BANGLADESH
ECONOMIC REVIEW
2010

Economic Adviser's Wing
Finance Division, Ministry of Finance
Government of the People's Republic of Bangladesh
April 2010

Preface

'Bangladesh Economic Review 2010' is an annual publication of the Government. The Review highlights the trends of macroeconomic indicators, development policies, strategies and sectoral progress of Bangladesh economy in FY 2009-10 while indicating the challenges that lie ahead. It is an updated version of the Review published in Bangla and placed before Parliament with other budget documents in June 2010. In the English version, data, in most cases, have been updated up to June 2010.

2. The present Government has stepped into the second year of its tenure. Since its assumption of office, the Government has been making relentless efforts to maintain macroeconomic stability. It tackled the challenges arising from the impact of global economic recession by ensuring prudent macroeconomic management and implementation of a set of pragmatic policies and reforms. The economy is estimated to have grown at a rate of 5.83 percent, slightly higher than the growth rate (5.74 percent) of FY2008-09. The key feature of the economic performance during FY2009-10 was the sustained growth in agriculture sector coupled with moderate growth in industry and service sectors. The export rebounded from the negative growth rate at the beginning of FY2009-10 and year-on-year growth of export picked up remarkably since January 2010. The satisfactory growth in revenue mobilisation, higher growth in remittance inflow, current account surplus of US$3.73 billion and foreign exchange reserves of US$ 10 billion put the economy on a much stronger footing. In tandem with these, growth supportive monetary policy, widening of social safety-net and different policy supports, contributed to the process of achieving sustainable economic growth.

3. Implementation of different programmes in social sector, resulted in remarkable reduction of maternal and infant mortality rate including malnutrition. Besides these, higher average life expectancy, expansion of female education, narrowing down the gender disparity in education were other achievements widely acclaimed by all. All these contributed to improvement of Human Development Indices. Moreover, in line with the targets set out in 'Vision 2021', the Government has prioritised the development of some crucial sectors especially power and energy, agriculture, transport and infrastructure. Successful implementation of these programmes will ensure greater welfare of the community at large.

4. The data and information presented in the review will help analyse the overall economic situation of the country. Other than reviewing the important sectors of the economy several critical issues like poverty reduction, human resource development and private sector development have also been discussed in this document. I firmly believe that the policy planners, researchers, academics, students and concerned agencies will find the document useful.

5. I extend my sincere thanks to the officers and staff of Economic Adviser's Wing of the Finance Division who put in their unrelenting efforts in producing this important document.

(Abul Maal Abdul Muhith)
Minister
Ministry of Finance

Introduction

‘Bangladesh Economic Review’, is an important publication of the Finance Division. It highlights the status of socio-economic situation of the country by presenting and reviewing data on various sectors relating to FY 2009-10 and the previous years. In the English version of the Review, data, in most cases, have been updated up to June 2010.

2. In this publication fifteen chapters and sixty-three statistical appendices have been presented. Chapter one contains a brief review of the macroeconomic trends of the country. Chapters two to six incorporate an assessment of the country’s macroeconomic fundamentals like GDP, wage and employment, fiscal and monetary sector developments. In the sector-specific chapters (chapters seven to eleven), developments in the major sectors of the economy like agriculture, industry, power and energy, transport and communication have been reviewed. Chapters twelve to fifteen, focusing on the thrust sector of the economy, present brief account of the initiatives of the government towards human development, poverty alleviation, private sector and environmental development. An attempt has been made to incorporate time series data/ statistical appendices since 1973-74 derived from the available sources. Every effort has been to make the review reader-friendly.

3. I would like to place on record my sincere thanks to the Economic Adviser and the other officials of the Economic Adviser’s Wing of Finance Division who spared no efforts to publish this document in time. I also express my sincere gratitude to the relevant Ministries/Divisions/Agencies for their earnest cooperation by providing useful information.

4. I hope the document will be very useful to the planners, policy makers, researchers and the users at large. Suggestions and comments for further improvement of this publication will be highly appreciated.

(Dr. Mohammad Tareque)
Secretary, Finance Division