

## **CHAPTER 2**

### **GDP, SAVINGS AND INVESTMENT**

*[According to the final estimate of Bangladesh Bureau of Statistics based on the new base year 2005-06, GDP growth stood at 6.01 percent in FY 2012-13 which was recorded at 6.12 in the FY 2013-14 as per the provisional estimates. The growth is driven by higher growth in agriculture and service sectors coupled with moderate growth in industry sector. Growth of broad agriculture sector scaled up to 3.35 percent in FY 2013-14, from 2.46 percent of previous year. Within the broad agriculture sector, growth in agriculture and forestry scaled up to 2.46 percent along with 1.91 percent growth in crops and horticulture sub-sector. Alongside, the growth in fishing sector has also continued its progressive trend. The growth in broad industry sector moderated at 8.39 percent in FY 2013-14 from 9.64 percent of FY 2012-13. Overall service sector growth is estimated at 5.83 percent which was 5.51 percent in FY 2012-13. In FY 2013-14 at constant prices (base year: 2005-06), share of agriculture, industry and service sectors stood at 16.33 percent, 29.61 percent and 54.05 percent respectively. According to the provisional estimates based on the base year 2005-06, on expenditure side, in FY 2013-14, consumption expenditure decreased slightly to 76.57 percent of GDP compared to 77.96 percent in FY 2012-13. Besides, Domestic savings stood at 23.43 percent of GDP in FY 2013-14 which was 22.04 percent a year earlier. On the other hand, national savings increased a bit to 30.54 percent of GDP in FY 2013-14 from 30.53 percent of GDP in the previous fiscal year. Furthermore, investment-GDP ratio stood at 28.69 percent in this fiscal year which was 28.39 percent in FY 2012-13. Of this, although private investment slightly dropped during this period, public investment scaled up as percentage of GDP.]*

### **Economic Growth**

According to the new base year 2005-06 released by BBS, Bangladesh achieved 6.52 percent and 6.01 percent GDP growth in FY 2011-12 and FY 2012-13 respectively. Even after the global financial crisis, Bangladesh has been able to achieve GDP growth at more than 6 percent on an average. Following this trend, the economy has posted a growth rate of 6.12 percent in FY 2013-14 according to the provisional estimates of BBS.

### **Gross Domestic Product (GDP) at Current Prices**

The provisional value of GDP at current market prices (base year: 2005-06) stands at Tk. 13,50,920 crore in FY 2013-14, which was 12.68 percent higher than that of the previous fiscal year. At current prices, the estimated per capita GDP for FY 2013-14 is Tk. 86,731 which has increased by 11.18 percent from the per capita GDP of Tk. 78,009 in FY 2012-13. On the other hand, per capita national income stood at Tk. 92,510 which was Tk. 84,283 a year earlier. In US dollar, per capita GDP and GNI stood at US\$ 1,115 and US\$ 1,190 respectively in FY 2013-14 compared to US\$ 976 and US\$ 1,054 respectively in FY 2012-13. According to the base year 2005-06, GDP, GNI, per capita GDP and national income during the period from FY 2005-06 to FY 2013-14 are shown in Table 2.1.

**Table 2.1: GDP, GNI, Per Capita GDP and GNI at Current Market Prices****(Base Year: 2005-06)**

Item	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*
GDP (In Crore Tk.)	482337	549800	628682	705072	797539	915829	1055204	1198923	1350920
GNI (In Crore Tk.)	509544	585075	677072	760973	862142	988342	1144506	1295352	1440937
Population (In Crore)	13.98	14.18	14.38	14.58	14.78	14.97	15.16	15.37	15.58
Per Capita GDP (In Tk.)	34502	38773	43719	48359	53961	61198	69614	78009	86731
Per Capita GNI (In Tk.)	36448	41261	47084	52193	58332	66044	75505	84283	92510
Per Capita GDP (In US\$)	514	562	637	703	780	860	880	976	1115
Per Capita GNI (In US\$)	543	598	686	759	843	928	955	1054	1190

Source: Bangladesh Bureau of Statistics (BBS) \* Provisional

**Table 2.2: Gross Domestic Product (GDP) at Current Market Prices****(Base Year: 2005-06)****(In Crore Taka)**

Sector/Sub-sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*
<b>1. Agriculture And Forestry</b>	<b>70171</b>	<b>79010</b>	<b>89986</b>	<b>97807</b>	<b>110990</b>	<b>125469</b>	<b>138879</b>	<b>148758</b>	<b>161737</b>
a) Crops & horticulture	50775	57625	65730	71158	81405	91903	100899	106794	115669
b) Animal Farmings	10891	12198	14297	15830	17527	20171	22999	25359	27667
c) Forest and related services	8505	9187	9959	10819	12058	13395	14981	16605	18401
<b>2. Fishing</b>	<b>16814</b>	<b>18890</b>	<b>20635</b>	<b>22793</b>	<b>24601</b>	<b>28482</b>	<b>31827</b>	<b>36995</b>	<b>42669</b>
<b>3. Mining And Quarrying</b>	<b>7009</b>	<b>7866</b>	<b>9110</b>	<b>10962</b>	<b>12645</b>	<b>14208</b>	<b>16650</b>	<b>19461</b>	<b>21617</b>
a) Natural gas and crude petroleum	4680	5018	5387	6194	6803	6846	7366	7953	8105
b) Other mining & coal	2329	2848	3723	4769	5842	7363	9284	11508	13513
<b>4. Manufacturing</b>	<b>73834</b>	<b>87605</b>	<b>101371</b>	<b>116197</b>	<b>128573</b>	<b>146503</b>	<b>167927</b>	<b>197127</b>	<b>221428</b>
a) Large & medium scale	59116	70131	81066	91996	101619	116453	134397	158448	179677
b) Small scale	14718	17474	20305	24201	26954	30049	33530	38679	41751
<b>5. Electricity, Gas And Water Supply</b>	<b>5553</b>	<b>5720</b>	<b>6441</b>	<b>7012</b>	<b>8346</b>	<b>11589</b>	<b>14189</b>	<b>16381</b>	<b>17900</b>
a) Electricity	4536	4500	4950	5282	6003	8646	10189	12168	13545
b) Gas	659	842	1045	1249	1809	2339	3300	3448	3530
c) Water	357	378	445	481	533	605	701	766	825
<b>6. Construction</b>	<b>29825</b>	<b>33513</b>	<b>38533</b>	<b>44180</b>	<b>49474</b>	<b>57072</b>	<b>68304</b>	<b>82432</b>	<b>97538</b>
<b>7. Wholesale And Retail Trade</b>	<b>62352</b>	<b>72971</b>	<b>86149</b>	<b>96094</b>	<b>106606</b>	<b>121332</b>	<b>137396</b>	<b>154579</b>	<b>172322</b>
<b>8. Hotel And Restaurants</b>	<b>3467</b>	<b>4069</b>	<b>4826</b>	<b>5790</b>	<b>7028</b>	<b>8228</b>	<b>9755</b>	<b>11263</b>	<b>13033</b>
<b>9. Transport, Storage &amp; Communication</b>	<b>46497</b>	<b>53132</b>	<b>59620</b>	<b>67185</b>	<b>80454</b>	<b>94571</b>	<b>112702</b>	<b>124281</b>	<b>136470</b>
a) Land Transport	32822	37295	41888	46994	57574	68717	83345	92183	101614
b) Water transport	4720	4899	5111	5525	6386	6934	7089	7649	8066
c) Air transport	562	575	595	682	811	957	1022	1047	1134
d) Support transport services,	2462	2772	3137	3423	3826	4410	5391	6001	6605
e) Post and Tele communications	5932	7591	8889	10561	11858	13553	15854	17400	19051
<b>10. Financial Intermediations</b>	<b>14216</b>	<b>16265</b>	<b>18702</b>	<b>20003</b>	<b>23448</b>	<b>27545</b>	<b>36316</b>	<b>42237</b>	<b>49499</b>
a) Monetary intermediation (Banks)	12228	13731	15431	15817	17508	21522	29351	34727	41264
b) Insurance	1346	1714	2108	2626	3356	3786	4584	4920	5384
c) Other financial auxiliaries	642	819	1163	1560	2583	2237	2381	2590	2851
<b>11. Real Estate, Renting and Business Activities</b>	<b>37935</b>	<b>41337</b>	<b>45118</b>	<b>49449</b>	<b>54432</b>	<b>60119</b>	<b>68715</b>	<b>78820</b>	<b>91068</b>
<b>12. Public Administration and Defence</b>	<b>14089</b>	<b>17132</b>	<b>19664</b>	<b>22464</b>	<b>25426</b>	<b>30282</b>	<b>33499</b>	<b>37678</b>	<b>43556</b>
<b>13. Education</b>	<b>9962</b>	<b>11853</b>	<b>14332</b>	<b>16250</b>	<b>18258</b>	<b>21392</b>	<b>25048</b>	<b>28429</b>	<b>33064</b>
<b>14. Health and Social Works</b>	<b>9288</b>	<b>10453</b>	<b>12164</b>	<b>13368</b>	<b>15326</b>	<b>17731</b>	<b>20133</b>	<b>23868</b>	<b>26943</b>
<b>15. Community, Social and Personal Services</b>	<b>56600</b>	<b>63544</b>	<b>72200</b>	<b>85366</b>	<b>95692</b>	<b>104608</b>	<b>117293</b>	<b>138952</b>	<b>157508</b>
<b>Tax less subsidy</b>	<b>24725</b>	<b>26439</b>	<b>29832</b>	<b>30152</b>	<b>36241</b>	<b>46698</b>	<b>56569</b>	<b>57662</b>	<b>64569</b>
<b>GDP at current market price</b>	<b>482337</b>	<b>549800</b>	<b>628682</b>	<b>705072</b>	<b>797539</b>	<b>915829</b>	<b>1055204</b>	<b>1198923</b>	<b>1350920</b>
<b>Growth rate</b>	<b>12.94</b>	<b>13.99</b>	<b>14.35</b>	<b>12.15</b>	<b>13.11</b>	<b>14.83</b>	<b>15.22</b>	<b>13.62</b>	<b>12.68</b>

Source: Bangladesh Bureau of Statistics (BBS) \* Provisional

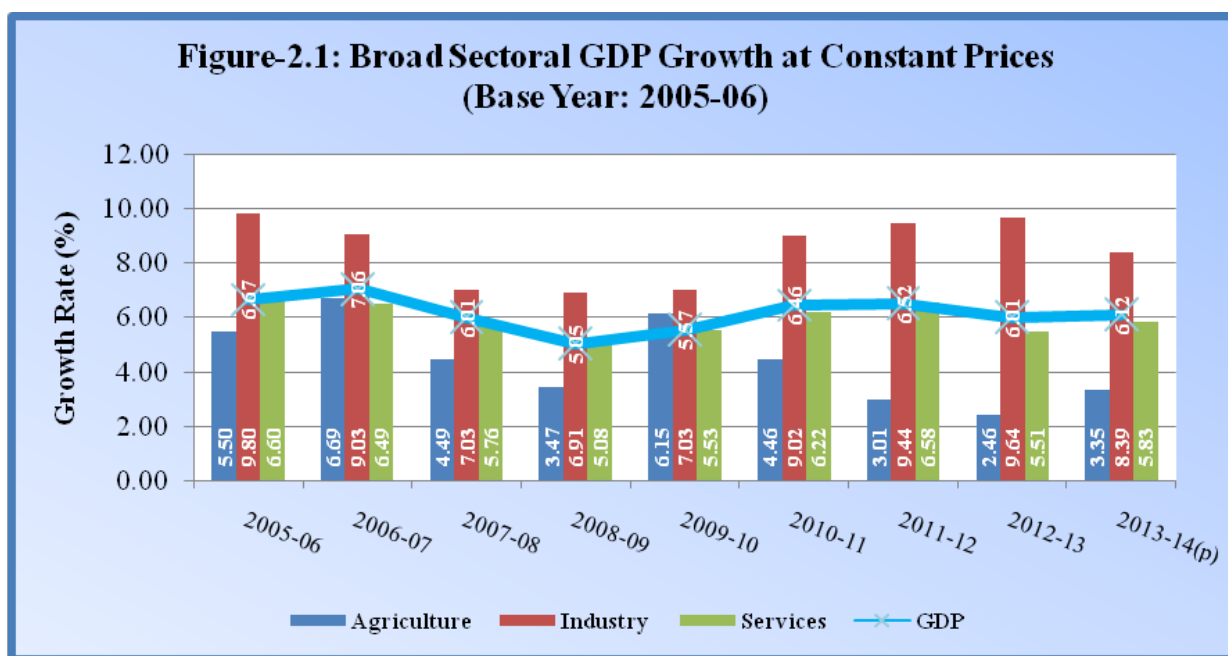
## Growth of GDP by Sectors

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- 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 (base year: 2005-06) since FY 2005-06 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)								
	(In Percentage)								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*
<b>1. Agriculture And Forestry</b>	<b>5.44</b>	<b>6.04</b>	<b>3.87</b>	<b>3.09</b>	<b>6.55</b>	<b>3.89</b>	<b>2.41</b>	<b>1.47</b>	<b>2.46</b>
a) Crops & horticulture	6.17	7.00	3.99	2.83	7.57	3.85	1.75	0.59	1.91
b) Animal Farmings	2.15	1.99	2.20	2.35	2.51	2.59	2.68	2.74	2.83
c) Forest and related services	5.46	5.50	5.26	5.54	5.34	5.56	5.96	5.04	5.05
<b>2. Fishing</b>	<b>5.75</b>	<b>9.41</b>	<b>7.00</b>	<b>4.94</b>	<b>4.60</b>	<b>6.69</b>	<b>5.32</b>	<b>6.18</b>	<b>6.49</b>
<b>3. Mining And Quarrying</b>	<b>5.91</b>	<b>6.05</b>	<b>7.67</b>	<b>10.46</b>	<b>8.15</b>	<b>3.62</b>	<b>6.93</b>	<b>9.35</b>	<b>5.22</b>
a) Natural gas and crude petroleum	4.87	6.59	6.63	9.49	8.52	0.68	3.78	7.55	1.74
b) Other mining & coal	8.06	4.98	9.79	12.39	7.43	9.34	12.58	12.34	10.72
<b>4. Manufacturing</b>	<b>10.81</b>	<b>10.54</b>	<b>7.33</b>	<b>6.69</b>	<b>6.65</b>	<b>10.01</b>	<b>9.96</b>	<b>10.31</b>	<b>8.68</b>
a) Large & medium scale	11.24	10.80	7.38	6.54	6.27	11.11	10.76	10.65	9.16
b) Small scale	9.14	9.48	7.15	7.30	8.17	5.67	6.58	8.81	6.60
<b>5. Electricity, Gas And Water Supply</b>	<b>7.59</b>	<b>5.01</b>	<b>7.77</b>	<b>7.26</b>	<b>9.97</b>	<b>13.36</b>	<b>10.58</b>	<b>8.99</b>	<b>7.40</b>
a) Electricity	7.92	4.44	7.21	7.13	10.50	15.82	10.97	9.69	8.16
b) Gas	6.63	8.46	8.53	10.33	8.78	0.07	7.45	5.91	1.71
c) Water	5.23	5.97	13.29	3.22	5.79	8.23	10.91	4.75	6.62
<b>6. Construction</b>	<b>8.69</b>	<b>6.74</b>	<b>5.99</b>	<b>6.58</b>	<b>7.21</b>	<b>6.95</b>	<b>8.42</b>	<b>8.04</b>	<b>8.56</b>
<b>7. Wholesale And Retail Trade</b>	<b>6.29</b>	<b>8.37</b>	<b>7.27</b>	<b>5.86</b>	<b>5.85</b>	<b>6.69</b>	<b>6.70</b>	<b>6.18</b>	<b>6.57</b>
<b>8. Hotel And Restaurants</b>	<b>5.33</b>	<b>5.53</b>	<b>5.68</b>	<b>5.86</b>	<b>6.01</b>	<b>6.20</b>	<b>6.39</b>	<b>6.49</b>	<b>6.70</b>
<b>9. Transport, Storage &amp;</b>	<b>8.39</b>	<b>9.42</b>	<b>8.26</b>	<b>8.05</b>	<b>7.55</b>	<b>8.44</b>	<b>9.15</b>	<b>6.27</b>	<b>6.47</b>
a) Land Transport	3.95	6.41	5.56	6.59	7.31	7.18	6.83	5.91	6.19
b) Water transport	2.59	3.26	3.15	3.11	3.19	2.92	3.10	3.21	3.22
c) Air transport	9.68	-3.86	2.20	14.41	18.19	15.23	5.76	-1.64	3.36
d) Support transport services, storage	15.12	6.41	11.31	7.79	10.33	11.97	17.60	3.36	3.44
e) Post and Tele communications	45.72	33.48	22.71	15.88	9.02	13.77	16.92	9.67	9.30
<b>10. Financial Intermediations</b>	<b>27.80</b>	<b>6.49</b>	<b>3.92</b>	<b>-0.03</b>	<b>6.25</b>	<b>10.44</b>	<b>14.76</b>	<b>9.11</b>	<b>9.12</b>
a) Monetary intermediation (Banks)	29.37	4.74	2.23	-3.90	3.15	12.98	17.61	10.87	10.53
b) Insurance	25.22	18.78	11.87	16.80	19.08	3.69	4.41	0.61	1.79
c) Other financial auxiliaries	7.61	14.17	16.20	24.18	17.71	-2.54	2.33	3.14	3.50
<b>11. Real Estate, Renting and Business Activities</b>	<b>3.77</b>	<b>3.82</b>	<b>3.79</b>	<b>3.83</b>	<b>3.85</b>	<b>3.88</b>	<b>3.92</b>	<b>4.04</b>	<b>4.24</b>
<b>12. Public Administration and Defence</b>	<b>10.86</b>	<b>8.55</b>	<b>6.51</b>	<b>7.11</b>	<b>8.23</b>	<b>8.84</b>	<b>7.53</b>	<b>6.53</b>	<b>7.06</b>
<b>13. Education</b>	<b>9.41</b>	<b>8.76</b>	<b>7.14</b>	<b>5.89</b>	<b>5.18</b>	<b>5.63</b>	<b>7.75</b>	<b>6.30</b>	<b>8.22</b>
<b>14. Health and Social Works</b>	<b>5.10</b>	<b>4.96</b>	<b>5.86</b>	<b>3.04</b>	<b>6.83</b>	<b>6.34</b>	<b>3.81</b>	<b>4.76</b>	<b>5.02</b>
<b>15. Community, Social and Personal Services</b>	<b>2.04</b>	<b>3.18</b>	<b>3.19</b>	<b>3.20</b>	<b>3.21</b>	<b>3.23</b>	<b>3.25</b>	<b>3.25</b>	<b>3.27</b>
<b>At Constant Price GDP Growth Rate</b>	<b>6.67</b>	<b>7.06</b>	<b>6.01</b>	<b>5.05</b>	<b>5.57</b>	<b>6.46</b>	<b>6.52</b>	<b>6.01</b>	<b>6.12</b>

Source: Bangladesh Bureau of Statistics (BBS) \* Provisional



## Agriculture Sector

In FY 2013-14, within the broad agricultural sector, the provisional growth rate of agriculture and forestry sector stood at 2.46 percent according to the base year 2005-06, which was 1.47 percent in FY 2012-13. Of this growth performance, the growth of crops and horticulture sub-sector scaled up from 0.59 percent in FY 2012-13 to 1.91 percent in FY 2013-14. The estimated total production of cereals (rice, wheat and maize) was 380.83 lakh Metric Tonnes (MT) in FY 2013-14, which increased by 8.17 lakh MT compared to 372.66 lakh MT of the previous fiscal year. According to provisional data, the production of *Aus*, *Amon* and *Boro* stood at 23.26 lakh MT, 130.23 lakh MT and 190.06 lakh MT in FY 2013-14 respectively, which was 7.78 percent, 0.98 percent and 1.21 percent higher than that of previous fiscal year. Besides, the production of wheat and maize also increased and stood at 13.02 lakh MT and 25.16 lakh MT respectively in FY 2013-14. 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*, *Boro* and Maize because of uninterrupted fertiliser supply, irrigation facilities and favourable weather.

The growth rate of both animal farming and forestry sub-sectors showed increasing trend consistently. Animal farming and forestry sub-sectors grew by 2.83 percent and 5.05 percent respectively in FY 2013-14, which were 2.74 and 5.04 percent respectively in the previous fiscal year.

According to the estimate of the Directorate of Fisheries (DOF), the total inland and marine catches in FY 2013-14 was 33.55 lakh MT where inland and marine catches were 29.48 lakh MT and 6.07 lakh MT respectively. The fisheries sector grew by 6.49 percent in FY 2013-14 compared to that of 6.18 percent in FY 2012-13.

## **Industry Sector**

Within the broad industry sector, the provisional growth of mining and quarrying sector was recorded 5.22 percent in FY 2013-14 according to the base year 2005-06, which was 9.35 percent in FY 2012-13. In this sector, natural gas production and crude petroleum grew by 1.74 percent, which was 7.55 percent a year earlier. The growth rate of other mining and coal sub-sectors stood at 10.72 percent, which was 12.34 percent in the previous fiscal year. Besides, overall manufacturing sector (large, medium and small scale) grew by 8.68 percent in FY 2013-14, which was 10.31 percent in FY 2012-13. The growth rate of both sub-sectors of this sector reduced slightly in FY 2013-14 compared to the previous fiscal year. The growth rate of large and medium scale sub-sector and small scale sub-sector were 9.16 percent and 6.60 percent respectively in FY 2013-14, which were 10.65 percent and 8.81 percent respectively a year earlier.

According to the provisional estimate of BBS, the Quantum Index of Industrial Production (QIP, Base year: 2005-06=100), medium and large scale manufacturing stood higher at 211.29 during the FY 2013-14 (average index) recording an increase of 8.25 percent over the same period of the preceding year. Indices that recorded increase in FY 2013-14 compared to the same period of the preceding year are: pharmaceuticals and medicinal chemical (17.44%), wearing apparel (10.49%), fabricated metal products except machinery (10.26%), basic metals (10.11%), food products (9.36%), leather and related products (5.77%), tobacco products (3.45%), and non-metallic mineral products (3.05%). On the other hand, there were decreased in indices of chemical and chemical products (4.97%) and textile (1.92%).

According to the base year 2005-06, the estimated growth rate of power, gas and water sector was 7.40 percent in FY 2013-14, while in the previous year it stood at 8.99 percent. In fact, because of the decelerated growth in electricity and gas sub-sector, the overall growth of this sector has decreased. But, the growth rate of water sub-sector stood at 6.62 percent in FY 2013-14, which was 4.75 percent of the earlier year. Due to increasing investment in infrastructure, it was expected that the growth rate in construction sector would increase to 8.56 percent in FY 2013-14 which was 8.04 percent in the preceding year.

## **Service Sector**

According to the base year 2005-06, the provisional growth of all sectors within the broad service sector increased in FY 2013-14 compared to the preceding year. Simply, growth in the Post and Tele communications sub-sector of Transport, Storage & Communication sector and the Monetary Intermediation (Banks) sub-sector of Financial Intermediations sector were expected to diminish slightly during this period. According to the provisional data, the output of the wholesale and retail trade was expected to slide from 6.18 percent of the previous year to 6.57 percent in FY 2013-14. Growth in hotel and restaurant sector posted a growth of 6.70 percent up from 6.49 percent a year earlier. In transport, storage and communication sector the growth was estimated at 6.47 percent for FY 2013-14, which was 6.27 percent in FY 2012-13. All the sub-

sectors of this sector registered higher growth compared to that of the previous fiscal year except the Post and Tele-communications sub-sector. Specially, air transport sub-sector boosted up with an estimated growth of 3.36 percent of GDP from the negative growth rate (-1.64) a year earlier. Alongside, growth in land transport sub-sector (6.19 % of GDP), water transport sub-sector (3.22 % of GDP) and support transport services, storage sub-sector (3.44 % of GDP) contributed significantly to GDP.

During FY 2013-14, financial intermediations showed the prospect of an estimated growth rate of 9.12 percent, which was 9.11 percent in FY 2012-13. Within the 3 sub-sectors of financial intermediations sector, Insurance sub-sector and other financial auxiliaries sub-sector were to likely scale up. On the other hand, Monetary Intermediation (Banks) sub-sector of this sector was estimated to decrease slightly from 10.87 percent in FY 2012-13 to 10.53 percent in FY 2013-14. The growth rate in the real estate, renting and business activities sector was provisionally estimated at 4.24 percent which was 4.04 percent in FY 2012-13. Among the other services sectors, the growth rate of public administration and defence, education, health and social works were expected to grow at the rate of 7.06 percent, 8.22 percent and 5.02 percent respectively in FY 2013-14. Moreover, community, social and personal service sector was estimated to grow by 3.27 percent in FY 2013-14, slightly higher than the growth rate of the previous fiscal year.

### **Sectoral Shares in GDP at Constant Prices**

Table 2.4 represents the sectoral share of GDP at constant prices (Base Year: 2005-06). The table shows that, the share of the agriculture and forestry sector in GDP at constant prices was 12.64 percent in the FY 2013-14 which was 13.09 percent in FY 2012-13. The contribution of all the three sub-sectors of agriculture and forestry sector decreased during this period like the previous year. On the contrary, the contribution of fisheries sub-sector marginally increased from 3.68 percent in FY 2012-13 to 3.69 percent in FY 2013-14. According to the base year 2005-06, the overall contribution of broad agriculture sector dipped to 16.33 in FY 2013-14 which was 16.78 percent in FY 2012-13.

During FY 2013-14, within the industry sector, GDP growth at constant prices (base year: 2005-06) in mining and quarrying sector slightly decreased to 1.64 percent from 1.65 percent in FY 2012-13. Contribution of manufacturing sector expanded to 19.45 percent of GDP in FY 2013-14 compared to 19.00 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, According to the base year 2005-06, the share of broad industry sector reached to 29.61 percent in FY 2013-14 from 29.00 percent of FY 2012-13.

According to the base year 2005-06, in FY 2013-14, the share of overall service sector in GDP is 54.05 percent which stands slightly lower than 54.22 percent in the previous year. Within the broad service sector, the contribution of wholesale and retail trade sector (14.08% of GDP) was the highest in FY 2013-14 a slight increase than that of FY 2012-13. The second largest share

within the sector was the transport, storage and communication sector comprising 11.54 percent in FY 2013-14, which was 11.50 percent a year earlier. The next largest share came from Community, Social and Personal services sector (9.82% of GDP), followed by Real Estate, Renting and Business activities (6.95% of GDP), Financial Intermediations (3.39% of GDP), Public Administration and Defense (3.39% of GDP), Education (2.28% of GDP), Health and Social Works (1.86% of GDP) and Hotel And Restaurants (0.75% of GDP) in FY 2013-14.

**Table 2.4: Sectoral Share of GDP at Constant Prices**

Sector/Sub-sector	(Base Year: 2005-06)								(In percentage)
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*
<b>1. Agriculture And Forestry</b>	<b>15.33</b>	<b>15.17</b>	<b>14.89</b>	<b>14.58</b>	<b>14.65</b>	<b>14.27</b>	<b>13.70</b>	<b>13.09</b>	<b>12.64</b>
a) Crops & horticulture	11.10	11.08	10.88	10.63	10.79	10.50	10.01	9.49	9.11
b) Animal Farmings	2.38	2.27	2.19	2.13	2.06	1.98	1.90	1.84	1.78
c) Forest and related services	1.86	1.83	1.82	1.82	1.81	1.79	1.78	1.76	1.74
<b>2. Fishing</b>	<b>3.67</b>	<b>3.75</b>	<b>3.79</b>	<b>3.78</b>	<b>3.73</b>	<b>3.73</b>	<b>3.68</b>	<b>3.68</b>	<b>3.69</b>
<b>3. Mining And Quarrying</b>	<b>1.53</b>	<b>1.52</b>	<b>1.54</b>	<b>1.62</b>	<b>1.65</b>	<b>1.60</b>	<b>1.61</b>	<b>1.65</b>	<b>1.64</b>
a) Natural gas and crude petroleum	1.02	1.02	1.02	1.07	1.09	1.03	1.00	1.01	0.97
b) Other mining & coal	0.51	0.50	0.52	0.55	0.56	0.57	0.61	0.64	0.67
<b>4. Manufacturing</b>	<b>16.13</b>	<b>16.64</b>	<b>16.87</b>	<b>17.10</b>	<b>17.20</b>	<b>17.75</b>	<b>18.28</b>	<b>19.00</b>	<b>19.45</b>
a) Large & medium scale	12.92	13.36	13.55	13.71	13.74	14.32	14.86	15.49	15.93
b) Small scale	3.22	3.29	3.33	3.39	3.46	3.43	3.42	3.51	3.52
<b>5. Electricity, Gas And Water Supply</b>	<b>1.21</b>	<b>1.19</b>	<b>1.21</b>	<b>1.23</b>	<b>1.28</b>	<b>1.36</b>	<b>1.41</b>	<b>1.45</b>	<b>1.46</b>
a) Electricity	0.99	0.97	0.98	1.00	1.04	1.13	1.17	1.21	1.23
b) Gas	0.14	0.15	0.15	0.16	0.16	0.15	0.15	0.15	0.15
c) Water	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.08	0.08
<b>6. Construction</b>	<b>6.52</b>	<b>6.49</b>	<b>6.50</b>	<b>6.58</b>	<b>6.65</b>	<b>6.67</b>	<b>6.78</b>	<b>6.90</b>	<b>7.06</b>
<b>7. Wholesale And Retail Trade</b>	<b>13.63</b>	<b>13.78</b>	<b>13.96</b>	<b>14.04</b>	<b>14.02</b>	<b>14.02</b>	<b>14.02</b>	<b>14.03</b>	<b>14.08</b>
<b>8. Hotel And Restaurants</b>	<b>0.76</b>	<b>0.75</b>	<b>0.74</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.74</b>	<b>0.75</b>	<b>0.75</b>
<b>9. Transport, Storage &amp; Communication</b>	<b>10.16</b>	<b>10.37</b>	<b>10.61</b>	<b>10.89</b>	<b>11.05</b>	<b>11.23</b>	<b>11.49</b>	<b>11.50</b>	<b>11.54</b>
a) Land Transport	7.17	7.12	7.10	7.19	7.28	7.31	7.32	7.31	7.31
b) Water transport	1.03	0.99	0.97	0.95	0.92	0.89	0.86	0.84	0.81
c) Air transport	0.12	0.11	0.11	0.12	0.13	0.14	0.14	0.13	0.12
d) Support transport services, storage	0.54	0.53	0.56	0.58	0.60	0.63	0.69	0.67	0.66
e) Post and Tele communications	1.30	1.61	1.87	2.06	2.12	2.26	2.48	2.56	2.63
<b>10. Financial Intermediations</b>	<b>3.11</b>	<b>3.09</b>	<b>3.03</b>	<b>2.88</b>	<b>2.88</b>	<b>2.99</b>	<b>3.21</b>	<b>3.30</b>	<b>3.39</b>
a) Monetary intermediation (Banks)	2.67	2.61	2.52	2.30	2.24	2.37	2.62	2.73	2.84
b) Insurance	0.29	0.33	0.34	0.38	0.43	0.42	0.41	0.39	0.37
c) Other financial auxiliaries	0.14	0.15	0.16	0.19	0.21	0.20	0.19	0.18	0.18
<b>11. Real Estate, Renting and Business Activities</b>	<b>8.29</b>	<b>8.03</b>	<b>7.87</b>	<b>7.77</b>	<b>7.61</b>	<b>7.41</b>	<b>7.22</b>	<b>7.07</b>	<b>6.95</b>
<b>12. Public Administration and Defence</b>	<b>3.08</b>	<b>3.12</b>	<b>3.14</b>	<b>3.19</b>	<b>3.26</b>	<b>3.33</b>	<b>3.35</b>	<b>3.36</b>	<b>3.39</b>
<b>13. Education</b>	<b>2.18</b>	<b>2.21</b>	<b>2.24</b>	<b>2.25</b>	<b>2.23</b>	<b>2.21</b>	<b>2.23</b>	<b>2.24</b>	<b>2.28</b>
<b>14. Health and Social Works</b>	<b>2.03</b>	<b>1.99</b>	<b>1.99</b>	<b>1.95</b>	<b>1.96</b>	<b>1.95</b>	<b>1.90</b>	<b>1.88</b>	<b>1.86</b>
<b>15. Community, Social and Personal Services</b>	<b>12.37</b>	<b>11.91</b>	<b>11.61</b>	<b>11.38</b>	<b>11.08</b>	<b>10.72</b>	<b>10.38</b>	<b>10.09</b>	<b>9.82</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Bangladesh Bureau of Statistics, \* Provisional

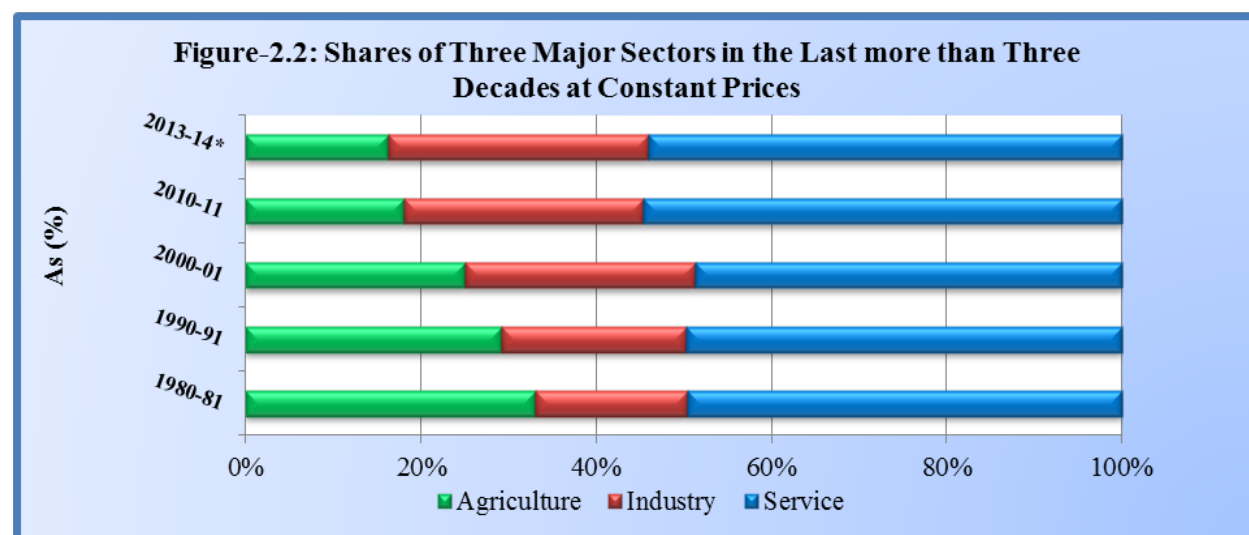
The structural changes of the share of broad sectors in GDP have been presented in the Table 2.5 and figure 2.2. From the table and figure, it would be seen that, over more than three decades the

share of the industry sector in GDP increased gradually and continued to increase in FY 2013-14. On the other hand, the share of the agriculture sector in GDP declined steadily over the period. Alongside, the service sector contributed at a similar pace.

**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	2011-12	2012-13	2013-14*
Agriculture	33.07	31.15	29.23	25.68	25.03	19.01	18.01	17.38	16.78	16.33
Industry	17.31	19.13	21.04	24.87	26.20	25.40	27.38	28.08	29.00	29.61
Service	49.62	49.73	49.73	49.45	48.77	55.59	54.61	54.54	54.22	54.05
Total	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	3.01	2.46	3.35
Industry	5.13	6.72	4.57	6.98	7.45	9.80	9.02	9.44	9.64	8.39
Service	3.55	4.10	3.28	3.96	5.53	6.60	6.22	6.58	5.51	5.83
GDP (At producer prices)	3.74	3.34	3.24	4.47	5.41	7.18	6.64	6.72	6.14	6.16

**Source:** Bangladesh Bureau of Statistics (BBS) \* Provisional. Note: up to FY 2000-01, data used based on FY 1995-96 and others are based on 2005-06.



## Expenditure Based GDP

The GDP based on expenditure is presented in Table 2.6 and the consumption, saving and investment situation are presented in Table 2.7. According to the provisional data, on the expenditure side, consumption accounted for 76.57 percent of GDP in FY 2013-14 which decreased by 1.39 percentage point of GDP compared to that of the previous year. In term of savings, in Table 2.7 it is evident that, domestic savings and national savings were 22.04 percent and 30.53 percent of GDP respectively in FY 2012-13. The provisional estimates of BBS for both domestic and national savings stand at 23.43 percent and 30.54 percent of GDP in FY 2013-



14 respectively. It indicates that both the growth in domestic saving and national saving increased in FY 2013-14 compared to the previous fiscal year.

**Table: 2.6: Expenditure Based Gross Domestic Product at Current Prices**  
(Base Year: 2005-06)

(In crore Taka.)

Item	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*
<b>1. Domestic Demand [(2)+(3)]</b>	672771	746485	840898	978095	1129475	1275097	1421944
<b>2. Consumption</b>	508042	561714	631571	726966	831250	934727	1034430
i. Public	32555	35915	40478	46684	53175	61339	70209
ii. Private	475487	525799	591093	680282	778075	873389	964221
<b>3. Investment</b>	164729	184772	209327	251129	298225	340370	387514
i. Public	28281	30437	37276	48150	60802	79621	98603
ii. Private	136448	154334	172051	202979	237423	260749	288911
<b>4. Net Export</b>	-45914	-43803	-45895	-69390	-82177	-86570	-73912
<b>5. Gross Domestic Expenditure</b>	626857	702682	795003	908705	1047299	1188527	1348032
<b>6. Gross Domestic Product</b>	626882	705072	797539	915829	1055204	1198923	1350920
<b>7. Statistical Discrepancy</b>	2226	2931	3083	8017	7905	10396	2888

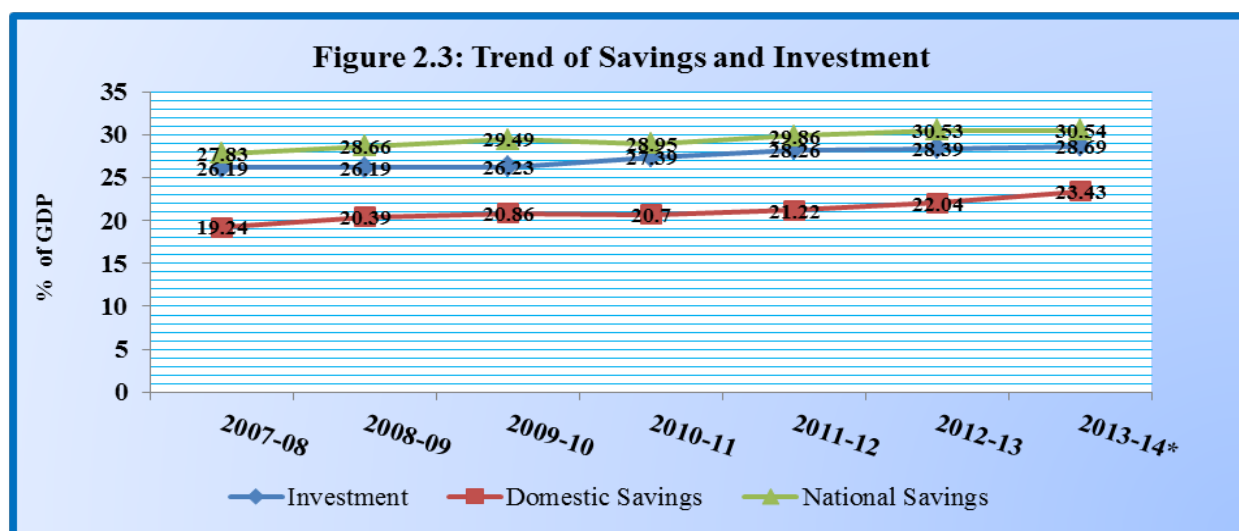
Source: Bangladesh Bureau of Statistics \* Provisional

In the case of investments, gross investment was stepped up as percentage of GDP in the FY 2013-14 compared to the previous fiscal year. Although private investment slightly dropped during this period, public investment scaled up as percentage of GDP. During FY 2013-14, gross investment accelerated to 28.69 percent of GDP from 28.39 percent in the previous fiscal year. Of this, gross private investment marginally went down to 21.39 percent of GDP, from 21.75 percent of GDP in FY 2012-13, due to uncertainty and turmoil during the first half of FY 2013-14. However, public investment increased to 7.30 percent of GDP, from 6.64 percent in FY 2012-13.

**Table: 2.7: Consumption, Savings and Investment (As percent of GDP)**  
(Base Year: 2005-06)

Item	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*
<b>1. Consumption</b>	80.76	79.61	79.14	79.30	78.78	77.96	76.57
i. Public	5.17	5.09	5.07	5.09	5.04	5.12	5.20
ii. Private	75.58	74.52	74.06	74.21	73.74	72.85	71.38
<b>2. Investment</b>	26.19	26.19	26.23	27.39	28.26	28.39	28.69
i. Public	4.50	4.31	4.67	5.25	5.76	6.64	7.30
ii. Private	21.69	21.87	21.56	22.14	22.50	21.75	21.39
<b>3. Domestic Savings</b>	19.24	20.39	20.86	20.70	21.22	22.04	23.43
<b>4. National Savings</b>	27.83	28.66	29.49	28.95	29.86	30.53	30.54

Source: Bangladesh Bureau of Statistics \* Provisional



The Government took a wide range of initiatives to promote private investment by creating investment friendly environment. Besides, it is expected that investment would be boosted up through infrastructural development, expanding the coverage of electrification rapidly, energy diversification, extension and development of railways, roads, waterways together with land ports, sea ports and airports and implementation of infrastructure related programmes planned under ADP and PPP initiatives. All these altogether will help achieve higher trajectory of growth.