

Preface

Bangladesh Economic Review is an annual publication of the Government of Bangladesh. It focuses on the trends in macroeconomic indicators, development policies, strategies and sectoral progress of Bangladesh economy. It is an updated version of the Review which was published in Bangla and placed before the Parliament in June, 2016 with other budget documents.

2. Bangladesh economy has successfully managed to ward off the risks generating from sluggish recovery of global economy and those emerging from the domestic front. Over the past 7 years (FY2009-10 to FY2015-16), the economy posted an average of 6.3 percent growth. According to the final estimates of BBS, GDP growth in the fiscal year 2015-16 stood at 7.11 percent. During this period, the average per capita national income stood at US\$1,465 from US\$1,316 in 2014-15.

3. Immediately after assuming office in 2009, the government formulated the Perspective Plan (2010-2021) as a strategic document to implement 'Vision 2021'. Following the completion of the Sixth Five Year Plan (2011-2015) period- the first phase of implementing the strategies and activities encapsulated in the Perspective Plan, the Seventh Five Year Plan (2016-2020) is now under implementation. Impressive progress has been made in socio-economic sectors during the Sixth Five Year Plan period. Along with significant improvement in different economic indicators such as employment generation and wages, production of food grains, inflation, import and export; macroeconomic stability was maintained. Income inequality declined in tandem with declining poverty rate. Especially, the number of people living below the poverty line was reduced remarkably. Notably, the incidence of poverty has been estimated to fall below 23.2 percent in April-June, 2016 period from 31.5 percent in 2010.

4. Keeping in line with development objectives of the government, size of the fiscal year 2016-17 budget has been increased by 28.7 percent to Taka 3,40,605 crore compared to the revised budget of the previous fiscal year. Simultaneously, with a view to increasing tax revenue receipts to meet increased expenditure demand the Government has been implementing comprehensive and long term programmes including administrative and legal reforms in tax administration. According to the preliminary data, tax revenue grew by 17.9 percent in the fiscal year 2015-16 compared to the previous year outturn. On the other hand, in order to scale up public investment the Annual Development Plan (ADP) allocation has been increased by 21.6 percent in the fiscal year 2016-17, compared to the revised budget of the previous fiscal year. Moreover, the budget formulation processes under the Medium-Term Budget Framework have been deepened further to ensure better efficiency in resource allocation and expenditure management.

5. The monetary policy stance of the country has been designed to support attainment of higher economic growth, while containing inflation at tolerable level. Because of prudential monetary and fiscal policies, inflation gradually came down and year-on-year inflation in 2015-16 slid down to 5.92 percent from 6.41 percent in 2014-15. Exports were up 9.77 percent while

import grew by 5.45 percent in 2015-16. The current account balance recorded a surplus of US\$3,706 million in 2015-16. Foreign exchange reserve crossed the US\$30 billion mark in June, 2016.

6. Data presented in the Review will ease the tasks of researchers in analysing overall socioeconomic status of the country. Issues relating to poverty reduction, human resource development, private sector improvement and environmental development have also been incorporated in this document. We shall feel our efforts amply rewarded if readers, researchers, academicians, students and other stakeholders find this document useful.

7. I would like to put on record my appreciation to all Ministries/Divisions/Departments/Agencies for providing valuable data and information. I would also like to thank all concerned of Economic Adviser's Wing of the Finance Division for the hard work and effort they put into drafting and publishing this document.

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Introduction

Bangladesh Economic Review is a periodic report compiled on the basis of data and information depicting the macroeconomic scenario as well as socio-economic achievement of the country. The Bangla version of the Review was published in June 2016 and placed before the Parliament along with other budget documents. The English version has been published by updating data up to June, 2016.

2. This document contains fifteen chapters and sixty-three statistical appendices. Chapter one provides a brief review of the current macroeconomic situation of Bangladesh. Chapter two to six cover assessment of the country's macroeconomic fundamentals including gross domestic product, savings and investment, price, wages and employment, fiscal and monetary management as well as external sector. In the sectoral chapters (chapters seven to eleven) development in major sectors, for example; agriculture, industry, power and energy, transport and communications have been discussed. Chapters twelve to fourteen focus on thrust sectors and provide brief analysis of the Government initiatives for human resources development, poverty reduction and private sector development. Chapter fifteen reviews various initiatives to sustain environmental development. Coloured charts, graphs, statistical tables and boxes, where relevant, have been used for further enhancement of analysis.

3. I would take this opportunity to thank all concerned of the Economic Adviser's Wing along with relevant officials of the Finance Division for their committed efforts to publish this document in time. I would also like to express my appreciation to the relevant Ministries/ Divisions/Departments for the cooperation they extended in providing useful information.

4. I hope this publication will be helpful to the planners, policy makers, researchers, students and other users. Any suggestion and comment for further improvement of this document will be highly appreciated.

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