

CHAPTER 2

GDP, SAVINGS AND INVESTMENT

Bangladesh economy has maintained sustainable growth and achieved GDP growth of more than 6 percent on an average during the last decade. The GDP growth surpassed the 7 percent in FY2015-16 and stood at 7.11 percent. According to the final estimate of BBS, the GDP growth stood at 7.28 percent in FY2016-17. Among the 3 broad sectors growth of agriculture sector increased to 2.97 percent of GDP, which was 2.79 percent in previous fiscal year. Growth of agriculture and forestry sector under broad agriculture sector rose to 1.96 percent of GDP. Besides, growth of fishing sector under broad agriculture sector also increased. According to the final data, growth of broad industry sector slightly decreased to 10.22 percent of GDP in FY2016-17; which was 11.09 percent in preceding fiscal year. Growth of broad service sector accelerated to 6.69 percent in FY2016-17 from 6.25 percent in FY2015-16. According to the final data sectoral share of broad agriculture, industry and service stood at 14.74 percent, 32.42 percent and 52.85 percent respectively; which were 15.35 percent, 31.54 percent and 53.12 percent respectively in previous fiscal year. In demand side, the consumption expenditure stood at 74.67 percent in FY2016-17. Gross domestic savings increased at 25.33 percent of GDP in FY2016-17, from 24.98 percent a year earlier. However, national savings as percent of GDP reduced to 29.64 percent in FY2016-17 from 30.77 percent in FY2015-16. On the other hand, investment-GDP ratio increased to 30.51 percent in FY2016-17, from 29.65 percent in previous fiscal year.

Economic Growth

Bangladesh economy has maintained sustainable growth and achieved GDP growth at more than 6 percent on an average during the last decade. According to Bangladesh Bureau of Statistics (BBS), the GDP growth was 6.06 percent and 6.55 percent in FY2013-14 and FY2014-15 respectively. The GDP growth surpassed 7 percent in FY2015-16 and stood at 7.11 percent. As per final estimate of BBS, the GDP growth stood at 7.28 percent in FY2016-17.

Gross Domestic Product (GDP) at Current Prices

According to the final data of BBS, GDP at current market prices stood at Tk.19,75,815 crore in FY2016-17, up by 14.02 percent of the previous fiscal year. The per capita GDP

increased to Tk.1,22,152 in FY2016-17 which was Tk.1,08,378 in previous fiscal year. On the other hand, per capita national income in FY2016-17 stood at Tk.1,27,401 up from Tk.1,14,621 in the previous fiscal year. In US dollar, per capita GNI and GDP stood at US\$1,610 and US\$1,544 respectively in FY2016-17 compared to US\$1,465 and US\$1,385 respectively in FY2015-16. On the basis of Purchasing Power Parity (PPP), calculated by UNDP, the per capita GNI stood at US\$3,341. GDP, GNI, per capita GDP and national income during the period from FY2009-10 to FY2016-17 are shown in Table 2.1 and sector-wise GDP at current market prices are shown in Table 2.2.

Table 2.1: GDP, GNI, Per Capita GDP and GNI at Current Market Prices

Item	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
GDP (In Crore Tk.)	797539	915829	1055204	1198923	1343674	1515802	1732864	1975815
GNI (In Crore Tk.)	862142	988342	1144506	1295352	1433224	1614204	1832675	2060716
Population (In Crore)	14.78	14.97	15.16	15.37	15.58	15.79	15.99	16.18
Per Capita GDP (In Tk.)	53961	61198	69614	78009	86266	96004	108378	122152
Per Capita GNI (In Tk.)	58332	66044	75505	84283	92015	102236	114621	127401
Per Capita GDP (In US\$)	780	860	880	976	1110	1236	1385	1544
Per Capita GNI (In US\$)	843	928	955	1054	1184	1316	1465	1610

Source: Bangladesh Bureau of Statistics (BBS)

Table 2.2: Gross Domestic Product (GDP) at Current Market Prices

(In Crore Taka)

Sector/Sub-sector	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1. Agriculture and Forestry	110990	125469	138879	148758	163968	176500	190315	205398
a) Crops & horticulture	81405	91903	100899	106794	117903	126121	134322	143704
b) Animal Farmings	17527	20171	22999	25359	27667	29885	33165	36026
c) Forest and related services	12058	13395	14981	16605	18398	20494	22827	25668
2. Fishing	24601	28482	31827	36995	42308	47581	53076	59627
3. Mining and Quarrying	12645	14208	16650	19461	21080	23876	28578	34127
a) Natural gas and crude petroleum	6803	6846	7366	7953	8156	9188	10706	12003
b) Other mining & coal	5842	7363	9284	11508	12924	14688	17872	22124
4. Manufacturing	128573	146503	167927	197127	223221	254483	295111	341829
a) Large & medium scale	101619	116453	134397	158448	180382	205992	240164	279217
b) Small scale	26954	30049	33530	38679	42839	48491	54947	62612
5. Electricity, Gas and Water Supply	8346	11589	14189	16381	18401	19868	23829	26244
a) Electricity	6003	8646	10189	12168	13834	15061	18447	20370
b) Gas	1809	2339	3300	3448	3676	3787	4279	4579
c) Water	533	605	701	766	891	1020	1103	1295
6. Construction	49474	57072	68304	82432	90834	108484	126353	146107
7. Wholesale and Retail Trade	106606	121332	137396	154579	172575	192585	214257	243958
8. Hotel and Restaurants	7028	8228	9755	11263	13035	14928	17058	19318
9. Transport, Storage & Communication	80454	94571	112702	124281	134317	150025	169145	187076
a) Land transport	57574	68717	83345	92183	99311	112096	127895	142808
b) Water transport	6386	6934	7089	7649	8064	8967	10207	10996
c) Air transport	811	957	1022	1047	1116	1269	1352	1399
d) Support transport services, storage	3826	4410	5391	6001	6672	7427	8031	8707
e) Post and Tele communications	11858	13553	15854	17400	19154	20267	21681	23166
10. Financial Intermediations	23448	27545	36316	42237	48563	55761	63601	73205
a) Monetary intermediation (Banks)	17508	21522	29351	34727	40390	46644	53790	62389
b) Insurance	3356	3786	4584	4920	5364	5938	6327	6808
c) Other financial auxiliaries	2583	2237	2381	2590	2810	3180	3485	4008
11. Real Estate, Renting and Business Activities	54432	60119	68715	78820	91229	106061	123740	144539
12. Public Administration and Defence	25426	30282	33499	37678	44728	50674	66711	78441
13. Education	18258	21392	25048	28429	32767	37624	46512	56856
14. Health and Social Works	15326	17731	20133	23868	26924	30135	34758	38987
15. Community, Social and Personal Services	95692	104608	117293	138952	156552	176402	194248	214213
Tax less subsidy	36241	46698	56569	57662	63174	70815	85552	105892
GDP at current market price	797539	915829	1055204	1198923	1343674	1515802	1732864	1975815
Growth rate	13.11	14.83	15.22	13.62	12.07	12.81	14.32	14.02

Source: Bangladesh Bureau of Statistics (BBS)

Bangladesh Economic Review 2017

Growth of GDP by Sectors

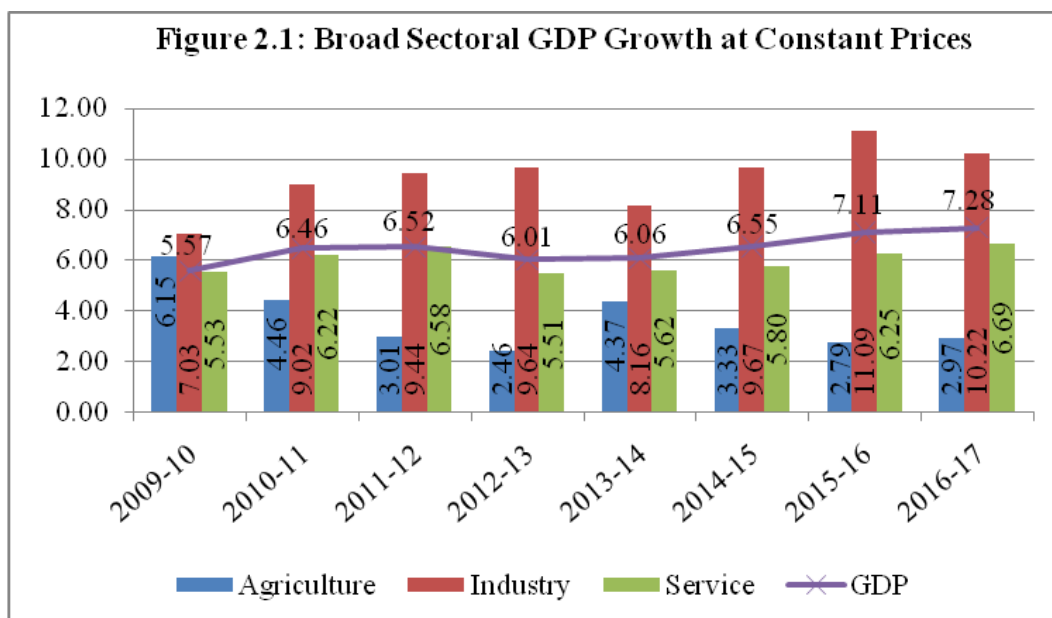
Production based estimate of GDP encompasses 3 broad sectors which are agriculture, industry and service. Moreover, overall GDP consists of 15 sectors. Among these 15 sectors, 6 sectors are divided into different sub sectors. The broad agriculture sector consists of two sectors namely, (i) agriculture and forestry and (ii) fishing. Similarly, the broad industry sector comprises (i) mining and quarrying, (ii) manufacturing, (iii) electricity, gas and water supply and (iv)

construction sector. The broad service sector includes the collective outputs of the, (i) wholesale and retail trade, (ii) hotels and restaurants, (iii) transport, storage and communication, (iv) financial intermediations, (v) real estate renting and business activities, (vi) public administration and defence, (vii) education, (viii) health and social work and (ix) community, social and personal services. The growth rates of GDP by sectors at constant prices have been shown in Table 2.3 and Figure 2.1.

Table 2.3: Sectoral Growth Rate of GDP at Constant Prices

Sector/Sub-sector	(Base Year: 2005-06)							
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1. Agriculture and Forestry	6.55	3.89	2.41	1.47	3.81	2.45	1.79	1.96
a) Crops & horticulture	7.57	3.85	1.75	0.59	3.78	1.83	0.88	0.96
b) Animal Farmings	2.51	2.59	2.68	2.74	2.83	3.08	3.19	3.31
c) Forest and related services	5.34	5.56	5.96	5.04	5.01	5.08	5.12	5.60
2. Fishing	4.60	6.69	5.32	6.18	6.36	6.38	6.11	6.23
3. Mining and Quarrying	8.15	3.62	6.93	9.35	4.68	9.60	12.84	8.89
a) Natural gas and crude petroleum	8.52	0.68	3.78	7.55	2.47	8.73	11.77	0.34
b) Other mining & coal	7.43	9.34	12.58	12.34	8.20	10.90	14.42	21.19
4. Manufacturing	6.65	10.01	9.96	10.31	8.77	10.31	11.69	10.97
a) Large & medium scale	6.27	11.11	10.76	10.65	9.32	10.70	12.26	11.20
b) Small scale	8.17	5.67	6.58	8.81	6.33	8.54	9.06	9.82
5. Electricity, Gas and Water Supply	9.97	13.36	10.58	8.99	4.54	6.22	13.33	8.46
a) Electricity	10.50	15.82	10.97	9.69	1.69	6.09	14.20	9.22
b) Gas	8.78	0.07	7.45	5.91	10.93	5.16	9.91	0.28
c) Water	5.79	8.23	10.91	4.75	8.08	9.62	7.40	11.09
6. Construction	7.21	6.95	8.42	8.04	8.08	8.60	8.56	8.77
7. Wholesale and Retail Trade	5.85	6.69	6.70	6.18	6.73	6.35	6.50	7.37
8. Hotel and Restaurants	6.01	6.20	6.39	6.49	6.70	6.83	6.98	7.13
9. Transport, Storage & Communication	7.55	8.44	9.15	6.27	6.05	5.96	6.08	6.76
a) Land Transport	7.31	7.18	6.83	5.91	5.56	6.18	6.28	7.06
b) Water transport	3.19	2.92	3.10	3.21	3.15	3.62	3.20	4.10
c) Air transport	18.19	15.23	5.76	-1.64	0.61	8.71	1.48	2.79
d) Support transport services, storage	10.33	11.97	17.60	3.36	2.59	5.37	5.19	6.40
e) Post and Tele communications	9.02	13.77	16.92	9.67	9.56	6.11	6.81	6.98
10. Financial Intermediations	6.25	10.44	14.76	9.11	7.27	7.78	7.74	9.12
a) Monetary intermediation (Banks)	3.15	12.98	17.61	10.87	8.33	8.49	8.85	9.95
b) Insurance	19.08	3.69	4.41	0.61	1.55	3.95	0.54	2.05
c) Other financial auxiliaries	17.71	-2.54	2.33	3.14	3.63	4.68	4.54	9.06
11. Real Estate, Renting and Business Activities	3.85	3.88	3.92	4.04	4.25	4.40	4.47	4.80
12. Public Administration and Defence	8.23	8.84	7.53	6.53	6.89	9.82	11.43	9.15
13. Education	5.18	5.63	7.75	6.30	7.26	8.01	11.71	11.35
14. Health and Social Works	6.83	6.34	3.81	4.76	5.06	5.18	7.54	7.63
15. Community, Social and Personal Services	3.21	3.23	3.25	3.25	3.27	3.28	3.30	3.62
At Constant Price GDP Growth Rate	5.57	6.46	6.52	6.01	6.06	6.55	7.11	7.28

Source: Bangladesh Bureau of Statistics (BBS)



Agriculture Sector

At constant prices growth of agriculture and forestry sector under broad agriculture sector stood at 1.96 percent in FY2016-17, which was 1.79 percent in previous fiscal year. The growth of the three subsectors of agriculture and forestry sector i.e. crops and horticulture; animal farming; forest and related services reached 0.96 percent, 3.31 percent and 5.60 percent respectively in FY2016-17, which were 0.88 percent, 3.19 percent and 5.12 percent respectively in previous fiscal year.

The food-grain production (rice, wheat and maize) in FY2016-17 was 388.14 lakh metric tonnes (MT), which was 388.17 lakh MT in previous fiscal year. Rice production in FY2016-17 was 338.13 (*Aus* 21.33, *Aman* 136.56, *Boro* 180.24) lakh MT, which was 347.10 (*Aus* 22.89, *Aman* 134.83, *Boro* 189.37) lakh MT in previous fiscal year. Besides, wheat production in FY2016-17 was 14.23 lakh MT, marginally higher than that of 13.48 lakh MT of previous fiscal year. Maize

production in FY2016-17 was 35.78 lakh MT, higher than that of 27.59 lakh MT of previous fiscal year. According to the estimate of the Department of Fisheries (DoF), the total inland and marine fish production in FY2016-17 is expected to be 40.50 lakh MT, which was 38.78 lakh MT in previous fiscal year.

Industry Sector

According to the final estimate the growth of 3 sectors ('mining and quarrying', 'manufacturing' and 'electricity, gas and water supply') of broad industry sector decreased while growth of construction sector increased in FY2016-17. The growth of natural gas and crude petroleum sub-sector decreased to 0.34 percent in FY2016-17, which was 11.77 percent in previous fiscal year. However, growth of other mining and coal sub-sector significantly increased to 21.19 percent, from 14.42 percent in previous fiscal year. Similarly, growth of 'large and medium scale manufacturing' sub-sector slightly decreased to 11.20 percent but 'small

Bangladesh Economic Review 2017

scale manufacturing' sub-sectors increased to 9.82 percent. Moreover, growth of 3 sub-sectors i.e. electricity, gas and water supply were 9.22 percent, 0.28 percent and 11.09 percent respectively in FY2016-17; which were 14.20 percent, 9.91 percent and 7.40 percent respectively in the previous fiscal year. On the other hand growth in construction sector slightly increased to 8.77 percent in FY2016-17 from 8.56 percent in the previous fiscal year.

Service Sector

According to the final data, growth in broad service sector increased in FY2016-17 compared to the growth in previous fiscal year. The output of the 'wholesale and retail trade'; 'hotel and restaurants' and 'transport, storage and communication' sector under broad service sector rose to 7.37 percent, 7.13 percent, 6.76 percent respectively in FY2016-17; which were 6.50 percent, 6.98 percent and 6.08 percent respectively in the preceding fiscal year. Five sub-sectors i.e. 'land transport', 'water transport', 'air transport', 'support transport services, storage' and 'post and tele communications' under 'transport storage and communication' sector registered growth at 7.06 percent, 4.10 percent, 2.79 percent, 6.40 percent and 6.98 percent respectively in FY2016-17; which were 6.28 percent, 3.20 percent, 1.48 percent, 5.19 percent and 6.81 percent respectively in the earlier fiscal year. The growth of 'financial intermediations', 'real estate, renting and business activities', 'health and social works' and 'community, social and personal services' sector increased to 9.12 percent,

4.80 percent, 7.63 percent and 3.62 percent, respectively in the FY2016-17. However, the growth of 'public administration and defense', and 'education' decreased to 9.15 percent and 11.35 percent in FY2016-17 from 11.43 percent and 11.71 percent respectively in FY2015-16.

Sectoral Shares in GDP at Constant Prices

Table 2.4 shows the sectoral share of GDP at constant prices during FY2009-10 to FY2016-17. According to data the share of the agriculture and forestry sector in GDP at constant prices stood at 11.12 percent in the FY2016-17, from 11.70 percent in FY2015-16. The sectoral share of 3 sub-sectors i.e. 'crops and horticulture', 'animal farmings' and 'forest and related services' under agriculture and forestry sector decreased to some extent in FY2016-17 from preceding fiscal year. Moreover, share of GDP in fishing sector decreased to 3.61 percent in FY2016-17 from 3.65 percent in FY2015-16. The contribution of broad agriculture sector of GDP was 14.74 percent in FY2016-17, which was 15.35 percent in previous fiscal year.

During FY2016-17, within the broad industry sector, contribution of mining and quarrying sector slightly increased to 1.80 percent from 1.77 percent in FY2015-16. Similarly, contribution of 'manufacturing', 'electricity, gas and water supply' and 'construction' sectors expanded to 21.74 percent, 1.52 percent and 7.36 percent of GDP respectively in FY2016-17 compared to the previous fiscal year. The share of broad industry sector

Bangladesh Economic Review 2017

reached 32.42 percent in FY2016-17 from 31.54 percent in FY2015-16.

In FY2016-17, the share of broad service sector in GDP stood at 52.85 percent, from 53.12 percent in previous year. Within the broad service sector, the contribution of wholesale and retail trade sector (14.01%) was the highest. Also transport, storage and

communication sector was second highest (11.26%). Next positions are community, social and personal services (8.87%); real estate, renting and business activities (6.49%); public administration and defense (3.70%); financial intermediations (3.45%); education (2.48%); health and social works (1.85%) and hotel and restaurants (0.75%).

Table 2.4: Sectoral Share of GDP at Constant Prices

(Base Year: 2005-06)

(In percentage)

Sector/Sub-sector	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1. Agriculture And Forestry	14.65	14.27	13.70	13.09	12.81	12.32	11.70	11.12
a) Crops & horticulture	10.79	10.50	10.01	9.49	9.28	8.87	8.35	7.86
b) Animal Farmings	2.06	1.98	1.90	1.84	1.78	1.73	1.66	1.60
c) Forest and related services	1.81	1.79	1.78	1.76	1.74	1.72	1.69	1.66
2. Fishing	3.73	3.73	3.68	3.68	3.69	3.69	3.65	3.61
3. Mining And Quarrying	1.65	1.60	1.61	1.65	1.63	1.68	1.77	1.80
a) Natural gas and crude petroleum	1.09	1.03	1.00	1.01	0.98	1.00	1.04	0.98
b) Other mining & coal	0.56	0.57	0.61	0.64	0.65	0.68	0.73	0.82
4. Manufacturing	17.20	17.75	18.28	19.00	19.47	20.16	21.01	21.74
a) Large & medium scale	13.74	14.32	14.86	15.49	15.95	16.58	17.37	18.01
b) Small scale	3.46	3.43	3.42	3.51	3.51	3.58	3.64	3.73
5. Electricity, Gas And Water Supply	1.28	1.36	1.41	1.45	1.42	1.42	1.50	1.52
a) Electricity	1.04	1.13	1.17	1.21	1.19	1.19	1.26	1.29
b) Gas	0.16	0.15	0.15	0.15	0.15	0.14	0.15	0.14
c) Water	0.08	0.08	0.09	0.08	0.09	0.09	0.09	0.09
6. Construction	6.65	6.67	6.78	6.90	7.03	7.16	7.26	7.36
7. Wholesale And Retail Trade	14.02	14.02	14.02	14.03	14.10	14.08	13.99	14.01
8. Hotel And Restaurants	0.75	0.75	0.74	0.75	0.75	0.75	0.75	0.75
9. Transport, Storage & Communication	11.05	11.23	11.49	11.50	11.49	11.43	11.31	11.26
a) Land Transport	7.28	7.31	7.32	7.31	7.27	7.24	7.18	7.17
b) Water transport	0.92	0.89	0.86	0.84	0.81	0.79	0.76	0.74
c) Air transport	0.13	0.14	0.14	0.13	0.12	0.12	0.12	0.11
d) Support transport services, storage	0.60	0.63	0.69	0.67	0.65	0.64	0.63	0.63
e) Post and Tele communications	2.12	2.26	2.48	2.56	2.64	2.63	2.65	2.61
10. Financial Intermediations	2.88	2.99	3.21	3.30	3.34	3.38	3.39	3.45
a) Monetary intermediation (Banks)	2.24	2.37	2.62	2.73	2.79	2.84	2.88	2.96
b) Insurance	0.43	0.42	0.41	0.39	0.37	0.36	0.34	0.32
c) Other financial auxiliaries	0.21	0.20	0.19	0.18	0.18	0.18	0.17	0.17
11. Real Estate, Renting and Business Activities	7.61	7.41	7.22	7.07	6.95	6.81	6.64	6.49
12. Public Administration and Defence	3.26	3.33	3.35	3.36	3.39	3.49	3.63	3.70
13. Education	2.23	2.21	2.23	2.24	2.26	2.29	2.39	2.48
14. Health and Social Works	1.96	1.95	1.90	1.88	1.86	1.83	1.84	1.85
15. Community, Social and Personal Services	11.08	10.72	10.38	10.09	9.82	9.52	9.18	8.87
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Bangladesh Bureau of Statistics

The structural changes of contribution of broad sectors in GDP are shown in the Table 2.5 and Graph 2.2. Table 2.5 indicates that the structural change of agriculture sector to industry sector in GDP continues in FY2016-

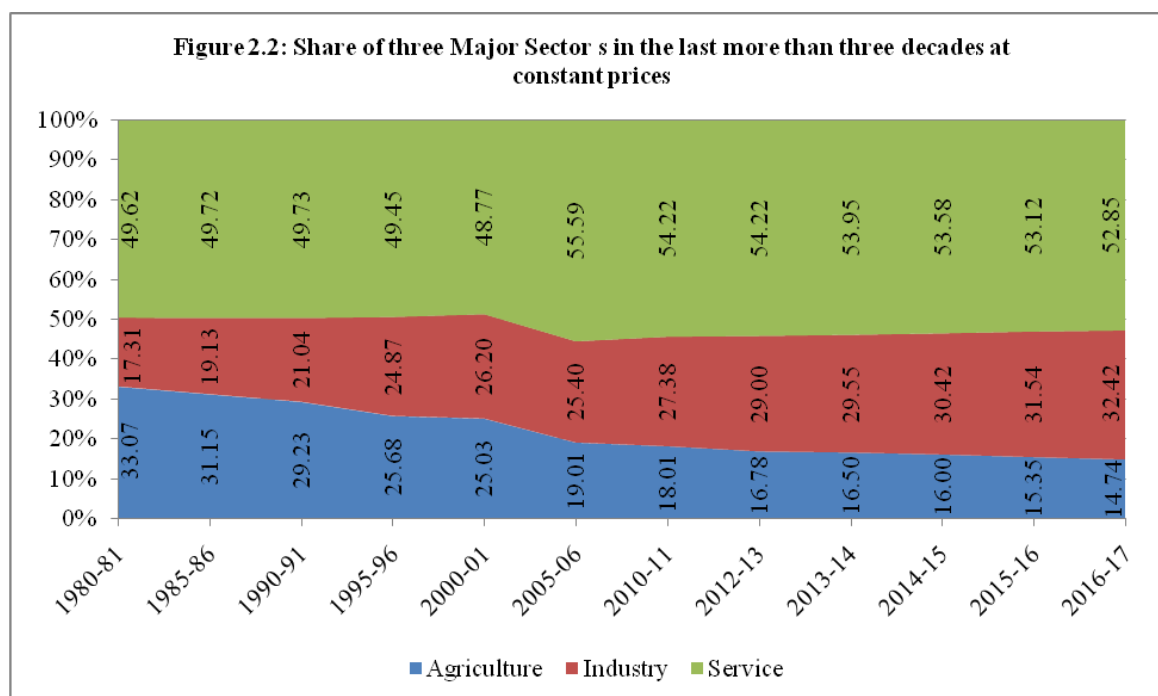
17. Graph 2.2 shows that contribution of service sector was nearly 50 percent of GDP before FY2005-06. Contribution of this sector rose at 55.59 percent in FY2005-06. In recent times this contribution is near about 52-54 percent.

Table 2.5: Trend of Structural Transformation of Broad Sectoral Shares in GDP and Growth Rate at Constant Prices

Share (in percent)											
Sector	1980-81	1985-86	1990-91	1995-96	2000-01	2005-06	2010-11	2013-14	2014-15	2015-16	2016-17
Agriculture	33.07	31.15	29.23	25.68	25.03	19.01	18.01	16.50	16.00	15.35	14.74
Industry	17.31	19.13	21.04	24.87	26.20	25.40	27.38	29.55	30.42	31.54	32.42
Service	49.62	49.73	49.73	49.45	48.77	55.59	54.61	53.15	53.58	53.12	52.85
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Average growth rate (in percent)											
Agriculture	3.31	3.31	2.23	3.10	3.14	5.50	4.46	4.37	3.33	2.79	2.97
Industry	5.13	6.72	4.57	6.98	7.45	9.80	9.02	8.16	9.67	11.09	10.22
Service	3.55	4.10	3.28	3.96	5.53	6.60	6.22	5.62	5.80	6.25	6.69
GDP (At producer prices)	3.74	3.34	3.24	4.47	5.41	7.18	6.64	6.15	6.54	7.11	7.28

Source: Bangladesh Bureau of Statistics (BBS)

Note: up to FY 2000-01, data used based on FY 1995-96 and others are based on 2005-06.



Expenditure Based GDP

The scenario of consumption, savings and expenditure is presented in Table 2.6 and Table 2.7. According to the final data on the expenditure side, consumption declined by 0.35 percent points from 75.02 percent of

GDP in FY2015-16 to 74.67 percent in FY2016-17. On the other hand, domestic saving stood at 25.33 percent of GDP in FY2016-17; which was 24.98 percent in preceding fiscal year. However, national saving slightly decreased to 29.64 percent in FY2016-17 from 30.77 percent in 2015-16.

Table: 2.6: Expenditure Based Gross Domestic Product at Current Prices

(In crore Taka.)

Item	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1. Domestic Demand [(2)+(3)]	840898	978095	1129475	1275097	1430851	1617789	1813872	2078186
2. Consumption	631571	726966	831250	934727	1046858	1179924	1300034	1475356
i. Public	40478	46684	53175	61339	71719	81918	102109	118467
ii. Private	591093	680282	778075	873389	975139	1098006	1197925	1356889
3. Investment	209327	251129	298225	340370	383994	437865	513839	602830
i. Public	37276	48150	60802	79621	87991	103393	115492	146472
ii. Private	172051	202979	237423	260749	296003	334472	398347	456358
4. Net Export	-45895	-69390	-82177	-86570	-87806	-112361	-80663	-103370
5. Gross Domestic Expenditure	795003	908705	1047299	1188527	1343045	1505428	1733210	1974816
6. Gross Domestic Product	797539	915829	1055204	1198923	1343674	1515802	1732864	1975815
7. Statistical Discrepancy	3083	8017	7905	10396	6292	10375	-346	1000

Source: Bangladesh Bureau of Statistics

Gross investment as percent of GDP accelerated in FY2016-17 compared to earlier year. Similarly, both public and private investment increased in FY2016-17 from previous fiscal year. The total investment rose to 30.51 percent in FY2016-17, which was 29.65 percent in FY2015-16. Public sector and private sector investment increased to

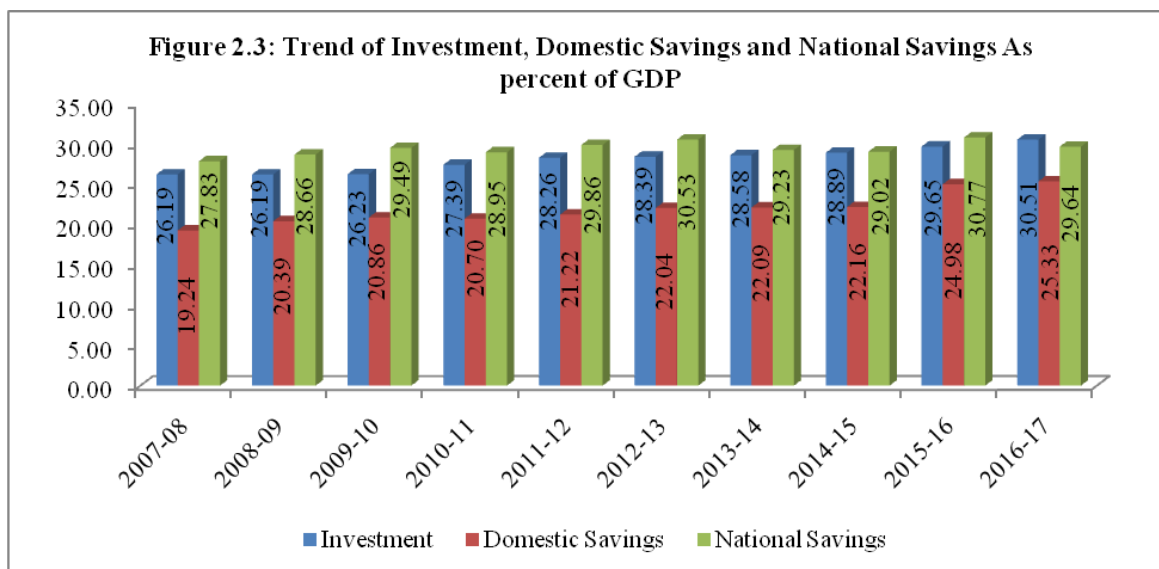
7.41 percent and 23.10 percent of GDP respectively in FY2016-17; which were 6.66 percent and 22.99 percent of GDP respectively in preceding fiscal year. In absolute term, amount of investment increased by 17.32 percent in FY2016-17 from previous fiscal year.

Table: 2.7: Consumption, Savings and Investment (As percent of GDP)

(Base Year: 2005-06)

Item	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1. Consumption	79.14	79.30	78.78	77.96	77.91	77.84	75.02	74.67
i. Public	5.07	5.09	5.04	5.12	5.34	5.40	5.89	6.00
ii. Private	74.06	74.21	73.74	72.85	72.57	72.44	69.13	68.67
2. Investment	26.23	27.39	28.26	28.39	28.58	28.89	29.65	30.51
i. Public	4.67	5.25	5.76	6.64	6.55	6.82	6.66	7.41
ii. Private	21.56	22.14	22.50	21.75	22.03	22.07	22.99	23.10
3. Domestic Savings	20.86	20.70	21.22	22.04	22.09	22.16	24.98	25.33
4. National Savings	29.49	28.95	29.86	30.53	29.23	29.02	30.77	29.64

Source: Bangladesh Bureau of Statistics



In order to increase domestic and foreign investment, the Government of Bangladesh is formulating investment friendly policies, acts and laws. Especially, to expedite the investment friendly environment, Board of Investment (BOI) and Privatisation Commission were merged into Bangladesh Investment Development Authority (BIDA). Bangladesh Economic Zone Authority (BEZA) has taken an initiative to create employment of around 1 crore people by establishing 100 Economic Zones (EZs) throughout the country in the next 15 years.

In this backdrop, approval has been given to establish 79 EZ (public 56 and private 23). Moreover, it is expected that the investment in the country will be increased and GDP growth will be accelerated as some comprehensive plans and programmes under Annual Development Programme (ADP) and Public Private Partnership (PPP) on structural development, rapid electrification, energy diversification, developed communication system and communication technology have been undertaken.