

Preface

Bangladesh Economic Review is one of the important and informative periodic publications of the Government of Bangladesh. The trends of macroeconomic indicators, development policies, strategies and sectoral progress of Bangladesh are discussed in details in this document. We published this Review in Bangla and placed it before the Parliament in June, 2017 with other budget documents. This Bangla version covers the period up to March of the fiscal year. In the English version, however, we update it with information for this whole fiscal year.

2. Bangladesh has been able to continue its economic development and high growth trend by tackling various national and international obstacles. According to Bangladesh Bureau of Statistics (BBS), in FY2015-16, GDP growth rate was 7.11 which rose to 7.28 in FY2016-17.

3. After assuming office in 2009, the Government declared 'Vision 2021' with a view to graduating Bangladesh to a middle income country by 2021. In the light of this vision, the Government formulated Bangladesh Perspective Plan (2010-2021). The implementation of the first phase of the strategies and programmes espoused under this plan has been completed through the implementation of 6th Five Year Plan (2011-2015). During this period, the overall economic indices have improved remarkably. In particular, improvements in infrastructure, energy and power sector, information and communication technology (ICT) and in attracting investments in private and public sectors are noteworthy. Incidence and depth of poverty in Bangladesh are decreasing gradually because of various initiatives of the Government especially adopting life-cycle approach to social safety net programmes. At present, the poverty rate is 24.3 percent whereas it was 31.5 percent in 2010. Implementation of 7th Five Year Plan (2016-2020) is going on. I am very hopeful that other goals and targets of 'Vision 2021' will be achieved during the tenure of 7th Five Year Plan.

4. Keeping pace with the increased development activities of the Government, the annual budget size is increasing gradually. Total budget outlay for FY2017-18 has been increased by 20.76 percent amounting to Tk.4,00,266 crore compared to the revised budget of the previous fiscal year. In line with this the Government is implementing various tax reforms including legal and administrative reforms in tax administration. According to the provisional data, the revenue mobilised by NBR increased by 18.96 percent compared to the outturn of the previous fiscal year. Additionally, both the allocations and number of projects under Annual Development Programme have been increased in course of time.

5. The monetary policy stance of the country has been drawn up with a view to supporting higher economic growth, while containing inflation at a tolerable level. As a result of prudent monetary and fiscal policies, inflation gradually came down. Inflation in FY2016-17 declined to 5.44 percent from 5.92 percent in FY2015-16. Both exports and imports also showed upward trend. Foreign exchange reserve stood at US\$33.41 billion at the end of June, 2017.

6. Data and information presented in this document will be helpful to analyse the overall socio-economic situation of the country. Moreover, matters related to poverty alleviation, human

resource development, private sector improvement and maintenance of balance in environmental development have also been incorporated in this review. Our efforts will be amply rewarded if readers, researchers, academicians, students and other stakeholders find this document useful.

7. Finally, I would like to express my appreciation to all ministries/divisions/departments/agencies for providing valuable data and information. I extend my heartfelt thanks to all concerned of Economic Adviser's Wing of the Finance Division for their best efforts in preparing, editing and publishing this review.



Abul Maal Abdul Muhith
Minister
Ministry of Finance

Introduction

Bangladesh Economic Review which presents an overall scenario of the socio-economic situation of the country is an annual publication of the Government. It is the updated version of Bangladesh Economic Review 2017 (Bangla Version) that was published on the eve of annual budget for the FY2017-18 and placed before the Parliament along with other budget documents.

2. There are fifteen chapters and sixty two statistical appendices in this document. Chapters are divided based on the pace of macro-economy, sectoral progress of the economy and the updated situation of the Government's priority areas. Chapter one presents a brief overview of the current macroeconomic situation of the country. Chapters two to six incorporate an assessment of the country's macroeconomic fundamentals including gross domestic product, savings and investment, price, wages and employment, fiscal and monetary management as well as external sector. Sector wise analyses of agriculture, industry, power and energy, transport and communications have been described in chapters seven to eleven. Chapters twelve to fifteen focus on the Government's initiatives and progress in the thrust sectors such as human resources development, poverty alleviation, private sector and environmental development.

3. I would like to take this opportunity to thank the Economic Adviser and all the officials of the Economic Adviser Wing for their sincere efforts in publishing this document in time. I extend my gratitude to Dr. Ahmed Munirus Saleheen, Additional Secretary, Finance Division for his valuable contribution in preparing the document. I would also like to express my appreciation to the relevant ministries/divisions/departments for the cooperation they extended in providing useful information.

4. I hope this publication will be helpful to the planners, policy makers, researchers, students and other users. Any suggestion and comment for further improvement of this document will be highly appreciated.



Mohammad Muslim Chowdhury
Secretary in Charge
Finance Division