

## CHAPTER 2

### GDP, SAVINGS AND INVESTMENT

*[The Bangladesh economy performed well in FY2015-16. The GDP growth picked up around half percentage point to 7.11 percent from 6.55 percent in FY2014-15. Growth was underpinned by the moderate growth in agriculture and robust performance in industry, aided by a buoyant service sectors. Growth in broad agriculture sector moderated to 2.79 percent in FY2015-16, from 3.33 percent growth of last fiscal year. On the other hand, growth rate of broad industry sector increased to 11.09 percent from 9.67 percent of previous fiscal year. The service sector growth accelerated by 0.45 percentage point from 5.80 percent in FY2014-15 to 6.25 percent in FY2015-16. In FY2015-16, at constant prices, share of agriculture, industry and service sectors stood at 15.35 percent, 31.54 percent and 53.12 percent respectively from the share of 16.00 percent, 30.42 percent and 53.58 percent respectively in the previous fiscal year. In demand side, the consumption expenditure moderated to 75.02 percent of GDP in FY2015-16, from 77.84 percent of previous fiscal year. Gross domestic savings stood at 24.98 percent of GDP in FY2015-16, from 22.16 percent a year earlier. Moreover, national savings as percent of GDP significantly increased from 29.02 percent to 30.77 percent in FY2015-16. Furthermore, investment-GDP ratio increased to 29.65 percent in FY2015-16, up from 28.89 percent in FY2014-15.]*

#### **Economic Growth**

According to the final data released by Bangladesh Bureau of Statistics (BBS), Bangladesh achieved 7.11 percent GDP growth in FY2015-16. The GDP growth was 6.55 percent and 6.06 percent in FY2014-15 and FY2013-14 respectively. This is the first time that the GDP growth has surpassed the 7 percent level. However, in FY2006-07, GDP growth crossed 7 percent mark due to the rebasing of GDP series on FY2005-06 base. Despite the global financial crisis and its aftermath, along with the adverse effect emerged from domestic front, Bangladesh has been able to achieve GDP growth at more than 6 percent on an average during the last decade.

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

The final value of GDP at current market prices stood at Tk.17,32,864 crore in FY2015-16, up by 14.32 percent of the previous fiscal year. At current prices, the estimated per capita GDP for FY2015-16 is Tk.1,08,378, up by 12.89 percent from the per capita GDP of Tk.96,004 in FY2014-15. On the other hand, per capita national income stood at Tk.1,14,621, up from Tk.1,02,236 in the previous fiscal year. In US dollar, per capita GDP and GNI stood at US\$1,385 and US\$1,465 respectively in FY2015-16 compared to US\$1,236 and US\$1,316 respectively in FY2014-15. In nominal US dollar term, per capita national income increased by 11.32 percent compared to the previous fiscal year. GDP, GNI, per capita GDP and national income during the period from FY2006-07 to FY2015-16 are shown in Table 2.1 and sector-wise GDP at current market prices are shown in Table 2.2.

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

Item	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
GDP (In Crore Tk.)	549800	628682	705072	797539	915829	1055204	1198923	1343674	1515802	1732864
GNI (In Crore Tk.)	585075	677072	760973	862142	988342	1144506	1295352	1433224	1614204	1832675
Population (In Crore)	14.18	14.38	14.58	14.78	14.97	15.16	15.37	15.58	15.79	15.99
Per Capita GDP (In Tk.)	38773	43719	48359	53961	61198	69614	78009	86266	96004	108378
Per Capita GNI (In Tk.)	41261	47084	52193	58332	66044	75505	84283	92015	102236	114621
Per Capita GDP (In US\$)	562	637	703	780	860	880	976	1110	1236	1385
Per Capita GNI (In US\$)	598	686	759	843	928	955	1054	1184	1316	1465

Source: Bangladesh Bureau of Statistics (BBS)

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

(In Crore Taka)

Sector/Sub-sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>1. Agriculture and Forestry</b>	<b>89986</b>	<b>97807</b>	<b>110990</b>	<b>125469</b>	<b>138879</b>	<b>148758</b>	<b>163968</b>	<b>176500</b>	<b>190315</b>
a) Crops & horticulture	65730	71158	81405	91903	100899	106794	117903	126121	134322
b) Animal Farmings	14297	15830	17527	20171	22999	25359	27667	29885	33165
c) Forest and related services	9959	10819	12058	13395	14981	16605	18398	20494	22827
<b>2. Fishing</b>	<b>20635</b>	<b>22793</b>	<b>24601</b>	<b>28482</b>	<b>31827</b>	<b>36995</b>	<b>42308</b>	<b>47581</b>	<b>53076</b>
<b>3. Mining and Quarrying</b>	<b>9110</b>	<b>10962</b>	<b>12645</b>	<b>14208</b>	<b>16650</b>	<b>19461</b>	<b>21080</b>	<b>23876</b>	<b>28578</b>
a) Natural gas and crude petroleum	5387	6194	6803	6846	7366	7953	8156	9188	10706
b) Other mining & coal	3723	4769	5842	7363	9284	11508	12924	14688	17872
<b>4. Manufacturing</b>	<b>101371</b>	<b>116197</b>	<b>128573</b>	<b>146503</b>	<b>167927</b>	<b>197127</b>	<b>223221</b>	<b>254483</b>	<b>295111</b>
a) Large & medium scale	81066	91996	101619	116453	134397	158448	180382	205992	240164
b) Small scale	20305	24201	26954	30049	33530	38679	42839	48491	54947
<b>5. Electricity, Gas and Water Supply</b>	<b>6441</b>	<b>7012</b>	<b>8346</b>	<b>11589</b>	<b>14189</b>	<b>16381</b>	<b>18401</b>	<b>19868</b>	<b>23829</b>
a) Electricity	4950	5282	6003	8646	10189	12168	13834	15061	18447
b) Gas	1045	1249	1809	2339	3300	3448	3676	3787	4279
c) Water	445	481	533	605	701	766	891	1020	1103
<b>6. Construction</b>	<b>38533</b>	<b>44180</b>	<b>49474</b>	<b>57072</b>	<b>68304</b>	<b>82432</b>	<b>90834</b>	<b>108484</b>	<b>126353</b>
<b>7. Wholesale and Retail Trade</b>	<b>86149</b>	<b>96094</b>	<b>106606</b>	<b>121332</b>	<b>137396</b>	<b>154579</b>	<b>172575</b>	<b>192585</b>	<b>214257</b>
<b>8. Hotel and Restaurants</b>	<b>4826</b>	<b>5790</b>	<b>7028</b>	<b>8228</b>	<b>9755</b>	<b>11263</b>	<b>13035</b>	<b>14928</b>	<b>17058</b>
<b>9. Transport, Storage &amp; Communication</b>	<b>59620</b>	<b>67185</b>	<b>80454</b>	<b>94571</b>	<b>112702</b>	<b>124281</b>	<b>134317</b>	<b>150025</b>	<b>169145</b>
a) Land transport	41888	46994	57574	68717	83345	92183	99311	112096	127895
b) Water transport	5111	5525	6386	6934	7089	7649	8064	8967	10207
c) Air transport	595	682	811	957	1022	1047	1116	1269	1352
d) Support transport services,	3137	3423	3826	4410	5391	6001	6672	7427	8031
e) Post and Tele communications	8889	10561	11858	13553	15854	17400	19154	20267	21681
<b>10. Financial Intermediations</b>	<b>18702</b>	<b>20003</b>	<b>23448</b>	<b>27545</b>	<b>36316</b>	<b>42237</b>	<b>48563</b>	<b>55761</b>	<b>63601</b>
a) Monetary intermediation (Banks)	15431	15817	17508	21522	29351	34727	40390	46644	53790
b) Insurance	2108	2626	3356	3786	4584	4920	5364	5938	6327
c) Other financial auxiliaries	1163	1560	2583	2237	2381	2590	2810	3180	3485
<b>11. Real Estate, Renting and Business Activities</b>	<b>45118</b>	<b>49449</b>	<b>54432</b>	<b>60119</b>	<b>68715</b>	<b>78820</b>	<b>91229</b>	<b>106061</b>	<b>123740</b>
<b>12. Public Administration and Defence</b>	<b>19664</b>	<b>22464</b>	<b>25426</b>	<b>30282</b>	<b>33499</b>	<b>37678</b>	<b>44728</b>	<b>50674</b>	<b>66711</b>
<b>13. Education</b>	<b>14332</b>	<b>16250</b>	<b>18258</b>	<b>21392</b>	<b>25048</b>	<b>28429</b>	<b>32767</b>	<b>37624</b>	<b>46512</b>
<b>14. Health and Social Works</b>	<b>12164</b>	<b>13368</b>	<b>15326</b>	<b>17731</b>	<b>20133</b>	<b>23868</b>	<b>26924</b>	<b>30135</b>	<b>34758</b>
<b>15. Community, Social and Personal Services</b>	<b>72200</b>	<b>85366</b>	<b>95692</b>	<b>104608</b>	<b>117293</b>	<b>138952</b>	<b>156552</b>	<b>176402</b>	<b>194248</b>
Tax less subsidy	29832	30152	36241	46698	56569	57662	63174	70815	85552
<b>GDP at current market price</b>	<b>628682</b>	<b>705072</b>	<b>797539</b>	<b>915829</b>	<b>105520</b>	<b>1198923</b>	<b>134367</b>	<b>1515802</b>	<b>1732864</b>
<b>Growth rate</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>12.07</b>	<b>12.81</b>	<b>14.32</b>

Source: Bangladesh Bureau of Statistics (BBS) 1

## Growth of GDP by Sectors

Production based estimate of GDP encompasses the value addition of 15 sectors. Some of the 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) fishing. 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 have been shown in Table 2.3 and Figure 2.1.

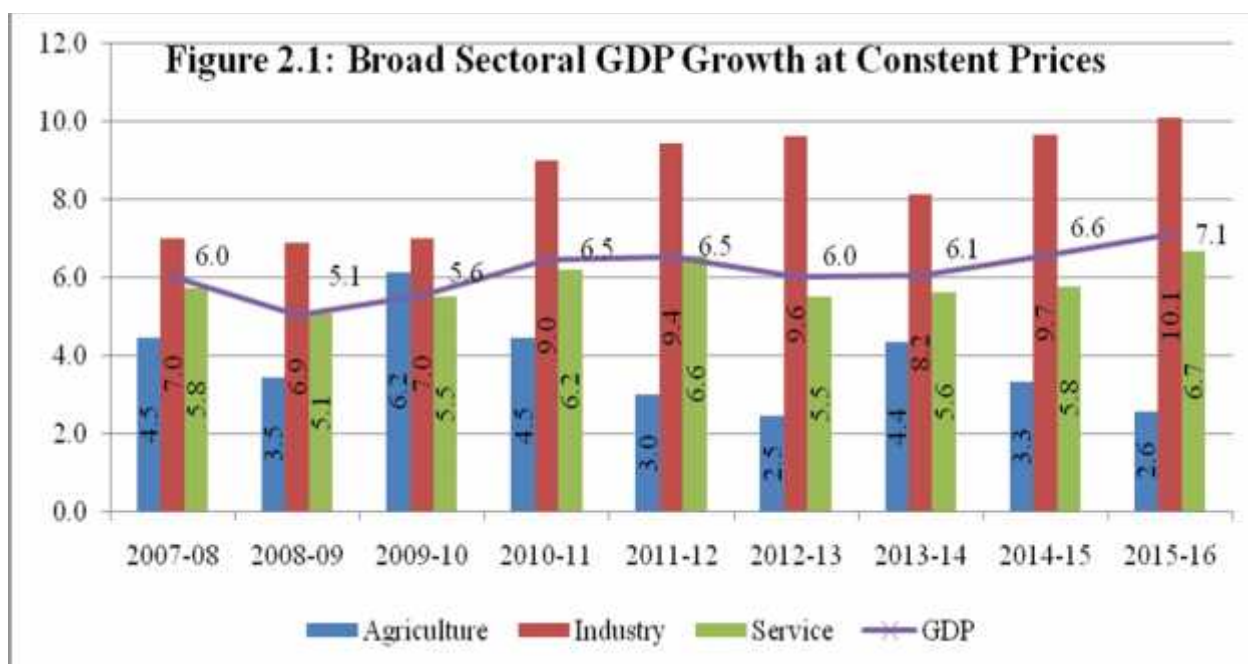
**Table 2.3: Sectoral Growth Rate of GDP at Constant Prices**

(Base Year: 2005-06)

(In Percentage)

Sector/Sub-sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>1. Agriculture and Forestry</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>3.81</b>	<b>2.45</b>	<b>1.79</b>
a) Crops & horticulture	3.99	2.83	7.57	3.85	1.75	0.59	3.78	1.83	0.88
b) Animal Farmings	2.20	2.35	2.51	2.59	2.68	2.74	2.83	3.08	3.19
c) Forest and related services	5.26	5.54	5.34	5.56	5.96	5.04	5.01	5.08	5.12
<b>2. Fishing</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>6.36</b>	<b>6.38</b>	<b>6.11</b>
<b>3. Mining and Quarrying</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>4.68</b>	<b>9.60</b>	<b>12.84</b>
a) Natural gas and crude petroleum	6.63	9.49	8.52	0.68	3.78	7.55	2.47	8.73	11.77
b) Other mining & coal	9.79	12.39	7.43	9.34	12.58	12.34	8.20	10.90	14.42
<b>4. Manufacturing</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>8.77</b>	<b>10.31</b>	<b>11.69</b>
a) Large & medium scale	7.38	6.54	6.27	11.11	10.76	10.65	9.32	10.70	12.26
b) Small scale	7.15	7.30	8.17	5.67	6.58	8.81	6.33	8.54	9.06
<b>5. Electricity, Gas and Water Supply</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>4.54</b>	<b>6.22</b>	<b>13.33</b>
a) Electricity	7.21	7.13	10.50	15.82	10.97	9.69	1.69	6.09	14.20
b) Gas	8.53	10.33	8.78	0.07	7.45	5.91	10.93	5.16	9.91
c) Water	13.29	3.22	5.79	8.23	10.91	4.75	8.08	9.62	7.40
<b>6. Construction</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>8.08</b>	<b>8.60</b>	<b>8.56</b>
<b>7. Wholesale and Retail Trade</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>6.73</b>	<b>6.35</b>	<b>6.50</b>
<b>8. Hotel and Restaurants</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>6.83</b>	<b>6.98</b>
<b>9. Transport, Storage &amp; Communication</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>6.05</b>	<b>5.96</b>	<b>6.08</b>
a) Land Transport	5.56	6.59	7.31	7.18	6.83	5.91	5.56	6.18	6.28
b) Water transport	3.15	3.11	3.19	2.92	3.10	3.21	3.15	3.62	3.20
c) Air transport	2.20	14.41	18.19	15.23	5.76	-1.64	0.61	8.71	1.48
d) Support transport services, storage	11.31	7.79	10.33	11.97	17.60	3.36	2.59	5.37	5.19
e) Post and Tele communications	22.71	15.88	9.02	13.77	16.92	9.67	9.56	6.11	6.81
<b>10. Financial Intermediations</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>7.27</b>	<b>7.78</b>	<b>7.74</b>
a) Monetary intermediation (Banks)	2.23	-3.90	3.15	12.98	17.61	10.87	8.33	8.49	8.85
b) Insurance	11.87	16.80	19.08	3.69	4.41	0.61	1.55	3.95	0.54
c) Other financial auxiliaries	16.20	24.18	17.71	-2.54	2.33	3.14	3.63	4.68	4.54
<b>11. Real Estate, Renting and Business Activities</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>4.25</b>	<b>4.40</b>	<b>4.47</b>
<b>12. Public Administration and Defence</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>6.89</b>	<b>9.82</b>	<b>11.43</b>
<b>13. Education</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>7.26</b>	<b>8.01</b>	<b>11.71</b>
<b>14. Health and Social Works</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>5.06</b>	<b>5.18</b>	<b>7.54</b>
<b>15. Community, Social and Personal Services</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>3.28</b>	<b>3.30</b>
<b>At Constant Price GDP Growth Rate</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>6.06</b>	<b>6.55</b>	<b>7.11</b>

Source: Bangladesh Bureau of Statistics (BBS)



## Agriculture Sector

Agriculture sector growth in FY2015-16 slowed to 2.79 percent from 3.33 percent in FY2014-15, caused by the decline in crops and horticulture growth from 1.83 percent to 0.88 percent during the period. The food-grain production (rice) in FY2015-16 was 347.09 lakh Metric Tonnes (MT), remained flat (347.10 lakh MT) of previous fiscal year. The BBS estimate for *Aus* production in FY2015-16 is 22.89 lakh MT and *Aman* 134.83 lakh MT. *Aus* production decreased by 1.68 percent from 23.28 lakh MT and *Aman* production increased by 2.22 percent from 131.90 lakh MT in FY2014-15. BBS estimates for *Boro* production is 189.37 lakh MT, 1.33 percent lower than previous year production. *Boro* production declined because of switching to more profitable crops such as wheat, maize, potato, lentils and summer vegetables. BBS estimates that *Boro* acreage fell 1.38 percent to 47.73 lakh hectares in the *Boro* season ended in May 2016. Besides, wheat production in FY2015-16, is 13.55 lakh MT, marginally higher than the production of 13.48 lakh MT of previous fiscal year. Maize production in FY2015-16 is 26.36 lakh M.T, 2.95 percent higher than the production of previous fiscal year.

Within agriculture sector, animal farming increased slightly to 3.19 percent in FY2015-16, from 3.08 percent in the previous fiscal year. Forest and related services grew by 5.12 percent, slightly higher than 5.08 percent in FY2014-15.

The fishing sector growth slightly decelerated to 6.11 percent in FY2015-16 compared to that of 6.38 percent in FY2014-15. According to the estimate of the Directorate of Fisheries (DOF), the

total inland and marine catches in FY2015-16 is expected to be 32.50 lakh MT and 6.05 lakh MT respectively. The final estimate of inland and marine catches in FY2014-15 were 30.84 lakh MT and 6.00 lakh MT respectively.

## **Industry Sector**

Industry sector growth in FY2015-16 picked up 11.09 percent from 9.67 percent in FY2014-15, mainly attributed by the increase in mining and quarrying sector, manufacturing sector and electricity, gas and water supply sector. The growth of mining and quarrying sector was recorded 12.84 percent in FY2015-16, from 9.60 percent in FY2014-15. Two sub-sectors of this sector - natural gas production and crude petroleum sub-sector grew by 11.77 percent and other mining and coal sub-sectors grew by 14.42 percent. In FY2014-15 the growth rate of these two subsectors were 8.73 percent and 10.90 percent respectively. Overall manufacturing sector (large and medium, and small scale) grew by 11.69 percent in FY2015-16, from 10.31 percent in FY2014-15. The growth rate of large and medium scale sub-sector and small scale sub-sector were 12.26 percent and 9.06 percent respectively in FY2015-16, up from 10.70 percent and 8.54 percent respectively a year earlier.

The quantum index of large and medium scale manufacturing industry rose by 12.08 percent during FY2015-16, compared to the same period of the preceding fiscal year. Indices that recorded increase during the period are: wearing apparel (11.14%), textile (13.11%), food products (13.28%), pharmaceuticals and medicinal chemical (1.95%), non-metallic mineral products (44.93%), chemicals and chemical products (19.66%), basic metals (8.40%) and fabricated metal products except machinery (0.19%). On the other hand, there were decreased indices of leather and related products (-12.81%) and tobacco products (-8.07%).

The estimated growth rate of electricity, gas and water sector is 13.33 percent in FY2015-16, significantly higher than 6.22 percent growth of previous year. The growth rate of electricity, gas and water supply sub-sectors are 14.20 percent, 9.91 percent and 7.40 percent respectively, from 6.09 percent, 5.16 percent and 9.62 percent in FY2014-15. Moreover, construction sector growth marginally decreased to 8.56 percent in FY2015-16, from 8.60 percent growth in the previous year.

## **Service Sector**

The service sector recorded 6.25 percent growth in FY2015-16, up from 5.80 percent in FY2014-15. Among the broad service sector, except financial intermediation sector, all the sectors performed well compared to previous fiscal year. According to the final data, the output of the wholesale and retail trade increased from 6.35 percent of the previous year to 6.50 percent in FY2015-16. Hotel and restaurant sector posted a growth of 6.98 percent, from 6.83 percent a year earlier. In transport, storage and communication sector the growth stood at 6.08 percent for

FY2015-16, from 5.96 percent in FY2014-15. Among the 5 sub-sectors of this sector, the land transport, and post and telecommunication sub-sectors registered higher growth compared to that of the previous fiscal year, while growth of water transport, air transport and support transport services decelerated compared to previous fiscal year.

During FY2015-16, financial intermediations decelerated slightly at 7.74 percent in FY2015-16, from 7.78 percent of previous fiscal year. The growth rate in the real estate, renting and business activities sector reached at 4.47 percent, slightly higher than previous year. Among the other services sectors, the growth rate of public administration and defence, education, health and social works, community, social and personal service sector grew at the rate of 11.43 percent, 11.71 percent, 7.45 percent and 3.30 percent respectively in FY2015-16.

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

The share of the agriculture and forestry sector in GDP at constant prices stood at 11.70 percent in the FY2015-16, from 12.32 percent in FY2014-15. The contribution of fishing sector stood at 3.65 percent of GDP, from 3.69 percent of previous fiscal year. The overall contribution of broad agriculture sector dipped to 15.35 percent in FY2015-16, from 16.00 percent in FY2014-15.

During FY2015-16, within the industry sector, contribution of mining and quarrying sector slightly increased to 1.77 percent from 1.68 percent in FY2014-15. Contribution of manufacturing sector expanded to 21.01 percent of GDP in FY2015-16 compared to 20.16 percent of the previous fiscal year. The share of electricity, 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 31.54 percent in FY2015-16 from 30.42 percent of FY2014-15.

In FY2015-16, the share of overall service sector in GDP stood at 53.12 percent, slightly lower than the share of 53.58 percent in previous year. Within the broad service sector, the contribution of wholesale and retail trade sector (13.99%) was the highest, followed by transport, storage and communication (11.31%), community, social and personal services (9.18%) and real estate, renting and business activities (6.64%). The contribution of these sector slightly lower in FY2015-16 compared to the previous year shares. Moreover, the share of public administration and defence (3.63%), education (2.39%) and health and social works (1.84%) increased in FY2015-16 compared to previous fiscal year. Table 2.4 shows the sectoral share of GDP at constant prices during FY2007-08 to FY2015-16.

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

(Base Year: 2005-06)

(In percentage)

Sector/Sub-sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>1. Agriculture And Forestry</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>12.81</b>	<b>12.32</b>	<b>11.70</b>
a) Crops & horticulture	10.88	10.63	10.79	10.50	10.01	9.49	9.28	8.87	8.35
b) Animal Farmings	2.19	2.13	2.06	1.98	1.90	1.84	1.78	1.73	1.66
c) Forest and related services	1.82	1.82	1.81	1.79	1.78	1.76	1.74	1.72	1.69
<b>2. Fishing</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>3.69</b>	<b>3.65</b>
<b>3. Mining And Quarrying</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>1.63</b>	<b>1.68</b>	<b>1.77</b>
a) Natural gas and crude petroleum	1.02	1.07	1.09	1.03	1.00	1.01	0.98	1.00	1.04
b) Other mining & coal	0.52	0.55	0.56	0.57	0.61	0.64	0.65	0.68	0.73
<b>4. Manufacturing</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>19.47</b>	<b>20.16</b>	<b>21.01</b>
a) Large & medium scale	13.55	13.71	13.74	14.32	14.86	15.49	15.95	16.58	17.37
b) Small scale	3.33	3.39	3.46	3.43	3.42	3.51	3.51	3.58	3.64
<b>5. Electricity, Gas And Water Supply</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>1.42</b>	<b>1.42</b>	<b>1.50</b>
a) Electricity	0.98	1.00	1.04	1.13	1.17	1.21	1.19	1.19	1.26
b) Gas	0.15	0.16	0.16	0.15	0.15	0.15	0.15	0.14	0.15
c) Water	0.08	0.08	0.08	0.08	0.09	0.08	0.09	0.09	0.09
<b>6. Construction</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>7.03</b>	<b>7.16</b>	<b>7.26</b>
<b>7. Wholesale And Retail Trade</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>14.10</b>	<b>14.08</b>	<b>13.99</b>
<b>8. Hotel And Restaurants</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>0.75</b>	<b>0.75</b>
<b>9. Transport, Storage &amp; Communication</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>11.49</b>	<b>11.43</b>	<b>11.31</b>
a) Land Transport	7.10	7.19	7.28	7.31	7.32	7.31	7.27	7.24	7.18
b) Water transport	0.97	0.95	0.92	0.89	0.86	0.84	0.81	0.79	0.76
c) Air transport	0.11	0.12	0.13	0.14	0.14	0.13	0.12	0.12	0.12
d) Support transport services, storage	0.56	0.58	0.60	0.63	0.69	0.67	0.65	0.64	0.63
e) Post and Tele communications	1.87	2.06	2.12	2.26	2.48	2.56	2.64	2.63	2.65
<b>10. Financial Intermediations</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>3.34</b>	<b>3.38</b>	<b>3.39</b>
a) Monetary intermediation (Banks)	2.52	2.30	2.24	2.37	2.62	2.73	2.79	2.84	2.88
b) Insurance	0.34	0.38	0.43	0.42	0.41	0.39	0.37	0.36	0.34
c) Other financial auxiliaries	0.16	0.19	0.21	0.20	0.19	0.18	0.18	0.18	0.17
<b>11. Real Estate, Renting and Business Activities</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>6.81</b>	<b>6.64</b>
<b>12. Public Administration and Defence</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>3.49</b>	<b>3.63</b>
<b>13. Education</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>2.26</b>	<b>2.29</b>	<b>2.39</b>
<b>14. Health and Social Works</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>1.83</b>	<b>1.84</b>
<b>15. Community, Social and Personal Services</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>9.52</b>	<b>9.18</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,

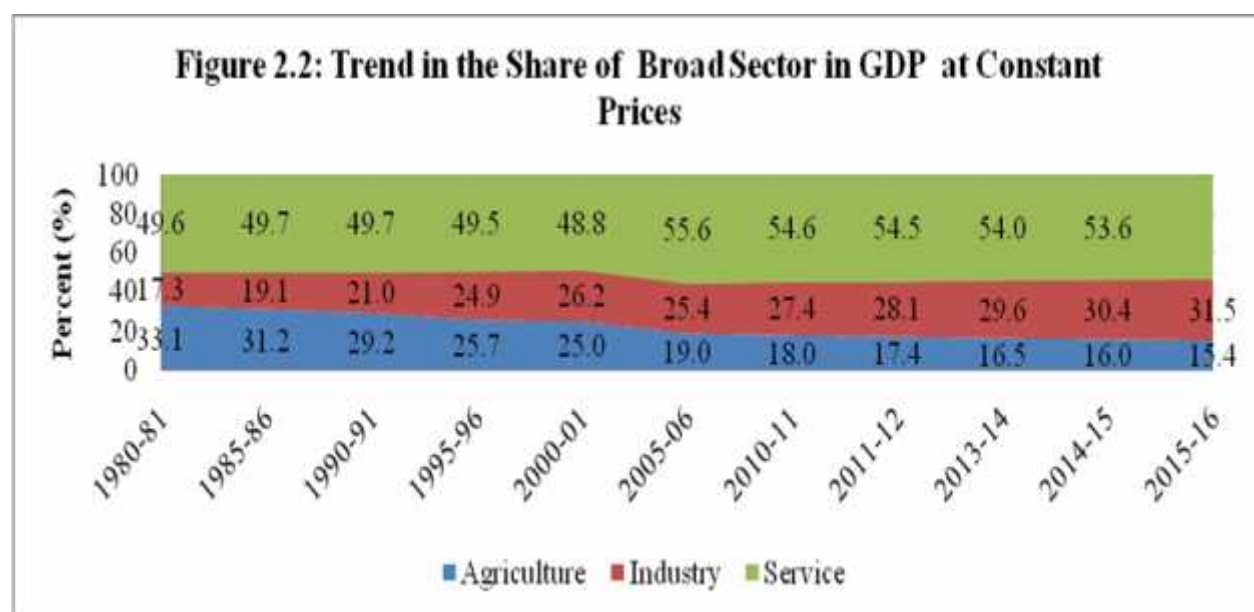
The economy of Bangladesh has made solid progress in transforming the economy from a rural-based agrarian economy towards a more modern urban-based manufacturing and services based economy. Over more than three decades the share of the industry sector including the manufacturing sector in GDP increased gradually and continued to increase in FY2015-16. Up to FY2000-01, the contribution of service sector was around 50 percent as per base year FY1995-96. As per new base year (FY2005-06), the service sector share reached 55.59 percent in FY2005-06 and in recent years it is around 53-54 percent of GDP.

**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	2013-14	2014-15	2015-16
Agriculture	33.07	31.15	29.23	25.68	25.03	19.01	18.01	16.50	16.00	15.35
Industry	17.31	19.13	21.04	24.87	26.20	25.40	27.38	29.55	30.42	31.54
Service	49.62	49.73	49.73	49.45	48.77	55.59	54.61	53.15	53.58	53.12
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	4.37	3.33	2.79
Industry	5.13	6.72	4.57	6.98	7.45	9.80	9.02	8.16	9.67	11.09
Service	3.55	4.10	3.28	3.96	5.53	6.60	6.22	5.62	5.80	6.25
GDP (At producer prices)	3.74	3.34	3.24	4.47	5.41	7.18	6.64	6.15	6.54	7.17

Source: Bangladesh Bureau of Statistics (BBS).

Note: up to FY 2000-01, data used based on FY 1995-96 and others are based on 2005-06.



### Expenditure Based GDP

According to the final data on the expenditure side, consumption accounted for 75.02 percent of GDP in FY2015-16, down from 77.84 percent of GDP in the previous fiscal year, partly due to subdued remittance inflows. Domestic savings and national savings were 24.98 percent and 30.77 percent of GDP respectively in FY2015-16, up from 22.16 percent and 29.02 percent of GDP in FY 2014-15 respectively.



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

(In crore Taka.)

Item	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>1. Domestic Demand [(2)+(3)]</b>	746485	840898	978095	1129475	1275097	1430851	1617789	1813872
<b>2. Consumption</b>	<b>561714</b>	<b>631571</b>	<b>726966</b>	<b>831250</b>	<b>934727</b>	<b>1046858</b>	<b>1179924</b>	<b>1300034</b>
i. Public	35915	40478	46684	53175	61339	71719	81918	102109
ii. Private	525799	591093	680282	778075	873389	975139	1098006	1179725
<b>3. Investment</b>	<b>184772</b>	<b>209327</b>	<b>251129</b>	<b>298225</b>	<b>340370</b>	<b>383994</b>	<b>437865</b>	<b>513839</b>
i. Public	30437	37276	48150	60802	79621	87991	103393	115492
ii. Private	154334	172051	202979	237423	260749	296003	334472	398347
<b>4. Net Export</b>	-43803	-45895	-69390	-82177	-86570	-87806	-112361	-80663
<b>5. Gross Domestic Expenditure</b>	<b>702682</b>	<b>795003</b>	<b>908705</b>	<b>1047299</b>	<b>1188527</b>	<b>1343045</b>	<b>1505428</b>	<b>1733210</b>
<b>6. Gross Domestic Product</b>	<b>705072</b>	<b>797539</b>	<b>915829</b>	<b>1055204</b>	<b>1198923</b>	<b>1343674</b>	<b>1515802</b>	<b>1732864</b>
<b>7. Statistical Discrepancy</b>	2931	3083	8017	7905	10396	6292	10375	-346

Source: Bangladesh Bureau of Statistics

Gross investment as percent of GDP accelerated to 29.65 percent of GDP in FY2015-16, up from 28.89 percent of GDP a year earlier. The public sector investment moderated to 6.66 percent of GDP, down from 6.82 percent of previous year. However, the private sector investment increased to 22.99 percent of GDP in FY2015-16, from 22.07 percent in previous year. In absolute terms, private sector investment increased by 19.10 percent compared to the private sector investment of previous fiscal year.

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

Item	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>1. Consumption</b>	<b>79.61</b>	<b>79.14</b>	<b>79.30</b>	<b>78.78</b>	<b>77.96</b>	<b>77.91</b>	<b>77.84</b>	<b>75.02</b>
i. Public	5.09	5.07	5.09	5.04	5.12	5.34	5.40	5.89
ii. Private	74.52	74.06	74.21	73.74	72.85	72.57	72.44	69.13
<b>2. Investment</b>	<b>26.19</b>	<b>26.23</b>	<b>27.39</b>	<b>28.26</b>	<b>28.39</b>	<b>28.58</b>	<b>28.89</b>	<b>29.65</b>
i. Public	4.31	4.67	5.25	5.76	6.64	6.55	6.82	6.66
ii. Private	21.87	21.56	22.14	22.50	21.75	22.03	22.07	22.99
<b>3. Domestic Savings</b>	<b>20.39</b>	<b>20.86</b>	<b>20.70</b>	<b>21.22</b>	<b>22.04</b>	<b>22.09</b>	<b>22.16</b>	<b>24.98</b>
<b>4. National Savings</b>	<b>28.66</b>	<b>29.49</b>	<b>28.95</b>	<b>29.86</b>	<b>30.53</b>	<b>29.23</b>	<b>29.02</b>	<b>30.77</b>

Source: Bangladesh Bureau of Statistics

**Figure 2.3: Trend of Investment, Domestic Savings and National Savings as Percent of GDP**

