

Preface

Bangladesh Economic Review is an important annual publication of the Government. The trends of macroeconomic indicators, development policies and strategies of the Government and sectoral progress of Bangladesh economy are discussed in this document. It is an updated version of the Review published in Bangla and placed before Parliament with other budget documents. The English version comes out after June and updates the data for the entire past fiscal year.

2. After assuming office in 2014, the present Government has taken up multifarious initiatives for continuing implementation of Vision 2021. The goal of these initiatives is to elevate Bangladesh to a knowledge based and technology driven middle-income country by 2021, through targeted implementation of development plans/programmes. The ‘Perspective Plan of Bangladesh (2010-2021): Making Vision 2021 a Reality’ is, in fact, a strategic articulation of this development visions now under implementation through 6th Five Year Plan (2011-2015). Rest of the roadmap will be implemented under 7th Five Year Plan (2016-2020) which is in the formulation stage.

3. According to the base year 2005-06, Bangladesh achieved, on an average 6.02 percent GDP growth during the period of FY 2008-09 to FY 2012-13. Amidst a range of challenges both in domestic and external front, GDP growth stood at 6.01 percent in FY 2012-13. The BBS provisionally estimated the GDP growth at 6.12 percent for FY 2013-14. This estimate revealed that growth rate of some sectors such as, broad agriculture, construction, transport, storage and communication, education and health and social works accelerated compared to the previous fiscal year. The growth rate moderated in some sectors like mining and quarrying, manufacturing and electricity, gas and water supply compared to the previous fiscal year. Provisional GDP estimates are based on six to nine months data coverage. Despite the adverse impact of political uncertainty in the first half of FY 2013-14, the economic activities recovered in the second half of the fiscal year. Most of the macroeconomic indicators had been showing upward trend since February 2014, indicating favourable investment climate in the country. Based on this, it is expected that, GDP growth would be over 6.5 percent during the fiscal year.

4. Among other macroeconomic indicators, exports registered a growth of 11.69 percent in FY 2013-14 compared to the previous fiscal year. Import increased by 19.39 percent during the same period. Moreover, Taka remained stable against US dollar. Although inflows of remittance declined in the first half of FY 2013-14, it rebounded in the second half amounting to US\$ 14.23 billion. On 30 June 2014, the foreign exchange reserves stood at US\$ 21.51 billion, providing about six months of import coverage.

5. The Government has been implementing a wide range of strategic reforms including policy and legal reforms to enhance revenue collection. As a result, the revenue front has performed remarkably well over the last couple of years. On an average tax revenue increased an impressive 16.7 percent during FY 2008-09 to FY 2012-13. Due to domestic unrest during

the first half of the fiscal year, the growth rate of tax revenue mobilisation scale down to 8.5 percent in FY 2013-14.

6. In compliance with provisions made in 'Public Money and Budget Management Act 2009', reports on budget implementation incorporating trends of revenue and expenditure and macroeconomic analysis are placed before the national parliament to ensure transparency and accountability. In the meantime, all Ministries/Divisions/Departments have been brought under the coverage of Medium Term Budget Framework (MTBF) to make budget more aligned with national development strategies and link allocations with performance.

7. The data and information presented in the Review will help analyse the overall economic situation of the country. Moreover, issues relating to poverty reduction, human resource development and private sector development have been discussed in the Review. I hope that the policy planners, academicians, researchers, students, enthusiastic readers, and other stakeholders will find the document useful.

8. Finally, I would like to convey my sincere thanks to the relevant Ministries/Divisions/Departments for their support by providing valuable information and data. I also extend my sincere thanks to the officers and staff of Economic Adviser's Wing of Finance Division who put in their best endeavours to produce this important document.

Abul Maal Abdul Muhith
Minister
Ministry of Finance