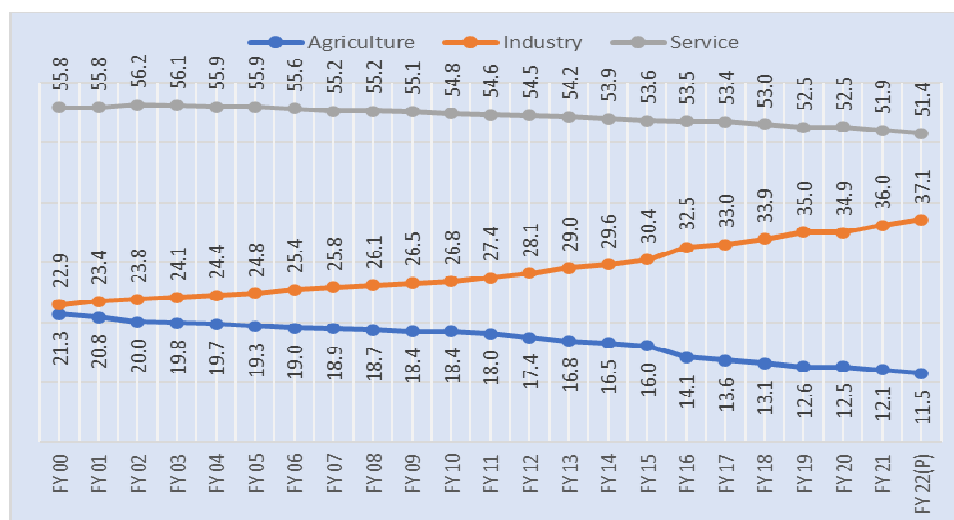
p= Provisional, Source: BBS

Structural Transformation of the Economy

2.5 On the supply side, Bangladesh's economy is slowly moving towards a desired economic transformation through a steady increase in the contribution of the manufacturing sector, which is the key to maintaining sustainable economic growth. The economy has been transformed gradually from an agriculture-based economy to a manufacturing-based one, with the share of agriculture going down from 18.4 percent of GDP in FY09 to 11.5 percent of GDP in FY22, while the share of the industrial sector to GDP has increased noticeably from 26.5 percent of GDP in FY09 to 37.1 percent of GDP in FY22. At the same

time, the services sector's contribution reached 51.4 percent in FY22. This expansion of the manufacturing sector is taking place from the rapid development of the readymade garment sector through low-cost labour.

Figure 3: Sectoral Contribution to GDP



p=Provisional, Source: BBS

Agriculture and Food Production

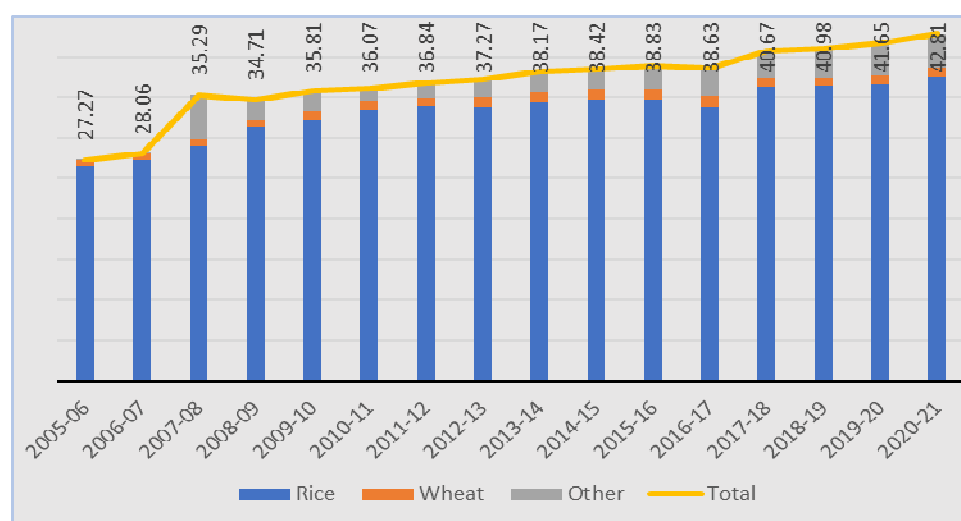
2.6 Supportive policies and measures taken by the government, including subsidies for agriculture mechanization, targeted utilization of agriculture incentives, distribution of agriculture input assistance cards, and sale of fertilizer at the local level through sales agents at subsidized prices, have contributed to a bumper production in agriculture. Moreover, introduction of integrated pest management, extension of irrigation facilities, invention of short duration and high-yielding variety of crops tolerant to drought, salinity and submergence, and ensuring fair price for agricultural produces contributed to increasing agricultural productivity and crop intensification.

2.7 To increase agricultural production, a 20 percent cash incentive is provided on exports of agricultural products in addition to the regular subsidy. The incentive rate for mechanized agriculture has been set at 70 percent for Haor areas and coastal parts of southern Bangladesh and 50 percent for the

rest. The government has been providing incentives to promote research and development activities for agricultural innovation. For example, with the help of the decoded genome sequence of jute, two varieties of Tossa jute and one variety of White jute have been invented, which are short in length and can sustain in lower temperatures.

2.8 Total production of food crops in FY06 was 27.2 million metric tons, which has increased by 57.4 percent to reach 42.8 million metric tons in FY21. As a result, Bangladesh has achieved self-sufficiency in food production in normal weather conditions. Besides, programmes like TR (Test Relief), VGF (Vulnerable Group Feeding), VGD (Vulnerable Group Development) and an increased storage capacity of food warehouses have contributed to ensuring the overall food security of the country.

Figure 4: Food Grain Production (Million metric tons)

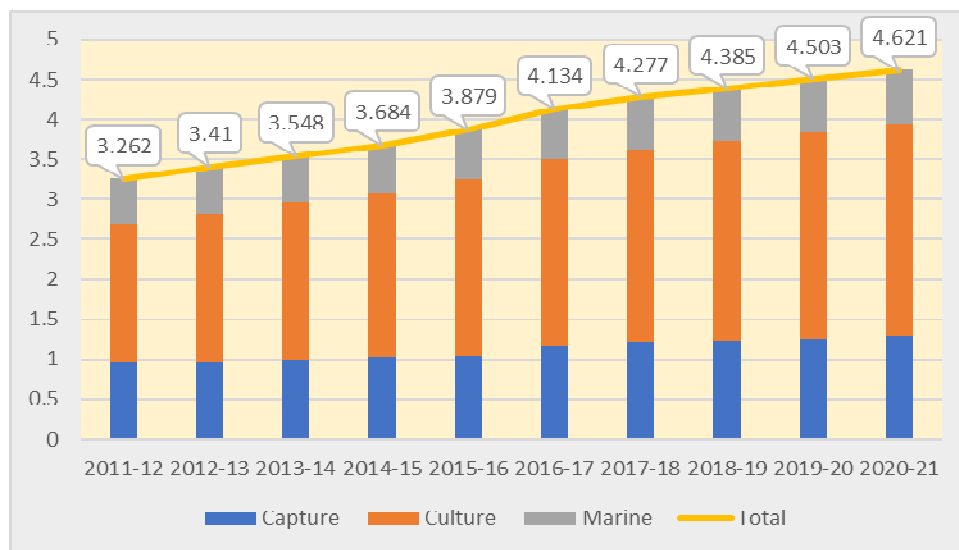


Source: Bangladesh Bureau of Statistics, Department of Agricultural Extension (DAE), Ministry of Agriculture.

Fish Production

2.9 Fish production in Bangladesh has been increasing. According to estimates of the Department of Fisheries, total production of inland and marine catch has been higher in FY21 than that in the previous year. Total production of fisheries was 4.62 million metric tons in FY21, which was 3.26 lakh metric tons in FY12.

Figure 5: Fish Production (Million MT)



Source: Department of Fisheries

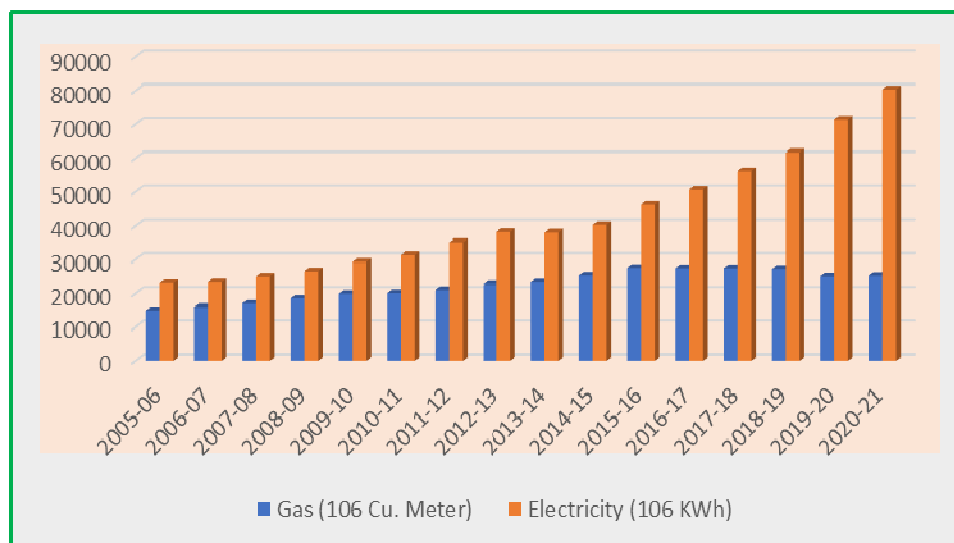
Industrial Production

2.10 The transfer of surplus agricultural workers to the growing industrial sector has resulted in an increase in workers' productivity and wages, as well as an increase in overall industrial production. There has been a positive change in the general index of industrial production (medium and large-scale manufacturing). The Quantum Index of manufacturing industries for FY20, FY21 and FY22(p) were 398.35, 469.64 and 501.14 respectively. During the last 14 years, Bangladesh has been transforming into a technology-led modern state by building an extensive ICT-friendly environment and developing ICT infrastructures.

Production of Gas and Electricity

2.11 Production and use of electricity and gas in Bangladesh have gradually been increasing in line with the growing demand from industries and factories to cope with the current trend in economic development. Electricity and gas production were 22,977 million KWh and 14,921 million cubic metres in FY06, which was 80,423 million KWh and 25,174 million cubic meters in FY21, respectively.

Figure 6: Gas and Electricity Production



Source: Bangladesh Bureau of Statistics & Petrobangla.

Service Sector

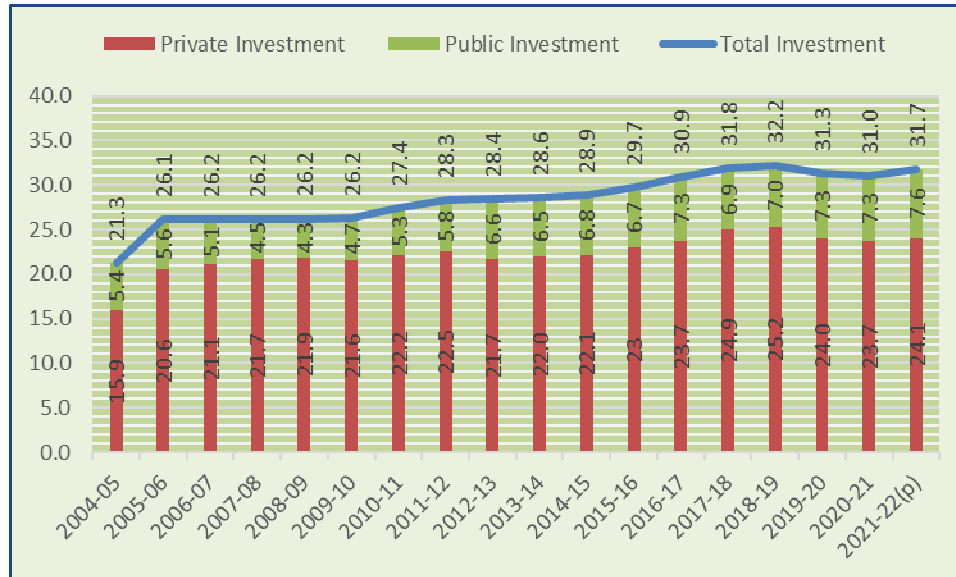
2.12 The share of the service sector went down from 55.1 percent of GDP in FY09 to 51.4 percent in FY22. While there has been a slight decline in the share of the services sector, a qualitative change has taken place over the years, which includes automation and skilled manpower. Services sector components such as transport and communication, education, retail and wholesale increased substantially in FY22 compared to FY06. This change, indeed, is an indicator of a growing service-oriented market economy.

Investment

2.13 Investment has increased ten-fold from BDT 1,261 billion in FY06 to BDT 12,598.8 billion in FY22. In fact, the government has emphasized the development of physical infrastructure sectors, such as power, energy and communications, as a result of which public investment has increased to 7.6 percent of GDP in FY22 from 5.6 percent in FY06. Significantly, private investment has increased substantially from BDT 992.7 billion in FY06 to BDT 9,568.5 billion in FY22. Net Foreign Direct Investment inflow increased by 61 percent and reached USD 2.18 billion in FY22. The FDI inflow is expected to

significantly escalate with the expected full operation of economic and export processing zones in the future including the full operationalization of Bangabandhu Sheikh Mujib Economic Zone.

Figure 7: Investment Scenario (Percent of GDP)



Source: BBS, p= provisional

Revenue Earnings

2.14 Revenue mobilization has been one of the top priorities of the present government. The government has been implementing several administrative, regulatory and process reforms including automation and modernization of the revenue administration to address the existing loopholes and shortcomings and generate sufficient revenue to support the investment and expenditure plans in the medium term. Additionally, as Bangladesh is scheduled to graduate from the list of LDCs in 2026, both the national tariff policies and the revenue administration are in the process of transformation to cope with the challenges of the post-graduation period. Facilitated by the improved and automated institutional mechanism, tax compliance has been increasing and the direct tax net has been widening gradually. Total revenue earnings increased to 9.31 percent of GDP in FY21 from 8.8 percent of GDP in FY06, of which tax revenue rose to 7.64 percent of GDP in FY21 from 7.0 percent of GDP in FY06.

Table 3: Budget at a Glance (billion BDT)

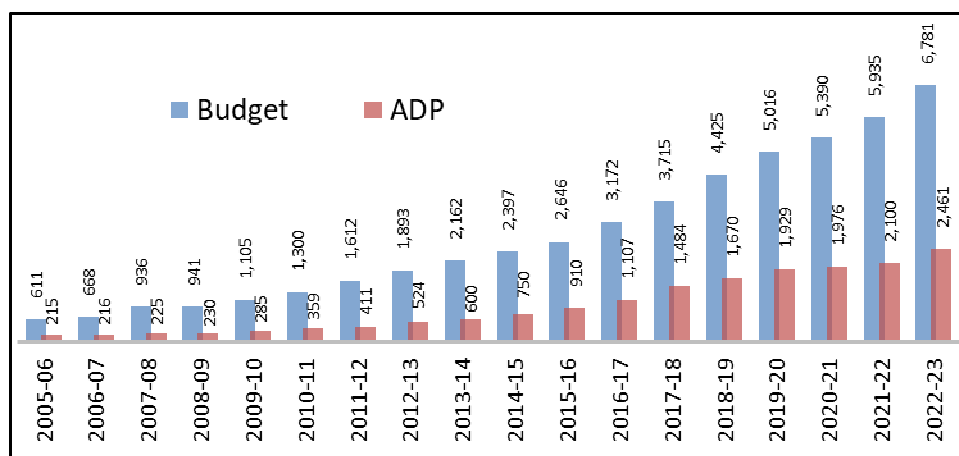
	2022-23	2021-22	2020-21	2019-20	2005-06
Revenue	4,330	3,890	3,515	3,481	449
a) Tax Revenue	3,880	3,460	3,160	3,131	362
b) Non-tax Revenue	450	430	355	350	87
Foreign Grants	33	32	40	35	25
Total Revenue including Foreign Grants	4,363	3,922	3,555	3,515	474
Total Budget Allocation	6,781	5,935	5,390	5,016	611
Annual Development Programme (ADP)	2,461	2,100	1,976	1,929	215
Overall Balance	-2,418	-2,013	-1,835	-1,535	-137
Financing					
Foreign Borrowing	955	770	684	527	56
Domestic Borrowing	1,463	1,243	1, 151	974	81

Source: Finance Division, Budget figures used for FY23 and revised budget figures used for other years.

Budget Size and Management

2.15 The government has been increasingly investing to build necessary infrastructures in order to stimulate higher growth. Again, it is allocating resources to alleviate poverty and improve social equity. In line with that, the size of the government budget has increased gradually and reached BDT 5,935.00 billion in FY22 from BDT 611 billion in FY06. The budget of FY23 is set at 6,780.64 to achieve the desired goal of economic growth as well as ensure sustainable and inclusive economic recovery from the COVID-19 pandemic. The size of Annual Development Programme (ADP) has been raised to BDT 2,099.77 billion in FY22, which was more than 10 times higher compared to BDT 194.7 billion in FY06. Allocation for FY23 is BDT 2,460.66 billion. Development expenditure other than the ADP allocation has also been increased consistently.

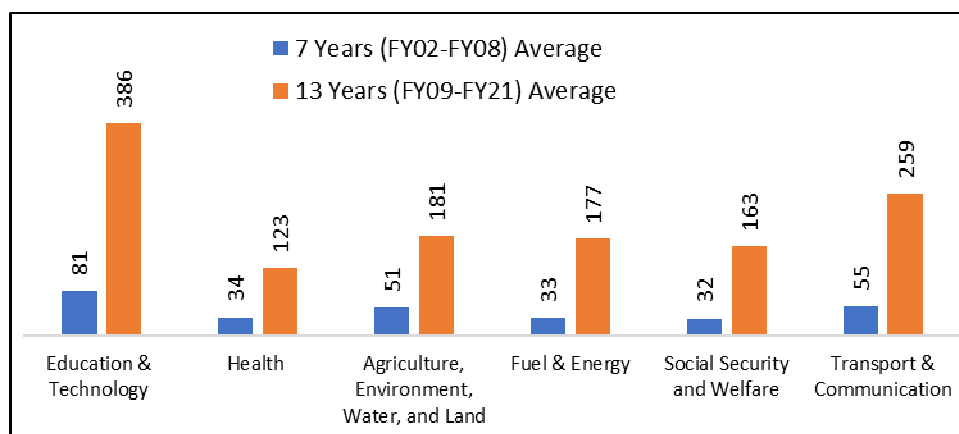
**Figure 8: Government Budget and Annual Development Programme (ADP)
(billion BDT)**



Source: Finance Division, Ministry of Finance

2.16 While allocating resources, priorities are given to growth promoting physical and socio-economic infrastructure sectors such as power and energy, communication, health and education, agriculture, etc. The issues of poverty reduction, inclusive growth, climate change, digitalization, employment generation, social safety net, etc. are specially taken care of. In FY23 budget, 57.30 percent of the total budget (BDT 3,885.3 billion) has been allocated to poverty reduction and 16.75 percent of total budget (BDT 1,135.8 billion) has been allocated for social safety net programs.

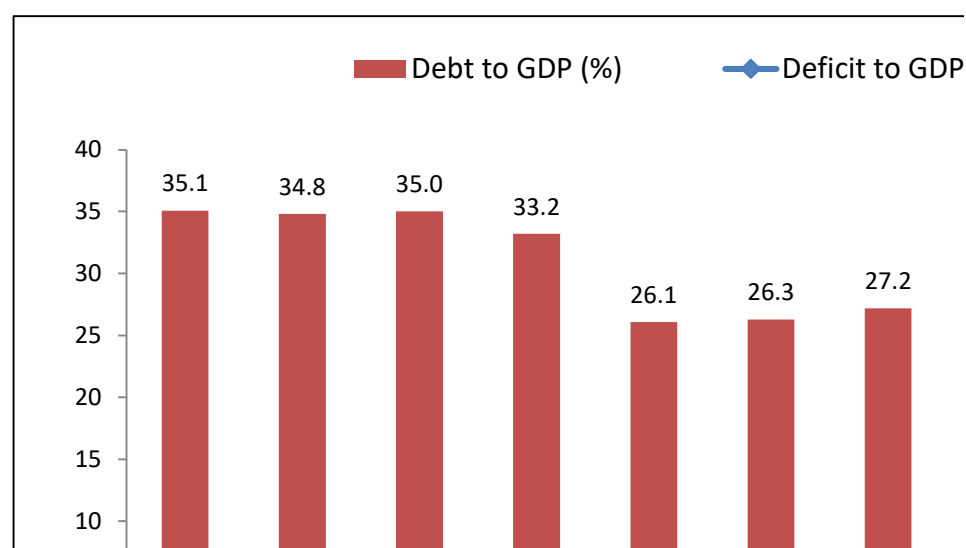
Figure 9: Sector-wise Average Expenditure (billion BDT)



Source: Finance Division, Ministry of Finance

2.17 While ensuring increased investment in the economy, the government has shown an impressive performance in keeping both the budget deficit and the debt level at a tolerable and sustainable level during the last decade. Despite economic shocks at home and abroad from the COVID-19 pandemic, Bangladesh has been able to contain budget deficit within 5 percent of GDP. The debt to GDP ratio also remained at a comfortable level. At the end of FY21, total debt stood at 32.4 percent of GDP, of which 20.5 percent came from the domestic sources and 11.9 percent from the external sources, which is well below the internationally recognized threshold for sustainable debt. The debt sustainability threshold for Bangladesh as determined by the IMF is 55 percent.

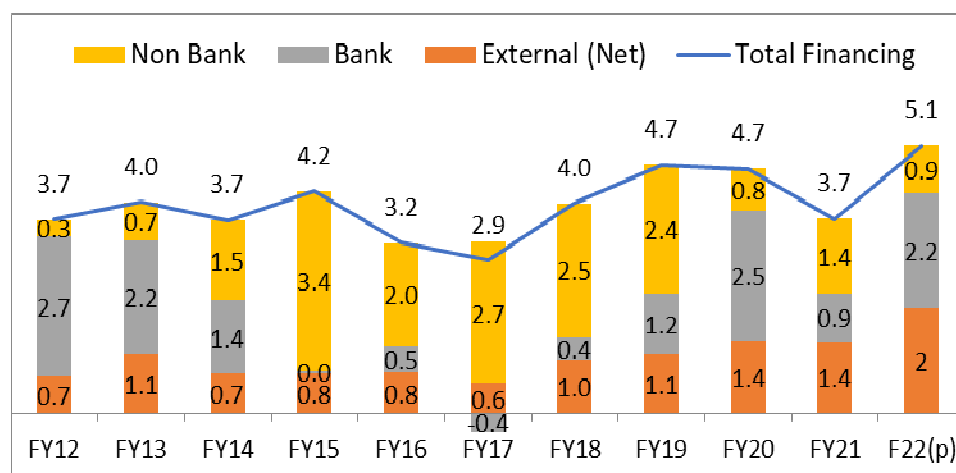
Figure 10: Fiscal Deficit and Debt (in percent of GDP)



Source: Finance Division

2.18 To meet its financing needs, the government borrows from both domestic and external sources. During the last decade, on average around 28 percent of total deficit financing came from external sources, which include both multilateral and bilateral partners' loans and grants. On the other hand, domestic sources met around 72 percent of total financing needs of which 26 percent came from banking sources and 46 percent came from non-banking sources. Among the non-banking sources, National Saving Certificates (NSCs) played a vital role by providing 46 percent of total deficit financing needs of the government during FY12-FY21.

Figure 11: Financing Trend (in percent of GDP)

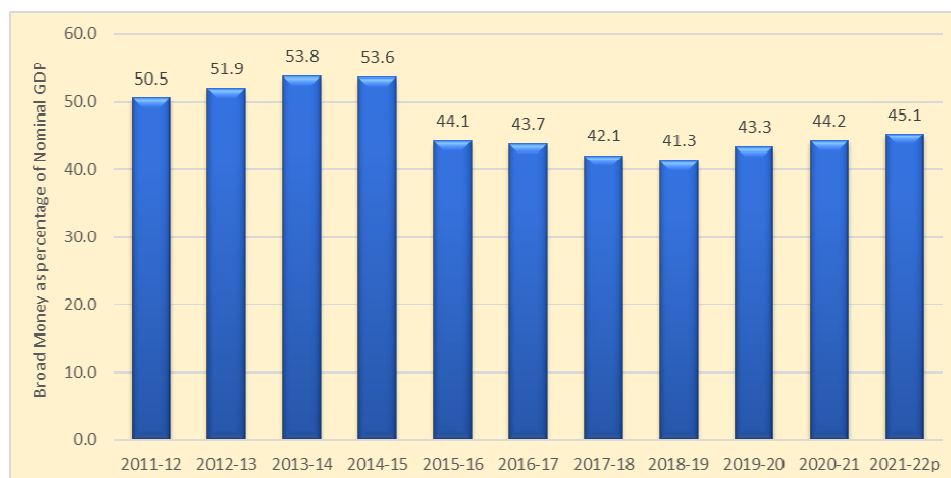


Source: Finance Division

Monetary Management and Inflation

2.19 During the COVID-19 pandemic, the expansionary and accommodative monetary policy stance to maintain necessary liquidity into the banking system accompanied by a lower market interest rate was essential to support growth, and facilitated economic recovery. As a result, the GDP growth has returned to its trajectory, as reflected by the BBS estimate of real GDP growth of 7.25 percent for FY22 from 3.45 percent in FY20. However, as in other countries, the recent pass-through of surging global energy and commodity prices resulted in higher inflation in Bangladesh too. The CPI-based 12-month average inflation stood at 5.99 percent in May 2022 and at 6.15 percent in June 2022. Hence, Bangladesh Bank tightened its monetary policy stance for FY23 to prevent inflation from rising further.

Figure 12: Broad Money as percentage of GDP



Source: Bangladesh Bank, BBS (Note: Broad Money as percentage of GDP is calculated with new base year 2015-16)

2.20 Despite annual average GDP growth of over 6 percent during 2010-2022, CPI inflation was contained within 7.0 percent on average. It has gradually been brought down to 6.15 percent (12-month average basis) at the end of FY22 through effective macroeconomic management and ease of supply bottlenecks. However, due to the supply shocks, surging global energy and commodity prices and recent knock-on effects of an upward adjustment of fuel price in the domestic market, the CPI inflation is expected to rise in the near future and remain above 7.0 percent in FY23. Bangladesh Bank has taken several measures to combat inflation including issuing BB bills and tightening policy rates to keep inflation within a tolerable level.

Financial Deepening and Inclusion

2.21 Depth of the financial sector has increased substantially during FY18-FY22 period as Broad Money-GDP ratio, an indicator of such depth, has become 45 percent with an upward trend. Efficiency of financial intermediation, measured by the spread between lending and deposit rates, has also improved significantly as the interest spread (weighted average) between advances and deposit rates was reduced significantly to 3.13 percent at the end of FY22 from 5.38 percent at the end of FY06. After the COVID-19 outbreak, the government

reduced CRR to 4.0 percent and repo rate to 4.75 percent. But to contain the rising inflationary pressure and to rein in on the exchange rate challenge, Bangladesh Bank recently increased the repo rate to 5.5 percent. This, together with contractionary Monetary Policy stance of FY23, will help control inflationary pressure on the economy.

2.22 Banks are being guided to pursue their credit policies and programmes in line with the priorities of the government. Special interest ceiling and disbursement targets are set for the agriculture and rural as well as SME sectors. Noteworthy initiatives and achievements of the present government in this regard include:

- Compared to FY06, agricultural and industrial loans increased 3.32 and 17.22 times respectively in FY21. Agricultural and industrial loan were BDT 153.8 billion and BDT 273.8 billion respectively at the end of FY06; whereas credit balance for agricultural loan increased to BDT 511 billion at the end of FY21 and credit balance for industrial loan increased to BDT 4,715 billion at the end of FY21. Side by side, credit balance in the private sector rose to 37.01 percent of GDP in FY21 from 27.4 percent of GDP in FY06.
- Deposits of scheduled banks, as percentage of GDP, increased to 41 percent in FY21 from 35 percent in FY06. As a result, the lending capacity of banks has also increased.
- To bring a wider section of unbanked population of the country under the coverage of banking services, school-banking programme has been launched. At the same time, farmers, beneficiaries of social safety net programmes, freedom fighters, cleaners, and other marginalized and poor people have been provided with the opportunity to open BDT 10 no-frills bank account. Moreover, re-financing schemes have been introduced to provide credit to share-croppers, agro-based industries, SMEs and environment-friendly projects. Supported by refinancing facilities, loan disbursement to women entrepreneurs has more than doubled between 2010 and 2022.

- State-owned commercial banks have been brought under the Core Banking Solution technology.
- Asia Pacific Group on Money Laundering (APG) has recognized Bangladesh's measures for the prevention of money laundering and terrorism financing as of international standard. Moreover, Bangladesh is considered a 'compliant country' in terms of preventing money laundering and terrorist financing. It has already been recognized as one of the leading countries in the Asia region in this context.

Table 4: Rate of Interest of Scheduled Banks (weighted average)

Fiscal Year	Deposit	Advances	Spread
2005-06	6.68	12.06	5.38
2006-07	6.85	12.78	5.93
2007-08	6.95	12.29	5.34
2008-09	7.01	11.87	4.86
2009-10	6.01	11.31	5.30
2010-11	7.27	12.42	5.15
2011-12	8.15	13.75	5.60
2012-13	8.54	13.67	5.13
2013-14	7.79	13.10	5.31
2014-15	6.80	11.67	4.87
2015-16	5.54	10.39	4.85
2016-17	4.84	9.56	4.72
2017-18	5.50	9.95	4.45
2018-19	5.43	9.58	4.15
2019-20	5.43	9.58	4.15
2020-21	5.69	9.66	3.97
2021-22	4.02	7.15	3.13

Source: Bangladesh Bank.

2.23 The government's success in establishing a country wide digital infrastructure have created a solid base for promoting financial inclusion through mobile and internet services. This has allowed financial services to be brought even to geographically disadvantaged locations through ATMs, mobile financial services, and agent-banking. The number of scheduled bank branches increased substantially (70.01 percent increase) from 6,435 at the end of FY06 to 10,950 by May 2022. As of June 2022, scheduled banks had 48.85 percent (5,324 out of 10963 branches) of their branches in rural areas. It is noteworthy that the number of bank branches in rural areas is almost equal to that of urban

areas. Moreover, the coverage of mobile banking and agent banking services has been widening rapidly. All these endeavours continue to ease financial transactions and ensure circulation of money to facilitate economic activity within the economy.

Table 5: Financial Inclusion

	Number of branches of schedule banks	Number of Agents of Mobile Banking Services	Number of Mobile Banking Subscribers	Number of Agents for Agent-based Banking	Number of Subscribers for Agent-based Banking	Number of ATMs
2013-14	8794	346179	16462610	18	3117	5778
2014-15	9131	547407	28625131	100	37052	6480
2015-16	9453	617418	36333933	610	261693	8517
2016-17	9720	758570	53702690	2891	845699	9246
2017-18	10114	829783	61862982	3598	1783156	9747
2018-19	10307	934124	72054058	6073	3416020	10546
2019-20	10606	998491	88797075	8812	7357466	11047
2020-21	10788	1131144	101240617	12995	12192947	12337
2021-22*	10950	1188184	112694108	14240	15720988	12972

Source: Bangladesh Bank. * Up to May 2022

2.24 The number of agent banking outlets and that of subscribers have grown impressively from 18 and 3,117 in FY14 to 14,240 and 1,57,20,988 in FY22 respectively. Mobile Financial Services (MFS), since its inception in 2011, has been experiencing a remarkable growth. It has become a key driver of financial inclusion through providing services for the unbanked population segment and in unblocking the advancement opportunities for the underserved section of the society. As on May 2022, a total of 11,88,184 agents served 112.69 million registered customers. Monthly transactions stood at BDT 460.28 billion during FY22. The rural unbanked population has significantly benefitted from the MFS.

Capital Market Development

2.25 Capital market acts as the bridge of long-term financing for industrial development by facilitating the exchange of capital assets. Capital Market of Bangladesh consists of two full-fledged stock exchanges- the Dhaka Stock

Exchange and the Chittagong Stock Exchange. To facilitate the development of the capital market for mobilizing long-term financing for investment the government has initiated various administrative and regulatory reforms. Most important among them are the *Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015* to meet the capital needs of start-ups and new companies in the market, the *Bangladesh Securities and Exchange Commission (Investment Sukuk) Rules, 2019* to facilitate bond market, the *Bangladesh Securities and Exchange Commission (Exchange Traded Derivatives) Rules, 2019* to widen the derivative market, and the *Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021* to ensure capital market stabilization. As a result, the volume of share and securities transaction has increased substantially. At the end of FY05, the market capitalization of listed securities in Dhaka Stock Exchange was BDT 222.04 billion (6.03 percent of GDP); at the end of FY22, it has risen to BDT 5,177.82 billion which is 13.02 percent of GDP. In June 2022, the value of total turnover of traded securities stood at BDT 179.40 billion which was 24.02 percent higher than that in May 2022.

Foreign Trade

2.26 As the global economies have started to recover from the COVID-19 pandemic, both internal and external demands have grown significantly. Hence, the total value of imports (C&F) in FY22 experienced 35.93 percent growth whereas merchandise commodity export enjoyed a 34.38 percent growth over the previous year. The volume of exports was USD 10.5 billion in FY06, which has increased to USD 52.08 billion in FY22 marking a more than five times growth. The volume of imports was USD 14.7 billion in FY06, which has increased to USD 89.16 billion in FY22 experiencing around six times growth.

Table 6: Advancement in the External Sector (billion USD)

Indicators	Export	Export/GDP (percent)	Import	Import/GDP (percent)	Forex Reserve	Remittances	Remittance as percent of GDP
2005-06	10.50	14.6	14.70	20.5	3.50	4.80	6.7
2006-07	12.20	15.3	17.20	21.5	5.10	5.97	7.5
2007-08	14.10	15.4	21.60	23.5	6.10	7.91	8.6
2008-09	15.60	15.2	22.50	22	7.50	9.68	9.5
2009-10	16.20	14.1	23.70	20.6	10.70	10.98	9.5
2010-11	22.90	17.8	33.70	26.2	10.90	11.65	9.1
2011-12	24.30	18.2	35.50	26.6	10.40	12.84	9.6
2012-13	27.03	18	34.10	22.7	15.30	14.46	9.6
2013-14	30.19	17.4	39.30	22.6	21.50	14.22	8.2
2014-15	31.21	16	40.70	20.9	25.00	15.31	7.9
2015-16	34.26	12.9	43.12	16.3	30.20	14.93	5.6
2016-17	34.66	11.8	47.01	16.0	33.40	12.77	4.3
2017-18	36.67	11.4	58.87	18.3	32.94	14.98	4.7
2018-19	40.54	11.5	59.91	17.1	32.72	16.42	4.7
2019-20	33.67	9.0	54.78	14.6	36.04	18.21	4.9
2020-21	38.76	9.3	65.59	15.8	46.39	24.78	6.0
2021-22(p)	52.08	11.2	89.16	19.2	41.83	21.03	4.5

Source: Bangladesh Bank and BBS; p=provisional

Remittances

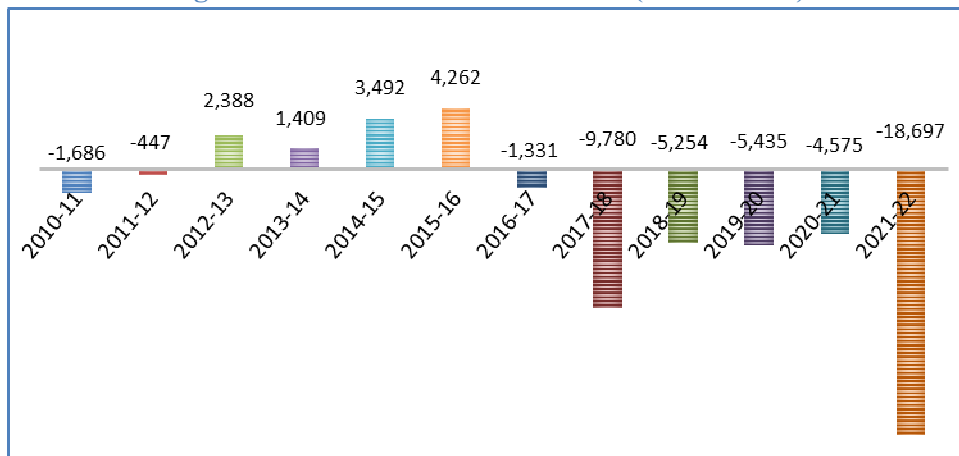
2.27 Supported by the increasing trend in workers' migration, remittance inflows have increased about five times since FY06 reaching around USD 21.03 billion in FY22 from USD 4.8 billion in FY06. Wage earners' remittances even reached a record high of USD 24.78 billion in FY21 due to a surge in remittances by expats to their relatives in Bangladesh during the pandemic. Remittances inflow has since stabilized with a growth of 15.5 percent in FY22 over that in FY20.

Current Account Balances

2.28 Current account had consistently registered a surplus during FY13-16, and then turned into a deficit since FY17. The situation has deteriorated recently in FY22 as remittances inflow has stabilized and the trade deficit has widened in the back of heightened demand for imports. Besides, the re-opening of borders resulted in increased foreign travel for treatment, study, Hajj, etc.

which has enhanced demand for foreign currency. As a consequence, current account balance recorded a deficit of USD 18.7 billion and the overall balance recorded a deficit of USD 5.4 billion in FY22. It is expected that the situation will soon normalize as the government has taken a number of fiscal and monetary measures to contain import of non-essential products and to reduce spending in projects that require imports.

Figure 13: Current Account Balance (million USD)



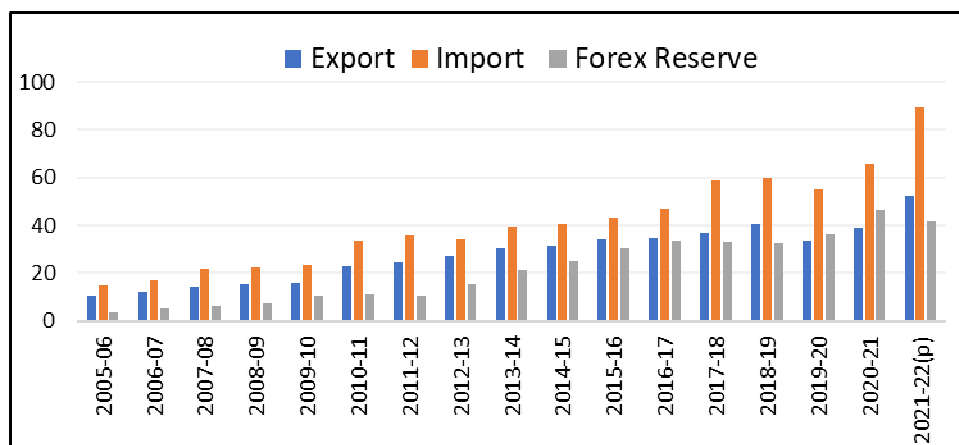
Source: Bangladesh Bank

Foreign Exchange Reserve

2.29 Gross foreign exchange reserve of Bangladesh Bank stood at USD 41,826.73 million as of end June 2022, which was USD 46,391.44 million as of end June 2021. This has created some pressure on the foreign exchange management. To meet the increased demand of foreign exchange, Bangladesh Bank sold (net) USD 7.6 billion from its foreign exchange reserve in FY22. Moreover, the BDT/USD exchange rate depreciated by 11.67 percent during the last one year to bring a balance between supply and demand in the forex market. To reduce the pressure on the country's BOP situation, in addition to monetary measures discussed above, the government has also adopted some fiscal measures, such as imposition of restriction on unnecessary' foreign travels, discouraging the import of luxury goods. As a pre-emptive initiative, Bangladesh is also seeking foreign loans from the development partners such as the International Monetary Fund, World Bank, Asian Development Bank, Japan

International Cooperation Agency, etc. According to Bangladesh Bank data, foreign exchange reserves stood at USD 38.943 billion on 7 September 2022, which is sufficient to pay about five months' import bills.

Figure 14: Exports, Imports & Foreign Exchange Reserve (in billion USD)



Source: Bangladesh Bank

Commitment and Disbursement of Foreign Assistance

2.30 Foreign assistance and its utilization have been increasing significantly over the last 13 years. Foreign assistance commitment stood at USD 102.25 billion during this time. An analysis of the disbursement data shows that about USD 4.031 billion, on average, worth of foreign assistance was utilized annually during 2009-2022. In contrast, annual average utilization of foreign aid during 2001-2006 was merely USD 1.423 billion (Please see **Appendix 5** for detailed data on commitment and disbursement).

Section Three

Progress in the Social Sector

The present government's pro-poor policy that includes a rapid poverty alleviation strategy, continuous expansion of social transfers and widening of social safety net programs has been contributing significantly to the country's socio-economic development. Under the United Nations Millennium Development Goals (MDGs), Bangladesh achieved several important goals, including reducing poverty, reducing the poverty gap ratio, achieving gender equality in primary and secondary education, reducing the incidence of infectious diseases and improving child and maternal health. These attainments have put Bangladesh on a solid platform for achieving the Sustainable Development Goals (SDGs) that the country has been implementing since 2016. Due to the visionary and effective leadership of Hon'ble Prime Minister Sheikh Hasina and the resilience of her people, Bangladesh is making great strides along with robust socio-economic progress.

3.2 A comparative account of the progress made in the social sector is presented below in **Table 7**:

Table 7: Comparative Picture of Progress in the Social Sector

Year	Per Capita GNI (USD)	Life Expectancy at birth (years)	Population Growth Rate* (%)	Poor People (%)	Extreme Poor (%)	Literacy Rate (7+Population) (%)	Maternal Mortality Rate (per 1000 live births)	Infant Mortality Rate (per 1000 live births)
2004	500	65.1	1.50	41.6	27.2	50.0	3.65	51.0
2005	527	65.2	1.49	40.0	25.1	52.1	3.48	50.0
2006	543	66.5	1.49	38.4	24.2	52.5	3.37	45.0
2009	759	67.2	1.36	33.4	19.3	56.7	2.59	39.0
2010	843	67.7	1.36	31.5	17.6	56.8	2.16	36.0
2011	928	69.0	1.37	29.9	15.7	56.1	2.09	35.0
2012	955	69.4	1.37	28.5	15.4	56.3	2.03	33.0
2013	1054	70.4	1.37	27.2	14.6	57.2	1.97	31.0
2014	1184	70.7	1.37	26.0	13.8	58.6	1.93	30.0
2015	1316	70.9	1.37	24.8	12.9	63.6	1.81	29.0
2016	1465	71.6	1.37	24.3	12.9	71.0	1.78	28.0

Year	Per Capita GNI (USD)	Life Expectancy at birth (years)	Population Growth Rate* (%)	Poor People (%)	Extreme Poor (%)	Literacy Rate (7+Population) (%)	Maternal Mortality Rate (per 1000 live births)	Infant Mortality Rate (per 1000 live births)
2017	1610	72.0	1.37	23.1	12.1	72.3	1.72	24.0
2018	1751	72.3	1.37	21.8**	11.3**	73.2	1.69	22.0
2019	1909	72.6	1.37	20.5	10.5**	74.4	1.65	21
2020	2024	72.8	1.37	-	-	-	1.63	21
2021	2591	72.0	1.30	-	-	-	-	-
2022	2824	73.3	1.22	-	-	74.7	-	-

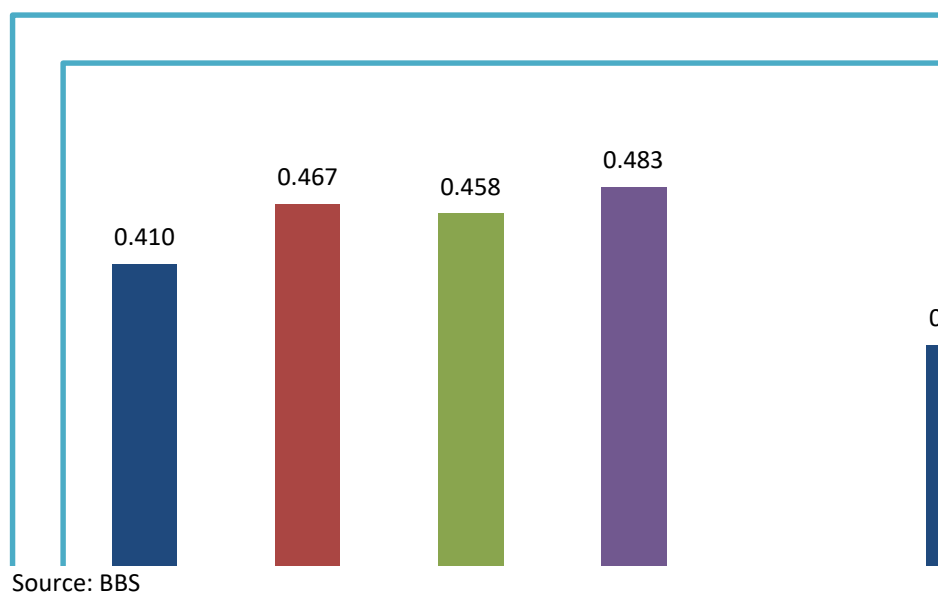
Note: *Based on the population census of 2001 and 2011; **Estimated by BBS.

Reduction in Poverty

3.3 Due mainly to its success in reducing headline poverty and extreme poverty in recent years, Bangladesh is being tagged globally as ‘the land of impossible attainments’. The country has significantly reduced the rate of poverty, which has been well-acclaimed by international community. The rate of poverty (or upper poverty) is reduced from 38.4 percent in 2006 to 20.5 percent in 2019. Extreme poverty (or lower poverty) has also gone down to 10.5 percent in 2019 from 24.2 percent in 2006. Using the CBN method, the poverty gap at the lower poverty line is estimated at 2.3 percent in 2016, which was 3.1 percent in 2010. Again, at the upper poverty line, the gap is estimated at 5.0 percent in 2016, which was 6.5 percent in 2010. Besides, the government's distributional policies including progressive tax structure, domestic and overseas employment generation, skills development training and social protection programmes have resulted in an impressive reduction in the rate and depth of poverty. The present government prioritises reducing the poverty rate to 12.3 percent and the extreme poverty rate to 4.5 percent by FY24. Apart from its objectives, in line with the SDGs, the government has fixed the target to reduce the poverty rate to 9.7 percent by 2030. The COVID-19 pandemic may have temporary adverse impacts on poverty alleviation, but the government is committed to continuing its poverty reduction efforts.

3.4 Bangladesh's position in the Global Hunger Index in 2021 was 76th, while that of India and Pakistan were 101 and 92 respectively (Source: <https://www.globalhungerindex.org/ranking.html>). According to data from the Household Income and Expenditure Survey (HIES) 2016, the income Gini Index only slightly worsened in 2016 compared to that in 2010, but the consumption Gini Index has continued to improve over the years (**Figure 15**).

Figure 15: Measures of Inequality (Gini Index)



Social Protection Programme

3.5 'The National Social Security Strategy (NSSS) 2015' has been adopted to ensure the uplifting of the well-being of the people. Under the NSSS, Action Plans have been prepared to reduce poverty. After implementing the NSSS Action Plan Phase One (2016-2021), the NSSS Action Plan Phase Two (2021-2026) has recently been taken. Through the NSSS Strategy and Action Plans, the government has been implementing targeted and efficiently monitored social safety net programmes. Accordingly, the social protection program has seen a manifold increase and both the coverage and budget allocation have been increasing over the years to ensure inclusive development for all. About 29 percent of the families in the country have now been brought under the social

security programme. In FY23, BDT 1,135.76 billion was allocated for social safety net programmes, which is 16.75 percent of the total budget and 2.55 percent of GDP. To enhance the effectiveness of social safety net programmes by ensuring the selection of genuine beneficiaries, steps have been taken to establish MIS for all programmes and a database for all beneficiaries. Payments are being made directly from the government to the beneficiaries through the G2P system, which has so far been rolled out to 25 cash transfer programmes. During the COVID-19 pandemic the government of Bangladesh has taken a number of stimulus packages to address the COVID-19 fallout and protect the vulnerable people.

Education and Health

3.6 Bangladesh has made unprecedented progress in education and health, the two main indicators of social sector development. At present, the main goal of the government is to create a technologically skilled workforce to meet the demands of the Fourth Industrial Revolution. To attain that goal, the government emphasises expanding STEM (Science, Technology, Engineering, and Mathematics) education. The government has made significant progress in the education sector by creating skilled human resources, reducing inequalities in education, achieving quality excellence, expanding MPO enrolment and emphasising subject-based classrooms. The government has also remained dedicated to developing a healthy and energetic population by ensuring quality health services. Major signs of progress made in the education and health sectors are as follows:

- The net primary education enrolment increased to 97.42 percent in 2021 compared to 94.8 percent in 2010, while the dropout rate declined from 39.8 percent in 2010 to 14.15 percent in 2021;
- To reduce discrepancy in educational attainments, irrespective of all income levels, the government has begun distributing new books since 2010. In 2021, more than 33 crore books were distributed free of cost.
- The percentage of people receiving technical education was 2 percent in 2006, which has risen to 20 percent in 2021. Furthermore, an Integrated

Technical Vocational Education & Training (TVET) Development Action plan has been introduced, aligning it with SDGs and the ongoing 8th five-year plan.

- Primary School Mid-day Meal Programme has been introduced from July 2021 to June 2026 to support primary schooling.
- The adult literacy rate (15+ years) increased from 51.7 percent in 2011 to 74.7 percent in 2022. In this, the adult women's literacy rate has increased significantly from 49.4 percent in 2011 to 72.8 percent in 2022.
- Neo-natal (less than 1 year) mortality rate (per 1000 live births) declined from 45 in 2006 to 15 in 2020.
- Under 5 child mortality rate (per 1000 live births) dropped from 36 in 2006 to 28 in 2020.
- The number of medical colleges increased from 46 in 2006 to 118 in 2020, with 28 post-graduation medical institutions and 35 dental colleges.
- Community clinics are working around the country to provide medical support at the doorsteps of the citizens. The government provides basic health care to the rural people through 13,881 community clinics, where every day 40 people get services from each clinic, 80 percent of which are women and children.

Women and Child Development

3.7 Following the provisions under Articles 19, 27, 28 and 29 of the Constitution of Bangladesh, the government has been persistently trying to establish women's equal rights and dignity and ensure women's participation in all spheres of national life. According to the Gender Budget Report, the budget allocation for women in FY23 is BDT 2,29,484 crore, which is 33.84 percent of the national budget. Appropriate programmes have been taken to ensure education, health, employment and women's empowerment to enable women's participation in mainstream development activities. The government has taken numerous efforts to improve the condition of distressed and poor

women, such as a food assistance programme (VGD) for destitute mothers, allowances for pregnant mothers, allowances for lactating and working mothers, and microcredit for women. Vocational, work-oriented and income-generating training is being provided to women to create self-employment opportunities.

3.8 The government is giving priority on ensuring children's welfare. The Women and Children (Amendment) Act, 2020 and the Child Day Care Act, 2021 have been enacted. The government has established 85 child day care centres to assist working women.

3.9 Bangladesh is one of the few countries that has successfully reduced the gender gap within a short time. Bangladesh has continued to top the list of countries in reducing gender disparity in the South Asian region. According to 'The Global Gender Gap Report, 2022' published by the World Economic Forum, Bangladesh secured the 71st position among 146 countries, while the rank in 2006 was 91st among 115 countries. It is ahead of many other Asian countries, such as Thailand (79th), Indonesia (92nd), Nepal (96th), China (102nd), Malaysia (103rd), Sri Lanka (110th), India (135th), and Pakistan (145th) in terms of gender parity. Bangladesh's score of 0.714 remained almost the same as the previous year, which is very much ahead of the Muslim world.

Human Development

3.10 The government has remained committed to human resource development, and adopted various programs to that end. As a result, Bangladesh has continued its progress in human development. The country is scheduled to graduate from the LDC category in 2026 by fulfilling the Human Asset criteria set by the United Nations. In the Human Assets Index (HAI), Bangladesh scored 75.3 points in 2021, well above the required score of 66. The Human Development Reports published by the UNDP reflect a continuous improvement in our standards of living. For example, in 2016, 2017, 2019 and 2021 Bangladesh was ranked 139th, 136th, 133th and 129th respectively. Our HDI score rose from 0.595 in 2016 to 0.661 in 2021.

Section Four

Macroeconomic Update in 2021-22

Pursuance of pragmatic macroeconomic policies and adoption of sound fiscal management principles have enabled Bangladesh to witness robust economic growth and achieve good progress in the socio-economic indicators. The resilience that resulted from this has enabled the country to tackle the economic shocks of the COVID-19 pandemic relatively well. Economic recovery during the pandemic was possible also because of the timely adoption of effective economic and stimulus measures. A brief narrative of the macroeconomic scenario in FY22, and in some cases FY21, is presented in this section.

Real Sector

4.2 Bangladesh has shown an impressive performance in attracting foreign direct investment (FDI). Net FDI inflow stood at US\$ 2.18 billion in FY22, showing a significant increase (61 percent) over FY21 when net FDI was US\$ 1.35 billion.

Among the growth stimulating factors-

- ✓ Private sector credit growth stood higher at 13.66 percent (year-on-year) in June 2022 compared to 8.35 percent growth at the end of the same month of the previous year.
- ✓ The rate of implementation of ADP reached 92.80 percent in FY22, surpassing last year's achievement of 82.11 percent.
- ✓ During July-April of FY22, the general index of industrial production (medium and large scale manufacturing) is 489.73 which was 469.64 in the same period of the previous FY.
- ✓ The disbursement of agricultural credit and non-farm rural credit increased by 12.66 percent and 14.35 percent respectively in FY22 compared to FY21. Banks disbursed a total of BDT 28,834.21 crore of which BDT 22,510.48 crore was for agricultural credit and BDT 6,323.73 crore was for non-farm rural credit in FY22. Both the disbursement of agricultural credit and non-farm rural credit increased by

12.66 percent and 14.35 percent respectively in FY22 compared to the same period of the preceding year.

- ✓ Inflation rate (twelve months average) was slightly upward at 6.15 percent at the end of FY22, compared to 5.56 percent in FY21.
- ✓ Point-to-point inflation stood at 7.48 percent in June 2022, which was 5.64 percent in June 2021.

Fiscal Sector

4.3 Recent trends in the fiscal sector, such as revenue income and expenditure are highlighted below:

- ✓ Total revenue income was BDT 3,289.83 billion in FY21 compared to BDT 2,698.03 billion in FY20;
- ✓ Total expenditure in FY21 amounted to BDT 4,595.40 billion compared to BDT 4,134.9 billion in previous fiscal year.

Monetary and Financial Sector

4.4 Recent trends in the Monetary and Financial sector are highlighted below:

- ✓ Broad money (M2) growth stood lower at 9.43 percent (y-o-y) at the end of June 2022 as compared with 13.62 percent growth at the end of June 2021 due to decrease of net foreign assets (NFA) of the banking system by 4.74 percent. On the other hand, private sector credit growth stood higher at 13.66 percent (y-o-y) in June 2022 compared to 8.35 percent growth in June 2021.
- ✓ Under the latest monetary policy statement (FY23) of the Bangladesh Bank, targets in FY23 for domestic credit and broad money have been set at 18.2 and 12.1 percent respectively.
- ✓ Bank interest rate is gradually decreasing; the weighted average of the bank interest rate for deposits and advances and the spread stood at 3.97, 7.09, and 3.12 percent respectively in June 2022, which were 4.13, 7.33, and 3.20 percent respectively in June 2021.

External Sector

4.5 Recent trends in the external sector, such as trade, remittance, current account balance, etc., are highlighted below:

- ✓ In FY22, export earnings from goods amounted to USD 52.08 billion registering an increase of 34.38 percent over FY21. Among export products, as usual the RMG sector performed well (covering 81.82 percent of total exports) due to adoption of various steps including the provision of stimulus packages during the COVID-19 pandemic and export incentives to RMG exports to non-traditional markets.
- ✓ In FY22, total imports (C&F) stood at USD 89.16 billion, reflecting only a year-on year growth of 35.93 percent over the same in FY21 (USD 65.60 billion).
- ✓ Remittances stood at USD 21.03 billion in FY22, which is 15.12 percent less than that in FY21 but 15.5 percent higher than that in FY20. It is to be noted that wage earners' remittances in FY21 was an outlier due to COVID-19 uncertainty during that time.
- ✓ Foreign exchange reserves stood at USD 41.86 billion on 30 June 2022 which was USD 46.39 billion in the previous year. Foreign exchange reserve on 7 September 2022 was USD 38.943 billion, which is sufficient to pay import liability of around 5 months, considering the average of the previous 12 months' (July 2021- May 2022) import payments. The current account balance has a deficit of USD 18.7 billion mainly due to the increase in import payments compared to USD 4.5 billion in FY21.
- ✓ At the end of June, 2022, nominal exchange rate was BDT 93.45 per US dollar which was BDT 84.81 per US dollar at the end of June 2021. It indicates that Bangladesh Taka against US dollar has depreciated 10.1 percent during the time.

Section Five

Journey Towards a Prosperous Bangladesh

Bangladesh has set a remarkable example for other developing countries – how to counter odds and make sustained socio-economic progress while facing multiple challenges. Once one of the poorest countries in the world, Bangladesh is now the 41st largest economy. The journey started in 1971 with the dream of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman to build a 'Sonar Bangla.' His worthy and capable daughter Hon'ble Prime Minister Sheikh Hasina has led from the front during the last fourteen years in achieving the economic success of the country. Bangladesh is set to leave the LDC club in 2026 and well poised to become the 25th largest country of the world by 2035. Bangladesh successfully achieved the UN Millenium Development Goals and also received the SDG Progress Award in recognition of SDG implementation progress.

5.2 Bangladesh is a story of the Phoenix, rising from the ashes. Against all odds this indomitable country has marched forward. Bangladesh skillfully managed the COVID-19 pandemic with her limited resources. This success was manifested in Nikkei's COVID-19 Recovery Index, which ranked Bangladesh 5th in the world and 1st in South Asia. In the middle of current global economic uncertainty, when the biggest economies of the world are faltering, Bangladesh has been cautious with its policy choices and is treading carefully to minimize the unwarranted adverse impacts of rising commodity prices, imported inflation and disruption in global supply chain. Bangladesh is a resilient country and has shown strong performance in achieving sound macroeconomic fundamentals during the last 14 years. Pragmatic and prudent macroeconomic policies in all four sectors namely, the real sector, fiscal sector, money and banking sector and external sector, helped the country to achieve this feat. Bangladesh achieved remarkable progress in socio-economic indicators, such as poverty reduction, education, health, maternal mortality rate, women empowerment, as well.

Economic Recovery from COVID-19 Pandemic

5.3 The government acted fast to successfully overcome the catastrophic situation created by the COVID-19 pandemic. Effective implementation of various fiscal and financial incentive packages brought back the vitality of our

economy in the shortest possible time. To address the crisis and overcome its potential adverse effects on the economy, the government formulated an overall programme with short, medium, and long-term targets. This programme had four strategies, namely prioritise job creation, introduce credit facilities with low interest rates, support for the impoverished and jobless by widening the social safety net coverage, and increased money supply. As explained earlier, following the guidelines of Hon'ble Prime Minister Sheikh Hasina, the government undertook a comprehensive stimulus and economic recovery programme to facilitate the implementation of these strategies.

5.4 Through these timely and bold initiatives, the government was not only able to protect lives and livelihood of the people but also kept the economic activities of the country rolling. Due to the 28 fiscal and stimulus packages, industrial production returned to the pre-COVID level by November 2020. In tandem with the industry sector, the agriculture sector also successfully maintained its productivity throughout the crisis. Exports rebounded in FY21 and surpassed USD 60 billion (goods and services combined) in FY22. Another important factor behind the rapid economic recovery from the COVID pandemic is the successful implementation of vaccination programme. Despite various challenges in the global supply of vaccines, Bangladesh was able to successfully administer two doses of vaccines to almost all citizens of the country above 12 years of age in just one year. Bangladesh's success in effectively managing the COVID crisis has been lauded by many at the global level. The Wall Street Journal termed Bangladesh, "an economic powerhouse of South Asia".

Scaling Up Investment and Boosting Private Sectors

5.5 The government has been putting special emphasis on enhancing investment and ensuring investment-friendly environment for the private sector. It is encouraging to note that the overall investment to GDP ratio has remained above 30 percent since 2017, in which private investment remained between 24 to 25 percent. Buoyant public investment in mega infrastructure projects contributed in this increase. Due to the pandemic, the investment rate was reduced to 31.3 percent in FY20 and to 31.0 percent in FY21. However, to maintain our high GDP growth target, which is 7.5 percent in FY23, the investment ratio will have to be above 35 percent of GDP in the coming years.

5.6 For enhancing productive investment, the government will strive to remove the key bottlenecks in the economy with special emphasis on power and energy, ports, communication, and ICT sectors. Besides, higher and targeted spending on health and education sector and needed reforms in related policies would likely to increase employability and address skill mismatch. Targets have been set for the overall improvement of education, achieving qualitative excellence, and expansion of education. The government wants to create an investment-friendly environment for the private sector, ensure business-friendly tax management, and increase public sector investment. Achieving the projected GDP growth will also require infrastructural development.

5.7 To that end, the government emphasizes timely implementation of all nationally important infrastructure projects including mega projects. To facilitate private sector development, the government has taken various reforms initiatives to streamline the business processes in Bangladesh. The government slashed down fees and charges applicable on various business processes to reduce the costs of doing business, and improve how Bangladesh is viewed as a destination for business operation. The government is placing special emphasis on the implementation of projects under the Public-Private Partnership (PPP) to attract investment required for the implementation of the government's development plans. At present, as many as 77 projects are scheduled to be implemented under the PPP, against which the investment amount is USD 38.77 billion. One project under PPP has already been implemented and 9 more projects are under implementation.

Attracting Foreign Direct Investment (FDI)

5.8 To attract FDI, the government is making continuous strides to improve ease of doing business and reduce cost of doing business in Bangladesh. In FY22, the net FDI inflow was \$2.18 billion. Most of the FDI has been channeled to energy, textile & weaving, power and telecommunication sectors. The government has taken various reforms initiatives to streamline the business processes in Bangladesh with the aim of increasing the flow of FDI into the country. These include- enactment of the One Stop Service (OSS) Act, 2018 and formulation of One Stop Services Rules, 2020 to simplify and integrate the

delivery of various services, facilities, licenses and permissions in a timely manner, and reduction of fees and charges applicable on various business processes to reduce the costs of doing business. The government has taken a plan to implement online processing of the business process, of which 58 processes have already been made online. A total of 150 processes will be made available at the OSS portal.

Economic Zones

5.9 To boost industrial production by attracting local and foreign investment, the government is promoting the Economic Zone (EZ) regime by providing serviced industrial land and infrastructural facilities. It is planned to establish 100 Economic Zones. Construction work of the 'Bangabandhu Sheikh Mujib Shilpa Nagar', the largest, planned and modern industrial area, occupying 30,000 acres of land at Mirsharai, Sonagazi and Shitakunda Upazila, is progressing in full swing. The Moheshkhali EZ, the Shreehatta (Sylhet) EZ, and the Jamalpur EZ also have so far received a large volume of industrial investment proposals. Bangabandhu Sheikh Mujib Shilpa Nagar (Mirsarai-Feni EZ) has received USD 18.20 billion from 137 investors, Moheshkhali EZ has received USD 2.58 Billion from 3 investors and Shreehatta EZ has received USD 1.3 billion from 6 investors. Moreover, Jamalpur EZ received investment of USD 0.25 billion from 16 investors while Sabrang Tourism Park is able to attract investment of USD 0.30 billion from 18 investors. These private EZs have so far invested USD 2.7 billion and create employment opportunities for 27,268 people.

Skills Development

5.10 Bangladesh is well-placed to benefit from demographic dividend up until 2050. To reap the full benefit of demographic dividend, Bangladesh needs to increase its labour productivity through skill development and technological up-gradation in its production processes. Therefore, the government has been working for human resource development by enhancing the skills of our young population. To create jobs for the unemployed youths and generate self-employment opportunity, skill development trainings in different subjects are being provided to the youth, who comprise one-third of the total population of

the country. Further steps have been taken to train 8.41 lakh people under the Skills for Employment Investment Program (SEIP). The main objective of the SEIP programme is to qualitatively and quantitatively expand the skilling capacity of identified public and private training providers by establishing and operationalizing a market responsive skill ecosystem and delivery mechanism. Under this programme up to August 2022, training has been provided to 5.16 lakh persons among whom 3.67 lakh persons (71.1 percent of total trained) have been employed in various jobs. The government has taken various reforms. Some of them are adoption of National Skills Development Policy 2011, enactment of National Skills Development Authority Act 2018, establishment of National Human Resource Development Fund (NHRDF), preparation of National Skill Development Policy 2020 etc. Moreover, the National Skills Development Authority has been established and operationalized to undertake various skills development activities of the government in a coordinated manner.

Fiscal Stance

5.11 While it is true that the tax-GDP ratio of Bangladesh is much below that of other comparator countries, revenue collection is steadily increasing in Bangladesh. In FY22, National Board of Revenue (NBR) achieved a growth of 16.07 percent in revenue collection compared to the amount collected in the previous year. It is to be noted that NBR (Customs, VAT and income tax combined) collects more than 85% of the total revenue of the government. Due to some ingenious initiative to channel idle money lying in bank accounts of state owned enterprises and parastatals to the government exchequer, there was a temporary surge in revenue collection in the last two years from Non-Tax Revenue (NTR) sources, which now has subsided. With Bangladesh's LDC graduation set for 2026, revenue from imports will decline eventually, which needs to be more than offset by increased collection by income tax and VAT.

5.12 To speed up the momentum of growth, increasing revenue collection significantly on a consistent basis in the next decade is an essential prerequisite for attaining the desired Developed Country status by 2041. Not only that increased automation of the revenue administration and modernizing the tax laws are in the cards, the necessity of process simplification in revenue collection in a tax payer friendly manner is also well understood. Initiatives are

under way, with the assistance of the IMF, to conduct tax expenditure study to bring in efficiency in tax collection, plug loopholes and expand the tax net. Identifying the gap between tax capacity and actual tax collection and taking necessary remedial action is what the government aspires to do in the coming years. Meanwhile, the government pursues the policy of keeping the budget deficit within 5 percent of GDP. During the pandemic the government had no option but to go for expansionary fiscal policy. The country has benefited from the 28 stimulus packages offered during that period. In the current fiscal, the government has targeted to keep the deficit within 5.5 percent of GDP.

Monetary and Financial Policy

5.13 The monetary policy of the government is intended to maintain necessary liquidity in the banking system, accompanied by a lower market interest rate regime, to meet the private and public sector demand. Bangladesh Bank has taken policy measures, including open market operations, issuing bills, and tightening policy rates to manage market liquidity conditions. Bangladesh Bank intervened in foreign exchange market by selling a substantial amount of foreign currency to support exchange rate stability and maintain the external competitiveness of taka in FY22. Bangladesh Bank increased policy rate to deal with the demand side pressures along with ensuring the required flow of funds to the priority and productive sectors to promote supply side activities. The current monetary policy also seeks to promote import-substituting activities and dissuade import of luxury and non-essential goods to reduce pressure on exchange rate to further depreciate, protect foreign exchange reserve and control inflation in light of surging global energy and commodity prices and disruption in supply chain. Looking ahead, solid economic momentum is expected to continue hinging upon ongoing growth supportive fiscal and monetary policies, with growing internal and external demand, improving COVID-19 situation and rising business confidence.

External Sector

5.14 FY22 was a remarkable year for Bangladesh's exports. Merchandise exports from the country jumped by 34.4 percent compared to that of last year. Total exports, goods and services combined, crossed USD 60 billion mark for the

first time in the history of Bangladesh. First two months (July-August) of FY23 have shown a good sign with 25.31 percent growth. Due to the global slow down, especially in the three largest economies of the world – USA, China and the Euro zone, growth in exports from Bangladesh may not maintain the same tempo going forward in the current fiscal. However, Bangladeshi exporters are resilient enough to ride the current and ensuing challenges. Several initiatives are underway to assist and prepare Bangladeshi manufacturers to face the challenges of post-LDC era with wit and grit. The government has formed a central Committee and seven Sub-Committees, which are making elaborate plans to provide necessary support to exporters and local businesses in the run up to Bangladesh's graduation in 2026 and beyond.

5.15 Private sector, the government and research organizations have teamed up to find solutions that will make Bangladeshi companies more competitive in a globalised world. To augment remittances inflow, the government has increased incentives on remittances to 2.5 percent from 2 percent. Remittances inflow during slowed down in FY22, in July 2022, the first month of the current fiscal year, the country received 2.09 billion US dollar, the highest in last 14 months. Remittance flow in the first two months (July-August) of FY23 grew at 12.29 percent compared to a year earlier. Although foreign exchange reserves has slightly been under stress due to a surge in imports, the current reserve is sufficient to cover 5 months' import payments. Exchange rate of Taka has also been under pressure this year due to high import payments, despite a surge in exports. Bangladesh Bank intervened to stabilize the market and took several steps, such as increasing margin for opening letters of credit and discouraging imports of non-essential, luxury items. The government also depends on funds from external sources, mostly concessional loans and grants from bilateral and multilateral development partners against various projects and also in the form of budget support. During July-May of FY22 net receipts stood at USD 7.0 billion, which was 57.05 percent higher compared to same period the year before. Although overall balance of payment deficit widened in FY22, the government is keen to maintain an affordable and favourable BOP.

Appendix-1: Stimulus Packages to Combat Economic Impact of COVID-19

Sl. No	Name of the Package	Amount (Crore Taka)
1	Special Fund for Salary support to export oriented manufacturing industry workers	5,000
2	Working Capital loans for the affected industries and service sector	73,000
3	Working Capital loans for the SMEs including the cottage industries	40,000
4	Expansion of facility provided through Export Development Fund (EDF) by Bangladesh Bank (US\$ 2.0 billion)	17,000
5	Pre-Shipment Credit Refinance Scheme	5,000
6	Special Honorarium for doctors, nurses, medical workers	138
7	Health Insurance and life insurance	750
8	Free Food Distribution	2,500
9	OMS of rice at 10 taka/kg	770
10	Cash Transfer for the targeted poor people (Tk. 2,500 per person for 3.5 million + 4.86 lakh fisheries and livestock farmers)	1,326
11	Expansion of Cash Allowance Programs to 112 Upazillas	815
12	Construction of home for homeless people	2,130
13	Support for farm mechanization	3220
14	Subsidy for agriculture	9,500
15	Agriculture Refinance Scheme	8,000
16	Refinance scheme for professional farmer and small traders	3,000
17	Employment creation through four State owned financial institutions (PKSF-500, Probashi-500, Karmasangsthan-1,200, Palli Sanchay-500. Ansar VDP-500)	3,200
18	Subsidy for commercial bank's suspended interest of April-May, 2020	2,000
19	Credit Risk Sharing Scheme for SME Sector	2,000
20	Safety net program for Export Oriented Industry's distressed workers	1,500
21	Revitalizing the rural economy and job creation in rural area (Joyeeta F: 50; NGO F: 50; SDF: 300; SME F: 300; RPE F:300; BSCIC: 100; SFD F: 100; BRDB: 300)	1,500
22	Expansion of Cash Allowance Programs to another 150 Upazillas	1,200
23	2nd Tranche Cash transfer to 3.5 million poor people of taka 2500 per person + 1,00,000 Boro farmers affected by cyclone	930
24	Cash Transfer to the targeted poor people (Tk. 2,500 per person). Total beneficiary: 17,24,470 persons	450
25	Special OMS at the city area (Rice: 20,000 MT and Flour: 14,000 MT)	150
26	Fund for Deputy Commissioners to proved food support to the vulnerable people reached through 333 phone number	100
27	Employment creation through three State owned financial institutions - 2nd phase (PKSF-500, Karmasangsthan Bank-500 and Palli Sanchay Bank-500 crore)	1,500
28	Working Capital credit facility at 4% interest to pay wages for the employees of hotel/motel/theme parks	1,000
	Total (In Crore Taka)	187,679
	Total (In Million USD)	22,080
	As % of GDP	5.31

Appendix-2: Trend of Socioeconomic Indicators

Fiscal Year	GDP (Billion BDT)	GDP Growth (%)	Import (Billion USD)	Export (Billion USD)	Remittances (Billion USD)	Foreign Exchange Reserve (End Period, Billion USD)	Exchange Rate Taka per USD (End Period)
1995-96	1,899	4.62	6.93	3.88	1.21	2.03	40.8
1996-97	2,060	4.49	7.15	4.42	1.47	1.71	42.7
1997-98	2,269	5.18	7.52	5.16	1.52	1.73	45.5
1998-99	2,465	4.67	8.00	5.31	1.74	1.52	48.1
1999-00	2,685	5.29	8.37	5.75	1.94	1.60	50.3
2000-01	2,913	5.08	9.33	6.47	1.88	1.30	54.0
2001-02	3,143	3.83	8.54	5.99	2.50	1.58	57.4
2002-03	3,483	4.74	9.65	6.55	3.06	2.46	57.9
2003-04	3,833	5.24	10.90	7.60	3.37	2.70	58.9
2004-05	4,271	6.54	13.14	8.65	3.84	2.93	61.4
2005-06	4,823	6.67	14.70	10.50	4.80	3.50	67.1
2006-07	5,498	7.06	17.20	12.20	5.97	5.10	69.0
2007-08	6,287	6.01	21.60	14.10	7.91	6.10	68.6
2008-09	7,051	5.05	22.50	15.60	9.68	7.50	68.8
2009-10	7,975	5.57	23.70	16.20	10.98	10.70	69.2
2010-11	9,158	6.46	33.70	22.90	11.65	10.90	71.2
2011-12	10,552	6.52	35.50	24.30	12.84	10.40	79.1
2012-13	11,989	6.01	34.10	27.03	14.46	15.30	79.9
2013-14	13,437	6.06	39.30	30.19	14.22	21.50	77.6
2014-15	15,158	6.55	40.70	31.21	15.31	25.00	77.8
2015-16	20,758	7.11	43.12	34.26	14.93	30.20	78.4
2016-17	23,243	6.59	47.01	34.66	12.77	33.40	80.6
2017-18	26,392	7.32	58.87	36.67	14.98	32.94	83.7
2018-19	29,514	7.88	59.91	40.54	16.42	32.72	84.5
2019-20	31,705	3.45	54.78	33.67	18.21	36.04	84.9
2020-21	35,302	6.94	65.59	38.76	24.78	46.39	84.8
2021-22(p)	39,765	7.25	89.16	52.08	21.03	41.83	93.5

Source: Bangladesh Bureau of Statistics and Bangladesh Bank; P= Provisional

Appendix-3: Food Grains- Production and Import

(Lakh acres lakh metric tons)

Fiscal Year	Rice			Wheat			Others	Total
	Acres	Production	Import	Acres	Production	Import	Production	Production
2005-06	260.19	265.3	4.98	11.83	7.35	18.7	0.05	278
2006-07	261.16	273.18	6.95	9.88	7.37	16.35	0.05	284
2007-08	261.29	289.31	19.67	9.58	8.44	12.35	55.15	352.9
2008-09	278.72	313.17	5.73	9.75	8.49	23.24	25.44	347.1
2009-10	282.36	322.57	0.88	9.22	9.69	33.58	25.86	358.12
2010-11	284.89	335.42	15.54	9.23	9.72	35.96	15.51	360.65
2011-12	284.87	338.9	5.14	8.85	9.95	16.61	19.55	368.39
2012-13	292.28	338.33	0.26	10.29	12.55	17.15	21.78	372.66
2013-14	281.01	343.56	3.71	10.62	13.02	26.77	25.15	381.74
2014-15	282.09	347.1	14.90	10.79	13.48	38.41	23.61	384.19
2015-16	281.24	347.1	2.56	10.99	13.48	41.99	27.68	388.17
2016-17	271.84	338.06	1.33	10.26	13.12	56.09	35.16	386.34
2017-18	287.00	362.79	38.80	8.68	10.99	57.75	32.88	406.66
2018-19	284.55	363.90	1.45	8.16	10.17	55.61	35.71	409.78
2019-20	282.13	366.04	0.04	8.21	10.29	65.43	40.15	416.48
2020-21	289.12	376.08	13.82	8.13	10.85	53.48	41.18	428.11

Source: Bangladesh Bureau Statistics; Bangladesh Economic Review 2022 Finance Division.

Appendix-4: Sector-wise Expenditure

(Billion BDT)

Year	Education & Technology	Health	Agriculture, Environment, Water, & Land	Fuel & Energy	Social Security & Welfare	Transport & Communication
2001-02	59.01	23.33	23.53	27.56	15.44	59.83
2002-03	59.98	22.50	25.64	37.58	19.14	51.99
2003-04	63.59	19.59	40.87	45.60	24.41	64.63
2004-05	80.44	36.61	43.55	38.08	28.11	55.91
2005-06	95.07	41.95	49.86	28.87	24.07	54.05
2006-07	99.96	45.72	81.26	28.62	35.03	53.02
2007-08	110.86	50.99	95.60	25.49	78.82	42.86
7 Years' Average	81.27	34.38	51.47	33.12	32.15	54.61
2008-09	146.70	62.67	111.46	34.70	69.56	59.35
2009-10	173.16	72.96	129.57	72.32	77.24	69.51
2010-11	174.57	76.64	146.73	79.69	89.83	94.95
2011-12	195.27	85.45	196.88	102.81	100.34	125.26
2012-13	245.09	93.83	172.75	102.26	112.10	142.96
2013-14	279.64	104.19	159.71	93.60	111.43	194.63
2014-15	363.83	126.94	178.63	169.84	153.18	235.16
2015-16	488.41	66.21	168.92	146.21	162.08	228.97
2016-17	475.73	168.39	191.26	285.48	180.91	400.78
2017-18	470.62	168.22	186.19	283.72	289.00	395.69
2018-19	632.42	186.77	236.00	371.88	239.21	378.33
2019-20	659.61	175.13	219.80	328.76	263.62	535.80
2020-21	719.26	216.46	257.59	228.40	269.37	502.18
13 Years' Average	386.48	123.37	181.19	176.90	162.91	258.74

Source: Finance Division, Ministry of Finance.

Appendix-5: Commitment and Disbursement of Foreign Assistance

(Million US\$)

Fiscal Year	Opening Pipe Line	Commitment			Disbursement		
		Grant	Loan	Total	Grant	Loan	Total
1998-99	4895.53	861.88	1786.64	2648.52	669.35	866.71	1536.06
1999-00	5979.58	619.25	855.78	1475.03	726.08	861.87	1587.95
2000-01	5752.27	937.73	1115.11	2052.84	504.15	864.66	1368.80
2001-02	8557.96	401.77	476.98	878.74	478.81	963.23	1442.23
2002-03	5450.04	383.30	1309.27	1692.57	510.14	1074.88	1585.02
2003-04	5738.11	886.78	1036.30	1923.08	338.45	694.98	1033.43
2004-05	6911.06	302.92	1277.80	1580.71	244.23	1244.22	1488.45
2005-06	6694.542	628.381	1158.979	1787.360	500.543	1067.093	1567.636
2006-07	6759.480	728.493	1527.635	2256.128	590.171	1040.404	1630.575
2007-08	7288.340	961.881	1880.563	2842.444	658.115	1403.399	2061.514
2008-09	8682.135	423.257	2021.060	2444.317	657.805	1189.500	1847.305
2009-10	8861.288	555.147	2428.530	2983.677	639.171	1588.603	2227.774
2010-11	9429.360	830.460	5138.166	5968.626	745.100	1031.642	1776.742
2011-12	14151.983	1441.375	3323.150	4764.525	587.996	1538.482	2126.478
2012-13	15436.142	554.530	5300.077	5854.607	726.274	2084.726	2811.000
2013-14	16637.698	497.817	5346.400	5844.217	680.729	2403.659	3084.388
2014-15	18174.791	493.656	4764.809	5258.465	570.825	2472.247	3043.072
2015-16	18693.624	544.918	6503.157	7048.075	530.555	3033.031	3563.586
2016-17	22067.919	404.528	17557.322	17961.850	459.350	3217.941	3677.291
2017-18	35748.763	705.107	14,269.816	14,974.923	382.422	5,986.953	6,369.375
2018-19	44,529.211	1,571.893	8,334.968	9,906.861	279.703	6,262.871	6,542.574
2019-20	47,267.603	583.962	9,213.912	9,797.874	307.677	7,074.047	7,381.724
2020-21	48,819.288	700.625	8,741.745	9,442.369	508.875	7,448.682	7,957.557

Source: Economic Relations Division

Appendix-6: Debt Repayment

(Million US\$)

Fiscal Year	Payment			External Debt Outstanding
	Amortization	Interest	Total	
2001-02	435.298	150.962	586.26	15885.163
2002-03	451.906	156.084	607.990	16953.098
2003-04	423.095	165.562	588.657	17953.255
2004-05	472.598	182.699	655.288	18415.848
2005-06	501.954	176.110	678.064	18602.478
2006-07	540.165	181.770	721.935	19354.805
2007-08	585.736	184.472	770.208	20265.809
2008-09	655.597	199.795	855.392	20858.752
2009-10	685.740	189.840	875.580	20335.761
2010-11	729.220	200.150	929.370	22085.522
2011-12	769.900	196.560	966.460	22095.172
2012-13	908.160	197.540	1105.700	22381.377
2013-14	1088.493	205.943	1294.463	24387.907
2014-15	909.456	187.730	1097.186	23901.033
2015-16	848.475	202.098	1050.573	26305.705
2016-17	894.097	229.173	1123.270	28337.366
2017-18	1110.41	298.78	1409.19	33,511.834
2018-19	1202.3	391.5	1593.8	38475.498
2019-20	1256.5	477.4	1734.0	44095.121
2020-21	1418.6	496.2	1914.8	50879.956

Source: Economic Relations Division

Appendix-7: Revenue Earnings

(Billion taka)					
Fiscal Year	Total Tax Revenue	NBR Tax Revenue	Non-NBR Tax	Non-Tax Revenue	Total Revenue
1	2=3+4	3	4	5	6=2+5
1998-99	153 (6.21)	144 (5.85)	9	43 (1.74)	196 (7.95)
1999-00	158 (5.90)	149 (5.54)	10	49 (1.84)	208 (7.74)
2000-01	191 (6.57)	181 (6.22)	10	46 (1.56)	237 (8.13)
2001-02	210 (6.69)	199 (6.34)	11	67 (2.13)	277 (8.82)
2002-03	243 (6.98)	232 (6.66)	11	62 (1.78)	305 (8.76)
2003-04	270 (7.04)	258 (6.73)	12	65 (1.70)	335 (8.74)
2004-05	305 (7.14)	291 (6.81)	14	69 (1.62)	374 (8.76)
2005-06	340 (7.05)	324 (6.72)	15	86 (1.78)	426 (8.83)
2006-07	380 (6.91)	362 (6.58)	19	105 (1.91)	485 (8.82)
2007-08	481 (7.65)	458 (7.29)	23	113 (1.80)	594 (9.45)
2008-09	529 (7.50)	502 (7.12)	27	117 (1.66)	646 (9.16)
2009-10	625 (7.84)	597 (7.49)	27	134 (1.68)	759 (9.52)
2010-11	795 (8.68)	762 (8.32)	33	134 (1.46)	929 (10.14)
2011-12	952 (9.02)	916 (8.68)	36	195 (1.85)	1147 (10.87)
2012-13	1074 (8.96)	1033 (8.62)	41	207 (1.72)	1281 (10.69)
2013-14	1160 (8.63)	1114 (8.29)	46	250 (1.85)	1416 (10.48)
2014-15	1288 (8.5)	1239 (8.2)	48	178 (1.1)	1466 (9.6)
2015-16	1519 (7.3)	1462 (7.0)	56	210 (1.0)	1729 (8.3)
2016-17	1779 (7.7)	1716 (7.4)	63	233 (1.0)	2012 (8.7)
2017-18	1943 (7.4)	1871 (7.1)	72	222 (0.8)	2165 (8.2)
2018-19	2259 (7.7)	2186 (7.4)	73	259 (0.9)	2518 (8.5)
2019-20	2218 (7.0)	2159 (6.8)	59	439 (1.4)	2658 (8.4)
2020-21	2697 (7.6)	2637 (7.5)	60	591 (1.7)	3289 (9.3)

Source: Finance Division, Ministry of Finance; p=provisional; (Figures in the bracket indicate percentage of GDP)
(1998-99 to 2014-15 data in base year 2005-06; 2015-16 to 2020-21 data in base year 2015-16)