CHAPTER 2
GDP, SAVINGS AND INVESTMENT

[Bangladesh has been able to achieve GDP growth at more than 6 percent on an average even during the period of global financial crisis. According to the final estimate of Bangladesh Bureau of Statistics, GDP growth stood at 6.71 percent in FY 2010-11 which was higher than 6.07 percent growth in FY 2010-11. The economy recorded 6.31 percent GDP growth rate in the current fiscal year 2011-12 as per the provisional estimate. In attaining GDP growth, three main sectors of the economy like agriculture, industry and service sector made major contributions. Because of high base effect induced by more than 5 percent growth in agriculture sector during the last two years, the growth of agriculture sector reduced slightly to 2.53 percent in the current fiscal year, which was still satisfactory. In FY 2011-12 at constant prices, share of agriculture, industry and service sectors stood at 19.29 percent, 31.26 percent and 49.45 percent respectively. According to the provisional estimate, on expenditure side, in FY 2011-12 consumption expenditure decreased by 0.09 percentage point of GDP to 80.63 percent of GDP compared to 80.71 percent in FY 2010-11. On the contrary, domestic savings accelerated to 19.37 percent of GDP in this fiscal year from 19.29 percent of GDP in FY 2010-11. However, because of positive growth in remittance inflows, national savings increased to 29.40 percent of GDP in FY 2011-12 from 28.78 percent of GDP a year earlier. Furthermore, investment-GDP ratio stood at 25.45 percent in the fiscal year which was 25.15 percent in FY 2010-11.]

Economic Growth

Bangladesh achieved 6.7 percent growth in FY 2010-11even after the global financial crisis. This growth performance was supported by strong rebound in exports and the expansion of manufacturing sector. However, the estimated growth rate slightly decelerated to 6.31 percent in FY 2011-12. According to the provisional estimate of BBS, the economy has posted a growth rate of 6.63 percent in FY 2010-11. According to the projections set out in the Medium Term Macroeconomic Framework (MTMF) the GDP growth will stand at 7.2 percent in FY 2012-13, which is projected to reach 8.3 percent in FY 2015-16.

Gross Domestic Product (GDP) at Current Prices

The provisional value of GDP at current market prices stands at Tk. 9,14,784 crore in FY 2011-12, which was 14.82 percent higher than that of the previous year. At current prices, the estimated per capita GDP for FY 2011-12 is TK. 60,350 which has increased by 13.35 percent from the per capita GDP of Tk. 53,238 in FY 2010-11. On the other hand, per capita national income stood at Tk. 66,283 which was Tk. 58,083 a year earlier. In US dollar, per capita GNI and GDP stood at US$ 848 and US$ 772 respectively during this year, compared to US$ 816 and

US$ 748 respectively in FY 2010-11. GDP, GNI, per capita GDP and national income during the period from FY 2005-06 to FY 2011-12 are shown in Table 2.1.

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

Item	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
GDP (In Crore Tk.)	415728	472477	545822	614795	694324	796704	914786
GNI (In Crore Tk.)	442935	507752	594212	670696	758928	869217	1004723
Population (In Crore)	13.88	14.06	14.24	14.42	14.61	14.97	15.16
Per Capita GDP (In Tk.)	29955	33607	38330	42628	47536	53238	60350
Per Capita GNI (In Tk.)	31915	36116	41728	46504	51959	58083	66283
Per Capita GDP (In US$)	447	487	559	620	687	748	772
Per Capita GNI (In US$)	476	523	608	676	751	816	848

Source: Bangladesh Bureau of Statistics (BBS) * Provisional

The GDP at current market prices by sectors are shown in Table 2.2 below:

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

(In Crore Taka)

Sector/Sub-sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
1. Agriculture and Forestry	62223	70124	80201	89426	100588	113582	123877
a. Crops & horticulture	46118	52468	60578	67247	75339	85238	92508
b. Animal farming	9682	10780	12118	14002	16219	18470	20494
c. Forest and related services	6423	6876	7505	8177	9030	9874	10876
2. Fishing	16317	17783	19790	21806	24223	26996	30999
3. Mining and Quarrying	4643	5322	6152	7091	8114	9063	10318
a. Natural gas & crude petroleum	2568	2845	3164	3590	4039	4262	4631
b. Other mineral resources	2075	2476	2988	3501	4075	4800	5688
4. Manufacturing	**68923**	**81178**	**93901**	**106445**	**120108**	**135551**	**156590**
a. Large & medium scale	48974	57688	66759	75610	84899	97121	112625
b. Small scale	19949	23490	27142	30835	35209	38430	43965
5. Electricity, Gas & Water Supply	**5392**	**5590**	**6070**	**6542**	**7195**	**8211**	**9773**
a. Electricity	4455	4567	4955	5311	5840	6775	**8230**
b. Gas	594	651	716	793	876	908	**955**
c. Water	342	372	399	438	479	529	**588**
6. Construction	32797	37543	43854	50125	55658	63982	75465
7. Wholesale and Retail Trade	56984	66011	78220	88276	100295	115959	134860
8. Hotel and Restaurants	2853	3289	3889	4460	5150	5998	7178
9. Transport, Storage & Communication	**43206**	**48908**	**56907**	**64280**	**71880**	**85465**	**100053**
a. Land transport	32841	36853	42857	48365	54159	66088	**78855**
b. Water transport	3137	3307	3621	3923	4214	4532	**4986**
c. Air transport	500	509	546	589	649	722	**812**
d. Support transport services, storage	1260	1420	1569	1758	1938	2070	**2201**
e. Post & telecommunication	5467	6820	8314	9645	10920	12053	**13198**
10. Financial Intermediations	**6684**	**7744**	**8955**	**10245**	**12300**	**14484**	**16965**
a. Monetary intermediation(Bank)	4995	5797	6656	7613	9063	10621	**12430**
b. Insurance	1430	1640	1930	2201	2702	3231	**3795**
c. Other financial intermediation	260	307	368	431	535	632	**740**
11. Real Estate, Renting & other Business Activities	**32157**	**34929**	**38058**	**41616**	**45683**	**50337**	**55546**
12. Public Administration and Defense	**11036**	**12743**	**14427**	**16360**	**18757**	**22381**	**25449**
13. Education	**9935**	**11776**	**13531**	**15494**	**17908**	**21308**	**24809**

Sector/Sub-sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
14. Health and Social Work	**9022**	**10307**	**11819**	**13391**	**15142**	**17582**	**20337**
15. Community, Social and Personal Srvices	**38283**	**43568**	**50200**	**58364**	**68466**	**77876**	**91485**
Import Duty	**15274**	**15662**	**11733**	**20871**	**22853**	**27931**	**31078**
GDP at Current Market Price	**415728**	**472477**	**545822**	**614795**	**694324**	**796704**	**914784**
Growth Rate (percent)	**12.14**	**13.65**	**15.52**	**12.64**	**12.94**	**13.42**	**14.82**

Source: Bangladesh Bureau of Statistics (BBS) * Provisional

Growth of GDP by Sectors

In the estimation of production based GDP, 15 sectors are considered where some sectors are further divided into different sub sectors. All the 15 sectors are grouped into three broad sectors viz- agriculture, industry and service. The broad agriculture sector consists of two sectors namely, (i) agriculture and forestry and (ii) fisheries. 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 since FY 2005-06 have been shown in Table 2.3 and graph 2.1.

Table 2.3: Sectoral Growth Rate of GDP at Constant Prices (Base Year: 1995-96)

(In Percentage)

Sector/Sub-sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
1. Agriculture and Forestry	**5.23**	**4.69**	2.93	4.10	5.56	5.09	1.72
a. Crops & horticulture	5.03	4.43	2.67	4.02	6.13	5.65	0.94
b. Animal farming	6.15	5.49	2.44	3.48	3.38	3.48	3.39
c. Forest and related services	5.18	5.24	5.47	5.69	5.23	3.90	4.42
2. Fishery	3.91	4.07	4.18	4.16	4.15	5.25	5.38
3. Mining and Quarrying	9.26	8.33	8.94	9.84	8.80	4.80	6.25
a. Natural gas & crude	9.52	8.03	8.26	9.15	8.12	1.05	2.95
petroleum	8.84	8.80	10.01	10.90	9.84	10.43	10.78
b. Other mineral resources							
4. Manufacturing	10.77	9.72	7.21	6.68	6.50	9.45	9.76
a. Large & medium scale	11.41	9.74	7.26	6.58	5.98	10.94	10.78
b. Small scale	9.21	9.69	7.10	6.90	7.77	5.84	7.18
5. Electricity, Gas & Water	7.67	2.10	6.77	5.91	7.28	6.63	14.11
Supply	7.45	1.08	6.68	5.39	7.21	7.33	15.96
a. Electricity	9.37	7.37	7.72	8.42	7.51	0.82	3.01
b. Gas	7.55	7.08	6.00	8.39	7.77	8.99	9.82
c. Water							
6. Construction	8.31	7.01	5.68	5.70	6.01	6.51	8.51
7. Wholesale and Retail Trade	**6.75**	**8.04**	**6.82**	**6.21**	**5.87**	**6.31**	**5.88**
8. Hotel and Restaurants	**7.45**	**7.52**	**7.55**	**7.58**	**7.61**	**7.55**	**7.60**

Sector/Sub-sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
9. Transport, Storage & Communication	7.98	8.03	8.55	8.01	7.69	5.69	6.58
a. Land transport	4.14	4.18	4.54	5.17	5.98	4.13	5.78
b. Water transport	1.95	1.73	2.54	2.46	1.01	1.05	1.90
c. Air transport	5.25	2.01	6.20	7.38	9.13	8.26	10.61
d. Support transport services, storage	6.13	8.93	8.45	9.64	8.15	3.50	3.48
e. Post & telecommunication	26.70	23.29	21.64	16.11	12.95	10.01	9.24
10. Financial Intermediations	8.50	9.18	8.89	8.99	11.64	9.64	9.52
a. Monetary	8.19	9.34	8.38	9.05	10.47	9.04	9.41
intermediation(Bank)	9.16	8.21	10.03	8.38	14.88	11.58	9.81
b. Insurance	10.94	11.62	12.47	11.13	16.10	10.08	9.86
c. Other financial intermediation							
11. Real Estate, Renting & other Business Activities	**3.69**	**3.76**	**3.75**	**3.81**	**3.89**	**3.96**	**4.05**
12. Public Admin and Defense	**8.15**	**8.41**	**6.21**	**7.01**	**8.35**	**9.67**	**6.07**
13. Education	**9.05**	**8.96**	**7.80**	**8.05**	**9.24**	**9.36**	**8.61**
14. Health and Social Work	**7.79**	**7.64**	**7.02**	**7.20**	**8.10**	**8.35**	**7.94**
15. Community, Social and Personal Services	**4.09**	**4.58**	**4.62**	**4.70**	**4.72**	**4.70**	**4.76**
At Constant Price GDP Growth Rate (percent)	**6.63**	**6.43**	**6.19**	**5.74**	**6.07**	**6.71**	**6.32**

Source: Bangladesh Bureau of Statistics (BBS) * Provisional

Agriculture Sector

In FY 2011-12, the provisional growth rate of broad agriculture sector stood at 2.53 percent which was 5.13 percent in FY 2010-11. Of this growth performance, the growth of crops and horticulture sub-sector plunged from 5.04 percent in FY 2010-11 to 1.72 percent this year.

Besides, the estimated total production of cereals (rice, wheat and maize) was 351.20 lakh metric tonnes, which by 9.45 lakh metric tonnes compared to 360.65 lakh metric tonnes of the previous year. According to provisional data, this year production of *Aus, Amon, Boro* and wheat slightly increased to 23.32 lakh metric tonnes (9.32 percent), 187.59 lakh metric tonnes (.05 percent), 9.95 lakh metric tonnes (0.76 percent) and 9.95 lakh metric tonnes (2.36 percent) respectively compared to what stood in the previous year while production maize decreased to 2.36 lakh metric tonnes in FY 2011-12 from the previous year's production of 15.52 lakh metric tonnes. The Government has been continuing its effort to ensure supply of sufficient fertilizer and irrigation facilities to the farmers. There has been significant growth in the production of *Aus* because of uninterrupted fertilizer supply, irrigation facilities and favourable weather.

Livestock and forestry sub-sector grew by 3.39 percent and 4.42 percent respectively in FY 2011-12 which were 3.48 and 3.90 percent respectively in the previous fiscal year. Due to the outbreak of Avian Flu during this fiscal year, growth in livestock sub-sector decelerated slightly. The growth rate of the forestry sub-sector showed consistent increase during this period. Because of production environment and high base of last year's production, agriculture and forestry sector grew by 1.72 percent in the current fiscal year.

According to the estimate of the Directorate of Fisheries (DOF), the total inland and marine catches in FY 2011-12 was 32.62 lakh metric tonnes where inland and marine catches were 26.95 lakh metric tonnes and 5.67 lakh metric tonnes respectively. The fisheries sector grew by 5.38 percent in FY 2011-12 compared to that of 5.25 percent in FY 2010-11.

Industry Sector

Within the broad industry sector, the provisional growth of mining and quarrying sub-sector sector was recorded 6.25 percent in FY 2011-12 which was 4.8 percent in FY 2010-11. In this sub-sector, natural gas production and crude petroleum grew by 2.95 percent, which was 1.05 percent a year earlier. The growth rate of other mining sub-sectors was about 10 percent in both the fiscal years.

According to the provisional estimate of BBS, the Quantum Index of Industrial Production (QIP, Base year: 1988-89=100), the growth rate of the production of large and medium scale manufacturing industries was 10.78 percent in FY 2011-12 which was 10.94 percent in FY2010-11. The index of production in this sub-sector, especially jute, cotton, ready-made garments, wooden furniture, non-metallic products, basic metallic products, fabricated metallic products increased in the first six months of FY 2011-12 compared to the index of the same period of FY 2010-11. On the other hand, the production index of paper and paper made products remained similar and chemical products, petroleum and food products registered a decreasing trend compared to the same period of the previous fiscal year.

Although the eurozone, Bangladesh's main export destination, experienced sluggish growth due to sovereign credit crisis, export of Bangladesh remained in the positive territory. In FY 2011-12,

export earnings increased by 4.11 percent compared to those of previous year and in the first half of this year, this sector registered 14.72 percent growth over the growth of the corresponding period. Production of small industries increased by 7.18 percent in FY 2011-12 from the growth of 5.84 percent in FY 2010-11. In FY 2011-12, overall growth rate of manufacturing industry sector stood at 9.76 percent which is slightly higher than 9.45 percent growth of the previous year.

The estimated growth rate of power, gas and water sector was 14.11 percent in the current fiscal year, while in the previous year it stood at 6.63 percent. In fact, because of the accelerated growth in power sub-sector, the overall growth of this sector has increased. Due to increasing investment in infrastructure, it was expected that the growth rate in construction sector would increase to 8.51 percent this fiscal year which was 6.51 percent in the last year.

Service Sector

The growth in almost all the sectors within the broad service sector except financial intermediation, whole sale and retail trade were estimated to grow by 5.88 percent during FY2011-12 compared to 6.31 percent growth of the previous fiscal year. According to the provisional data, the output of the wholesale and retail trade was expected to slide from 7.75 percent of the previous year to 5.88 percent in FY2011-12. Growth in hotel and restaurant sub-sector was supposed to remain the same while that in transport, storage and communication it was estimated at 6.58 percent for this fiscal year which was 5.69 percent in FY2010-11. On the other hand, air transport and post and telecommunication sub-sector with an estimated growth of 9.24 percent and 10.61 percent respectively contributed significantly to GDP. In the previous year, the growth of these two sub-sectors was estimated at 10.01 and 8.26 percent. The land transport and water transport sub-sector registered higher growth this fiscal year compared to that of the previous fiscal year.

During FY 2011-12, financial intermediation showed the prospect of an estimated growth rate of 9.52 percent which was 9.64 percent in FY 2010-11. Among the three sub-sectors of this sector, the growth of two sectors was estimated to be declined. The growth rate in the real estate renting and business activities sector was provisionally estimated at 4.05 percent which was 3.96 percent in FY 2010-11. Among the other services sectors, the growth rate of public administration and defense, education, and health and social services were expected to grow at the rate of 6.07 percent, 8.61 percent and 7.94 percent respectively in FY 2011-12. Moreover, community, social and personal service sector was estimated to grow by 4.76 percent in FY 2011-12, slightly higher than the growth rate of the previous fiscal year.

Sectoral Shares in GDP at Constant Prices (Base Year: 1995-96)

Table 2.4 represents the sectoral share of GDP at constant prices (Base Year: 1995-96). The table shows that, the share of the agriculture and forestry sector in GDP at constant prices was 14.90

percent in the FY 2011-12 which was 15.58 percent in FY2010-11. The contribution of all the three sub-sectors of agriculture and forestry sector decreased during this period. Similarly the contribution of fisheries sub-sector marginally slid down from 4.43 percent in FY2010-11 to 4.39 percent in FY2011-12. The overall contribution of broad agriculture sector dipped to 19.29 in FY 2011-12 which was 19.29 percent in FY2010-11.

During FY 2011-12, within the industry sector, GDP growth at constant prices in mining and quarrying sub-sector remained similar to the previous year's growth of 1.26 percent. Contribution of manufacturing sector expanded to 19.01 percent of GDP in FY2011-12 compared to 18.42 percent of the previous fiscal year. The share of power, gas and water supply and construction sector also increased during this fiscal year compared to the share recorded a year earlier. On the contrary, the share of broad industry sector reached to 31.26 percent in the current fiscal year, from 30.38 percent of FY 2010-11.

Table 2.4: Sectoral Share of GDP (percent) at Constant Prices (Base Year: 1995-96)

(In percentage)

Sector/Sub-sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
1. Agriculture and Forestry	16.98	16.64	16.18	15.91	15.81	15.58	14.90
a. Crops & horticulture	12.28	12.00	11.64	11.43	11.42	11.32	10.74
b. Animal farming	2.92	2.88	2.79	2.73	2.65	2.58	2.50
c. Forest and related services	1.79	1.76	1.75	1.75	1.73	1.69	1.66
2. Fishing	4.86	4.73	4.65	4.58	4.49	4.43	4.39
3. Mining and Quarrying	1.16	1.18	1.21	1.25	1.29	1.26	1.26
a. Natural gas & crude petroleum	0.71	0.72	0.74	0.76	0.77	0.73	0.71
b. Other mineral resources	0.45	0.46	0.47	0.50	0.51	0.53	0.55
4. Manufacturing	17.08	17.55	17.77	17.90	17.94	18.41	19.01
a. Large & medium scale	12.14	12.47	12.63	12.71	12.68	13.12	13.75
b. Small scale	4.94	5.08	5.14	5.18	5.26	5.22	5.26
5. Electricity, Gas & Water Supply	1.65	1.57	1.59	1.59	1.60	1.60	1.72
a. Electricity	1.38	1.30	1.31	1.31	1.32	1.33	1.45
b. Gas	0.19	0.19	0.19	0.19	0.20	0.19	0.18
c. Water	0.08	0.09	0.09	0.09	0.09	0.09	0.09
6. Construction	9.14	9.15	9.13	9.12	9.10	9.09	9.27
7. Wholesale and Retail Trade	14.08	14.24	14.37	14.41	14.36	14.33	14.26
8. Hotel and Restaurants	0.69	0.69	0.70	0.71	0.72	0.73	0.74
9. Transport, Storage & Communi.	10.07	10.18	10.44	10.65	10.79	10.70	10.72
a. Land transport	6.67	6.50	6.42	6.38	6.36	6.21	6.18
b. Water transport	0.89	0.85	0.82	0.79	0.75	0.72	0.69
c. Air transport	0.12	0.11	0.11	0.12	0.12	0.12	0.13
d. Support transport services, storage	0.31	0.32	0.33	0.34	0.35	0.34	0.33
e. Post & telecommunication	2.08	2.40	2.76	3.02	3.21	3.31	3.40
10. Financial Intermediations	1.72	1.76	1.81	1.86	1.95	2.01	2.07
a. Monetary intermediation(Bank)	1.28	1.31	1.34	1.38	1.44	1.47	1.51
b. Insurance	0.37	0.37	0.39	0.40	0.43	0.45	0.46
c. Other financial intermediation	0.07	0.07	0.07	0.08	0.08	0.09	0.09
11. Real Estate, Renting & other Business Activities	7.87	7.64	7.49	7.34	7.18	7.00	6.85

Sector/Sub-sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
12. Public Administration and Defense	2.71	2.75	2.76	2.78	2.84	2.92	2.91
13. Education	2.49	2.54	2.58	2.64	2.71	2.78	2.84
14. Health and Social Work	2.27	2.29	2.31	2.34	2.38	2.42	2.45
15. Community, Social and Personal Services	7.25	7.09	7.01	6.93	6.83	6.71	6.61
GDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Bangladesh Bureau of Statistics, * Provisional

In FY 2011-12, the share of overall service sector in GDP is 49.45 percent which stands slightly lower than 49.60 percent in the previous year. Other than the two major broad sectors, the contribution of wholesale and retail trade sub-sector (14.26 percent of GDP) was the highest in FY 2011-12 which was slightly less than that of FY 2010-11. The second largest share within the sector was the transport, storage and communication sub- sector comprising 10.72 percent in FY 2011-12, which was 10.70 percent a year earlier. The next largest share came from real estate, renting and business activities (6.85 percent of GDP), followed by community, social and personal services (6.61percent of DP) sub-sector in FY 2011-12.

The structural changes of the share of broad sectors in GDP are represented in the Table 2.5 and graph 2.2. From the table it would be seen that, over the three decades the share of the industry sector in GDP increased gradually and continued to increase in FY 2011-12. On the other hand, the service sector contributed at a similar pace over the period.

Table 2.5: Trend of Structural Transformation of Broad Sectoral Shares in GDP and Growth Rate at Constant Prices (Base year: 1995-96)

Share (in percent)									
Sector	**1980-81**	**1985-86**	**1990-91**	**1995-96**	**2000-01**	**2005-06**	**2009-10**	**2010-11**	**2011-12**
Agriculture	33.07	31.15	29.23	25.68	25.03	21.84	20.29	20.01	19.29
Industry	17.31	19.13	21.04	24.87	26.20	29.03	29.93	30.38	31.26
Service	49.62	49.73	49.73	49.45	48.77	49.14	49.78	49.60	49.45
Total	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	4.94	5.24	5.13	2.53
Industry	5.13	6.72	4.57	6.98	7.45	9.74	6.49	8.20	9.47
Service	3.55	4.10	3.28	3.96	5.53	6.40	6.47	6.22	6.06
GDP (At producer prices)	3.74	3.34	3.24	4.47	5.41	7.02	6.22	6.59	6.39

Source: Bangladesh Bureau of Statistics (BBS) * Provisional

Expenditure Based GDP

The GDP based on expenditure is presented in Table 2.6 and the saving and investment situation is presented in Table 2.7. According to the provisional data, on the expenditure side, consumption accounted for 80.63 percent of GDP in the current fiscal year which decreased by 0.08 percent compared to that of the previous year. Increased agricultural output induced domestic demand and the expansion of social safety-net of the Government added up the overall growth in consumption. In Table 2.7 it is evident that, domestic savings and national savings were 20.31 percent and 30.21 percent of GDP respectively in FY 2005-06. In FY 2010-11, domestic savings and national savings stood at 19.29 and 30.21 percent and 28.78 percent of GDP. The provisional estimates of BBS for both category of savings stand at 19.37 percent and 29.40 percent of GDP in FY 2011-12. It indicates that domestic savings and national savings of current fiscal year increased compared to that of the previous year. Due to the slight dip in consumption spending, the national savings increased this fiscal year. On the other hand, growth in domestic savings and remittance is also in the positive territory.

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

(In crore Tk.)

Item	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
1. Domestic Demand [(2)+(3)]	434014	491908	567104	6411311	724282	843310	970407
2. Consumption	331552	376317	434971	491291	554771	643022	737631
Public	23032	26106	28831	32354	37272	46087	51812
Private	308520	350212	406140	458939	517499	596935	685819
3. Investment	102480	115590	132132	149839	169511	200378	232776
Public	24933	25729	27042	28898	34820	44934	57672
Private	77546	89862	105090	120942	134691	155444	175104
4. Net Export	-26070	-32723	-45914	-43803	-45895	-69390	-94464
5. Gross Domestic Expenditure	407962	459185	521190	597328	678386	774010	875943

Item	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*
6. Gross Domestic Product	415728	472477	54583	614795	694324	796704	914784
7. Statistical Discrepancy	7766	13292	24638	17467	15938	22694	38841

Source: Bangladesh Bureau of Statistics * Provisional

The large-scale investment in infrastructure sector including power and the speedier implementation of Annual Development Programme (ADP) pushed up the level of public investment in FY 2011-12. During this period, gross investment accelerated to 25.45 percent of GDP from 25.15 percent in the previous fiscal year. Of this, gross private investment marginally went down to 19.14 percent of GDP, from 19.51 percent of GDP in FY2010-11. However, public investment increased to 6.30 percent of GDP from 5.64 percent in FY2010-11.

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

Item	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1. Domestic Savings	**20.25**	**20.35**	**20.31**	**20.09**	**20.10**	**19.29**	**19.73**
Public	1.41	1.41	1.35	1.32	1.35	1.38	1.36
Private	18.84	18.94	18.96	18.77	18.75	17.91	18.01
2. Investment	**24.65**	**24.46**	**24.21**	**24.37**	**24.41**	**25.15**	**25.45**
Public	6.00	5.45	4.95	4.70	5.01	5.64	6.30
Private	18.65	19.02	19.25	19.67	19.40	19.51	19.14
3. National Savings	**27.67**	**28.66**	**30.21**	**29.57**	**30.02**	**28.78**	**29.40**

Source: Bangladesh Bureau of Statistics * Provisional

It is expected that investment would be boosted up through implementation of Power sector Road Map, exploration of new gas deposits needed for meeting up energy demand, importation of LNG, use of renewable energy and implementation of infrastructure related programmes planned under ADP and PPP initiatives. All these combined will help achieve higher trajectory of growth.