BANGLADESH
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Economic Adviser's Wing
Finance Division, Ministry of Finance
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Preface

Bangladesh Economic Review is an annual publication of the Government. The document has been prepared on the basis of the trends of macroeconomic indicators, development policies and strategies of the Government and sectoral progress of Bangladesh economy in FY 2010-11. The Bangla version of the Review was published in June, 2011 and placed before Parliament with other budget documents.

2. The economy of Bangladesh has demonstrated its resilience against the negative impacts of global economic recession. The Government introduced various stimulus packages to keep those impacts on the economy under control. In the post-recession world economic scenario, Bangladesh has maintained a strong position. The GDP growth rate stood at 6.7 percent in FY 2010-11. Most of the macroeconomic indicators showed a satisfactory trend throughout the year. The growth rate of revenue collection was 27.3 percent while those of imports and exports were more than 40 percent. The import of capital machinery and industrial raw materials posted a growth of about 50 percent on the basis of settled LCs which indicate an investment-friendly environment of the country. Remittance inflow and overseas employment have also registered growth from January 2011 onward. In order to contain inflationary pressure, the government has taken various administrative, fiscal and monetary measures besides food security management. I hope, these measures together will ease up the inflationary pressure in the coming months.

3. In tandem with the impressive performance on the economic front, Bangladesh has achieved a remarkable success in the social sector. According to the Household Income and Expenditure Survey (HIES), the population below poverty line has come down to 31.5 percent in 2010 from 40 percent in 2005. Bangladesh has achieved the targets of two MDGs on enrollment in primary education and elimination of gender disparity in primary and secondary education. Besides, in terms of achieving the progress in MDGs like End Poverty and Hunger, and Reduction of Infant Mortality Rate, Bangladesh is ahead of many other countries.

4. In compliance with provision made in Public Money and Budget Act 2009, reports on budget implementation incorporating the trend of revenue and expenditure and macroeconomic analysis are placed before the National Parliament. In the current fiscal year, all Ministries/Divisions and other agencies have been brought under the coverage of Medium Term Budgetary Framework (MTBF) to strengthen the process of budget implementation, monitoring and evaluation and to ensure the proper allocation of resources. The final draft of the Perspective Plan (2010-2021) and the preliminary draft of the Sixth Five Year Plan (2011-15) were already prepared at the end of FY 2011. These are indicative long and medium term planning framework fixing targets of economic and social development and giving choices of strategies for accelerated growth and achievement of those targets.

5. Issues relating to poverty reduction, human resource management and private sector development have been presented in the Review along with the other important economic aspects of the country. I firmly believe that the policy planners, academics, students and other stakeholders will find the document useful.

6. I put on record my thanks to the officers and staff of Economic Adviser's Wing of the Finance Division who put in their unrelenting efforts in producing this important document.

(Abul Maal Abdul Muhith)
Minister
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Introduction

Bangladesh Economic Review is an important publication which is presented before the National Parliament along with the budget documents. It reflects the macroeconomic situation of the country together the development of the various sectors of the economy. Basic macroeconomic data along with relevant information and analysis are presented in this document. In the english version of the Review, relevant data and information of FY 2010-11 have been updated upto June 2011, where possible.

2. In this publication fifteen chapters and sixty-three statistical appendices have been presented. These chapters have been mainly prepared on the basis of the trends of the macroeconomic indicators, development of the different sectors of the economy and the latest situation of the priority sectors of the Government. Chapter one includes a brief review of the macroeconomic situation of the country, progress status of the various reform programmes, and the medium and short term prospects of the economy. Chapters two to six contain an assessment of the country's macroeconomic fundamentals like GDP, savings and investment, wage and employment fiscal and monetary sector development and the international trade. In the sector- specific chapters (chapters seven to eleven), developments in the major sectors of the economy like agriculture, industry, power and energy, transport and communication have been reviewed. Chapters twelve to fifteen present brief account of the initiatives of the Government towards human development, poverty alleviation, private sector and environmental development. In the statistical appendices, time series data have been incorporated. Due care has been taken to make the review reader-friendly.

3. Economic Adviser's Wing of Finance Division is tasked with the assignment of preparing the Economic Review. It is recognised that the relentless efforts of the officers and staff members of the Wing have made possible the publication of the English version of the document. I would therefore like to place on record my sincere thanks to the Economic Adviser and all other officials of the Wing for their efforts. I also express my sincere gratitude to the relevant Ministries/Divisions/Agencies for their earnest cooperation by providing useful information.

4. This review has been published amidst various limitations. So there might be some unintentional errors in the publication. However, I hope that the document will turn out to be very useful to the policy makers, planners, economists, researchers, academics and the students. Suggestions and comments for further improvement of this publication will be much appreciated.

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