

Preface

Bangladesh Economic Review is an annual publication of the Government of Bangladesh. It is an updated version of the original Review, which was published in Bangla as a background paper of the national budget and placed in the National Parliament during the budget session with other budget documents. The review focuses on the macroeconomic scenario, development policies and strategies of the Government and the sectoral progress of the economy.

2 The present Government assumed office with a huge mandate from the people. The economy of Bangladesh continue to demonstrate considerable resilience during FY 2008-09 despite the shocks triggered by global recession. The economy is estimated to have grown at a rate of 5.9 percent, slightly below the growth rate of FY 2007-08. In the context of global situation where the overall world output and the output of the developed economies contracted, the growth performance of Bangladesh economy speaks of its inherent strength. Since the beginning of the global economic crisis, the Government has been monitoring its impact on the economy. A Technical Committee is functioning the Finance Division to monitor and analyse the macroeconomic impact of the crisis, and to identify necessary short-term macroeconomic and fiscal responses. The Government has also constituted a Task Force involving all concerned stakeholders. In line with the recommendations of the Task Force, the Government announced a stimulus package which include fiscal support, financial support and policy support.

3 The timely decision of the Government in the face of the global financial crisis helped boosting business confidence. The growth in key areas of potential impact-remittances and exports-remained satisfactory, together with the higher current account surplus, comfortable foreign exchange reserves and lower budget deficit. All these positive developments helped maintaining the macroeconomic stability of the country. The banking sector remained immune from shocks and there was no sign of a credit crunch situation due to this crisis. The capital market also remained stable during the fiscal year.

4 . In fulfillment of its overarching pledge as set out in the election manifesto for establishing a happy and prosperous Bangladesh, the Government attached top priority to inclusive growth by eliminating poverty and ensuring social sector development. It is expected that by fulfilling its election pledge, the Government will be able to reduce substantially the income and human poverty, bring down child and maternal mortality to a minimum level, raise the literacy rate together with life expectancy and nutritional standards and ensure food security.

5 The current issue of the Bangladesh Economic Review reflects the macroeconomic situation and the socio-economic progress attained during 2008-09 as gives an indication of the challenges ahead. We shall feel our endeavours amply rewarded if the gives as information presented in the Review serve the purposes of readers, researchers, academics, students and stakeholder organisations..

6 We sincerely appreciate the cooperation extended by the Ministries/ Divisions/Agencies in preparation of the Review by providing data and information. I thank the officers and staff of the Economic Adviser's Wing for their tenacity and dedication in preparation of this document.

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Introduction

Finance Division publishes 'Bangladesh Economic Review' as one of the background documents of the national budget. 'Bangladesh Economic Review 2009' highlights the status of socio-economic development of Bangladesh. The document contains a wide array of data and information on macroeconomic progress including fiscal management. The Bangla version of the Review was published along with other budget documents in June 2009. In the English version, the data, in most cases, have been updated up to June 2009.

2. In the present Review there are 15 chapters and 63 statistical appendices. Overall macroeconomic situation of the country along with the trends of development in different sectors have been reviewed in the first chapter. Chapters second to sixth incorporate an assessment of the country's macroeconomic fundamentals such as GDP, savings, wage, price and employment, fiscal, monetary and external sector developments. In the sector-specific chapters seventh to eleventh, developments in the major sectors of the economy like agriculture, industry, power and energy, transport and communication have been reviewed. Thereafter, in chapters twelfth to fifteenth, the initiatives of the Government towards human development, poverty alleviation, private sector and environmental development have been discussed.

3. Publication of this document on time is largely attributable to the unrelenting efforts and commitment of the officers and staff of the Economic Adviser's Wing of Finance Division. I would like to thank the Economic Adviser and her colleagues for coming up with their zeal to make it happen. I also express my sincere gratitude to the relevant Ministries/Divisions/Agencies for their whole hearted cooperation in preparing this document by providing all required information.

4. This document has been prepared amidst a range of constraints. Therefore, there might be some errors in places. We welcome any suggestions and comments from different Ministries/Divisions, researchers, economist, analysts and inquisitive readers in regard to further improvement of this document in future.

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