

## GDP, SAVINGS AND INVESTMENT

*Bangladesh has achieved GDP growth of more than 6 percent on an average during the last decade. GDP growth is accelerating gradually. Along with the current FY2018-19, the GDP growth rate of the economy of Bangladesh surpassed the 7 percent mark for consecutive four times since FY2015-16. According to the provisional estimate of BBS, the GDP growth stood at 8.13 percent in FY2018-19, which was 7.86 percent in previous fiscal year. High growth of manufacturing sector under broad industry sector has contributed significantly to achieve high GDP growth in this fiscal year. Among the 3 broad sectors, growth of agriculture sector increased to 3.51 percent, which was 4.19 percent in previous fiscal year. According to the provisional data, growth of broad industry sector increased to 13.02 percent in FY2018-19; which was 12.06 percent in preceding fiscal year. Growth of broad service sector increased to 6.50 percent in FY2018-19 from 6.39 percent in FY2017-18. According to the provisional data sectoral share of broad agriculture, industry and service stood at 13.60 percent, 35.14 percent and 51.26 percent respectively; which were 14.23 percent, 33.66 percent and 52.11 percent respectively in previous fiscal year. In demand side, the consumption expenditure stood at 76.07 percent in FY2018-19. Gross domestic savings increased to 23.93 percent of GDP in FY2018-19, from 22.83 percent a year earlier. However, national savings as percent of GDP increased to 28.41 percent in FY2018-19 from 27.42 percent in FY2017-18. On the other hand, investment-GDP ratio increased to 31.56 percent in FY2018-19, from 31.23 percent in previous fiscal year.*

### Economic Growth

Bangladesh economy has maintained sustainable growth and achieved GDP growth at more than 6 percent on an average during the last decade. According to Bangladesh Bureau of Statistics (BBS), the GDP growth surpassed 7 percent in FY2015-16 and stood at 7.11 percent. The GDP growth increased to 7.28 percent in FY2016-17 and 7.86 percent in FY2017-18. As per provisional estimate of BBS, the GDP growth stood at 8.13 percent in FY2018-19.

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

According to the provisional data of BBS, GDP at current market prices stood at Tk.25,36,177 crore in FY2018-19, up by 12.7

percent of the previous fiscal year. The per capita GDP increased to Tk.1,53,197 in FY2018-19 which was Tk.1,37,518 in previous fiscal year. On the other hand, per capita national income in FY2018-19 stood at Tk.1,60,060 up from Tk.1,43,789 in the previous fiscal year. In US dollar, per capita GNI and GDP stood at US\$1,909 and US\$1,827 respectively in FY2018-19 compared to US\$1,751 and US\$1,675 respectively in FY2017-18. On the basis of Purchasing Power Parity (PPP), calculated by UNDP, the per capita GNI stood at US\$3,524. GDP, GNI, per capita GDP and national income during the period from FY2010-11 to FY2018-19 are shown in Table 2.1 and sector-wise GDP at current market prices are shown in Table 2.2.

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

| Item                     | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19* |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| GDP (In Crore Tk.)       | 915829  | 1055204 | 1198923 | 1343674 | 1515802 | 1732864 | 1975815 | 2250479 | 2536177  |
| GNI (In Crore Tk.)       | 988342  | 1144506 | 1295352 | 1433224 | 1614204 | 1832675 | 2060716 | 2353108 | 2649787  |
| Population (In Crore)    | 14.97   | 15.16   | 15.37   | 15.58   | 15.79   | 15.99   | 16.18   | 16.37   | 16.56    |
| Per Capita GDP (In Tk.)  | 61198   | 69614   | 78009   | 86266   | 96004   | 108378  | 122152  | 137518  | 153197   |
| Per Capita GNI (In Tk.)  | 66044   | 75505   | 84283   | 92015   | 102236  | 114621  | 127401  | 143789  | 160060   |
| Per Capita GDP (In US\$) | 860     | 880     | 976     | 1110    | 1236    | 1385    | 1544    | 1675    | 1827     |
| Per Capita GNI (In US\$) | 928     | 955     | 1054    | 1184    | 1316    | 1465    | 1610    | 1751    | 1909     |

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

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

(In Crore Taka)

| Sector/Sub-sector                                       | 2010-11       | 2011-12        | 2012-13        | 2013-14        | 2014-15        | 2015-16        | 2016-17        | 2017-18        | 2018-19*       |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>1. Agriculture and Forestry</b>                      | <b>125469</b> | <b>138879</b>  | <b>148758</b>  | <b>163968</b>  | <b>176500</b>  | <b>190315</b>  | <b>205398</b>  | <b>227353</b>  | <b>246266</b>  |
| a) Crops & horticulture                                 | 91903         | 100899         | 106794         | 117903         | 126121         | 134322         | 143704         | 159171         | 171308         |
| b) Animal Farmings                                      | 20171         | 22999          | 25359          | 27667          | 29885          | 33165          | 36026          | 39625          | 43212          |
| c) Forest and related services                          | 13395         | 14981          | 16605          | 18398          | 20494          | 22827          | 25668          | 28557          | 31747          |
| <b>2. Fishing</b>                                       | <b>28482</b>  | <b>31827</b>   | <b>36995</b>   | <b>42308</b>   | <b>47581</b>   | <b>53076</b>   | <b>59627</b>   | <b>66882</b>   | <b>74828</b>   |
| <b>3. Mining and Quarrying</b>                          | <b>14208</b>  | <b>16650</b>   | <b>19461</b>   | <b>21080</b>   | <b>23876</b>   | <b>28578</b>   | <b>34127</b>   | <b>38884</b>   | <b>44039</b>   |
| a) Natural gas and crude                                | 6846          | 7366           | 7953           | 8156           | 9188           | 10706          | 12003          | 13300          | 14766          |
| b) Other mining & coal                                  | 7363          | 9284           | 11508          | 12924          | 14688          | 17872          | 22124          | 25584          | 29273          |
| <b>4. Manufacturing</b>                                 | <b>146503</b> | <b>167927</b>  | <b>197127</b>  | <b>223221</b>  | <b>254483</b>  | <b>295111</b>  | <b>341829</b>  | <b>404144</b>  | <b>482048</b>  |
| a) Large & medium scale                                 | 116453        | 134397         | 158448         | 180382         | 205992         | 240164         | 279217         | 332594         | 399860         |
| b) Small scale  | 30049         | 33530          | 38679          | 42839          | 48491          | 54947          | 62612          | 71551          | 82188          |
| <b>5. Electricity, Gas and Water</b>                    | <b>11589</b>  | <b>14189</b>   | <b>16381</b>   | <b>18401</b>   | <b>19868</b>   | <b>23829</b>   | <b>26244</b>   | <b>29336</b>   | <b>32541</b>   |
| a) Electricity  | 8646          | 10189          | 12168          | 13834          | 15061          | 18447          | 20370          | 22728          | 25497          |
| b) Gas  | 2339          | 3300           | 3448           | 3676           | 3787           | 4279           | 4579           | 5196           | 5472           |
| c) Water  | 605           | 701            | 766            | 891            | 1020           | 1103           | 1295           | 1412           | 1571           |
| <b>6. Construction</b>                                  | <b>57072</b>  | <b>68304</b>   | <b>82432</b>   | <b>90834</b>   | <b>108484</b>  | <b>126353</b>  | <b>146107</b>  | <b>169855</b>  | <b>196656</b>  |
| <b>7. Wholesale and Retail Trade</b>                    | <b>121332</b> | <b>137396</b>  | <b>154579</b>  | <b>172575</b>  | <b>192585</b>  | <b>214257</b>  | <b>243958</b>  | <b>279823</b>  | <b>321204</b>  |
| <b>8. Hotel and Restaurants</b>                         | <b>8228</b>   | <b>9755</b>    | <b>11263</b>   | <b>13035</b>   | <b>14928</b>   | <b>17058</b>   | <b>19318</b>   | <b>22123</b>   | <b>25280</b>   |
| <b>9. Transport, Storage &amp; Communication</b>        | <b>94571</b>  | <b>112702</b>  | <b>124281</b>  | <b>134317</b>  | <b>150025</b>  | <b>169145</b>  | <b>187076</b>  | <b>204630</b>  | <b>225438</b>  |
| a) Land transport                                       | 68717         | 83345          | 92183          | 99311          | 112096         | 127895         | 142808         | 157038         | 174426         |
| b) Water transport                                      | 6934          | 7089           | 7649           | 8064           | 8967           | 10207          | 10996          | 11698          | 12466          |
| c) Air transport  | 957           | 1022           | 1047           | 1116           | 1269           | 1352           | 1399           | 1476           | 1574           |
| d) Support transport services,                          | 4410          | 5391           | 6001           | 6672           | 7427           | 8031           | 8707           | 9706           | 10415          |
| e) Post and Tele communications                         | 13553         | 15854          | 17400          | 19154          | 20267          | 21681          | 23166          | 24713          | 26558          |
| <b>10. Financial Intermediations</b>                    | <b>27545</b>  | <b>36316</b>   | <b>42237</b>   | <b>48563</b>   | <b>55761</b>   | <b>63601</b>   | <b>73205</b>   | <b>83728</b>   | <b>94265</b>   |
| a) Monetary intermediation (Banks)                      | 21522         | 29351          | 34727          | 40390          | 46644          | 53790          | 62389          | 71754          | 81420          |
| b) Insurance  | 3786          | 4584           | 4920           | 5364           | 5938           | 6327           | 6808           | 7341           | 7504           |
| c) Other financial auxiliaries                          | 2237          | 2381           | 2590           | 2810           | 3180           | 3485           | 4008           | 4633           | 5341           |
| <b>11. Real Estate, Renting and Business Activities</b> | <b>60119</b>  | <b>68715</b>   | <b>78820</b>   | <b>91229</b>   | <b>106061</b>  | <b>123740</b>  | <b>144539</b>  | <b>166419</b>  | <b>186849</b>  |
| <b>12. Public Administration and Defence</b>            | <b>30282</b>  | <b>33499</b>   | <b>37678</b>   | <b>44728</b>   | <b>50674</b>   | <b>66711</b>   | <b>78441</b>   | <b>90228</b>   | <b>100120</b>  |
| <b>13. Education</b>                                    | <b>21392</b>  | <b>25048</b>   | <b>28429</b>   | <b>32767</b>   | <b>37624</b>   | <b>46512</b>   | <b>56856</b>   | <b>64478</b>   | <b>72308</b>   |
| <b>14. Health and Social Works</b>                      | <b>17731</b>  | <b>20133</b>   | <b>23868</b>   | <b>26924</b>   | <b>30135</b>   | <b>34758</b>   | <b>38987</b>   | <b>44064</b>   | <b>50056</b>   |
| <b>15. Community, Social and Personal Services</b>      | <b>104608</b> | <b>117293</b>  | <b>138952</b>  | <b>156552</b>  | <b>176402</b>  | <b>194248</b>  | <b>214213</b>  | <b>236378</b>  | <b>260591</b>  |
| <b>Tax less subsidy</b>                                 | <b>46698</b>  | <b>56569</b>   | <b>57662</b>   | <b>63174</b>   | <b>70815</b>   | <b>85552</b>   | <b>105892</b>  | <b>2128324</b> | <b>123688</b>  |
| <b>GDP at current market price</b>                      | <b>915829</b> | <b>1055204</b> | <b>1198923</b> | <b>1343674</b> | <b>1515802</b> | <b>1732864</b> | <b>1975815</b> | <b>2250479</b> | <b>2536177</b> |
| <b>Growth rate</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>   | <b>14.02</b>   | <b>13.90</b>   | <b>12.69</b>   |

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

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### Growth of GDP by Sectors

Production based estimate of GDP encompasses 3 broad sectors which are agriculture, industry and service. Moreover, overall GDP consists of 15 sectors. Among these 15 sectors, 6 sectors are divided into different sub sectors. 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; repair of motor vehicles, motor cycles and personal and household goods, (ii) hotels and restaurants, (iii) transport, storage and communication, (iv) financial intermediations, (v) real estate, renting and business activities, (vi) public administration and defense, (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**

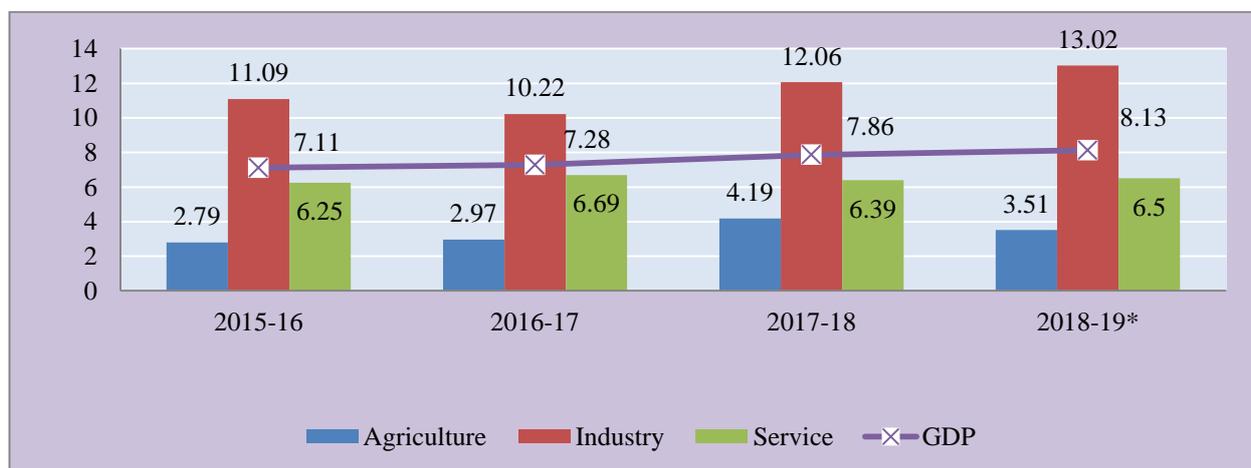
(Base Year: 2005-06)

(In Percentage)

| Sector/Sub-sector                                       | 2010-11      | 2011-12      | 2012-13      | 2013-14     | 2014-15      | 2015-16      | 2016-17      | 2017-18      | 2018-19*     |
|---|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|
| <b>1. Agriculture and Forestry</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>  | <b>1.96</b>  | <b>3.47</b>  | <b>2.58</b>  |
| a) Crops & horticulture                                 | 3.85         | 1.75         | 0.59         | 3.78        | 1.83         | 0.88         | 0.96         | 3.06         | 1.75         |
| b) Animal Farming                                       | 2.59         | 2.68         | 2.74         | 2.83        | 3.08         | 3.19         | 3.31         | 3.40         | 3.47         |
| c) Forest and related services                          | 5.56         | 5.96         | 5.04         | 5.01        | 5.08         | 5.12         | 5.60         | 5.51         | 5.58         |
| <b>2. Fishing</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>6.23</b>  | <b>6.37</b>  | <b>6.29</b>  |
| <b>3. Mining and Quarrying</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> | <b>8.89</b>  | <b>7.00</b>  | <b>7.39</b>  |
| a) Natural gas and crude petroleum                      | 0.68         | 3.78         | 7.55         | 2.47        | 8.73         | 11.77        | 0.34         | 2.25         | 3.11         |
| b) Other mining & coal                                  | 9.34         | 12.58        | 12.34        | 8.20        | 10.90        | 14.42        | 21.19        | 12.66        | 12.02        |
| <b>4. Manufacturing</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> | <b>10.97</b> | <b>13.40</b> | <b>14.73</b> |
| a) Large & medium scale                                 | 11.11        | 10.76        | 10.65        | 9.32        | 10.70        | 12.26        | 11.20        | 14.26        | 15.61        |
| b) Small scale  | 5.67         | 6.58         | 8.81         | 6.33        | 8.54         | 9.06         | 9.82         | 9.25         | 10.26        |
| <b>5. Electricity, Gas and Water Supply</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> | <b>8.46</b>  | <b>9.19</b>  | <b>10.57</b> |
| a) Electricity  | 15.82        | 10.97        | 9.69         | 1.69        | 6.09         | 14.20        | 9.22         | 10.19        | 11.57        |
| b) Gas  | 0.07         | 7.45         | 5.91         | 10.93       | 5.16         | 9.91         | 0.28         | 2.20         | 2.85         |
| c) Water  | 8.23         | 10.91        | 4.75         | 8.08        | 9.62         | 7.40         | 11.09        | 5.66         | 7.17         |
| <b>6. Construction</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>8.77</b>  | <b>9.92</b>  | <b>9.63</b>  |
| <b>7. Wholesale and Retail Trade</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>7.37</b>  | <b>7.45</b>  | <b>7.70</b>  |
| <b>8. Hotel and Restaurants</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>7.13</b>  | <b>7.28</b>  | <b>7.43</b>  |
| <b>9. Transport, Storage &amp; Communication</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>  | <b>6.76</b>  | <b>6.58</b>  | <b>6.88</b>  |
| a) Land Transport                                       | 7.18         | 6.83         | 5.91         | 5.56        | 6.18         | 6.28         | 7.06         | 6.72         | 6.93         |
| b) Water transport                                      | 2.92         | 3.10         | 3.21         | 3.15        | 3.62         | 3.20         | 4.10         | 3.50         | 3.72         |
| c) Air transport  | 15.23        | 5.76         | -1.64        | 0.61        | 8.71         | 1.48         | 2.79         | 2.74         | 6.04         |
| d) Support transport services, storage                  | 11.97        | 17.60        | 3.36         | 2.59        | 5.37         | 5.19         | 6.40         | 9.58         | 7.20         |
| e) Post and Tele communications                         | 13.77        | 16.92        | 9.67         | 9.56        | 6.11         | 6.81         | 6.98         | 6.53         | 7.56         |
| <b>10. Financial Intermediations</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>  | <b>9.12</b>  | <b>7.90</b>  | <b>8.32</b>  |
| a) Monetary intermediation (Banks)                      | 12.98        | 17.61        | 10.87        | 8.33        | 8.49         | 8.85         | 9.95         | 8.51         | 9.42         |
| b) Insurance  | 3.69         | 4.41         | 0.61         | 1.55        | 3.95         | 0.54         | 2.05         | 1.63         | -2.51        |
| c) Other financial auxiliaries                          | -2.54        | 2.33         | 3.14         | 3.63        | 4.68         | 4.54         | 9.06         | 9.05         | 8.29         |
| <b>11. Real Estate, Renting and Business Activities</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>4.80</b>  | <b>4.98</b>  | <b>5.15</b>  |
| <b>12. Public Administration and Defence</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>9.15</b>  | <b>8.47</b>  | <b>6.45</b>  |
| <b>13. Education</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>11.35</b> | <b>7.01</b>  | <b>6.50</b>  |
| <b>14. Health and Social Works</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>7.63</b>  | <b>7.02</b>  | <b>9.15</b>  |
| <b>15. Community, Social and Personal Services</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>3.62</b>  | <b>3.65</b>  | <b>3.69</b>  |
| <b>At Constant Price GDP Growth Rate</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>  | <b>7.28</b>  | <b>7.86</b>  | <b>8.13</b>  |

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

**Figure 2.1: Broad Sectoral GDP Growth at Constant Prices**



\*Provisional

### Agriculture Sector

At constant prices growth of agriculture and forestry sector under broad agriculture sector stood at 2.58 percent in FY2018-19, which was 3.47 percent in previous fiscal year. The growth of the three subsectors of agriculture and forestry sector i.e. crops and horticulture; animal farming; forest and related services reached 1.75 percent, 3.47 percent and 5.58 percent respectively in FY2018-19, which were 3.06 percent, 3.40 percent and 5.51 percent respectively in previous fiscal year.

The food-grain production target (rice, wheat and maize) in FY2018-19 has been set at 425.74 lakh metric tonnes (MT), which was 413.25 lakh MT in previous fiscal year. Rice production target in FY2018-19 is 364.59 (Aus 27.02, Aman 141.34, Boro 196.23) lakh MT. Besides, wheat production and maize production target in FY2018-19 has been set at 12.87 lakh MT and 38.28 lakh MT. According to the estimate of the Department of Fisheries (DoF), the total fish production in FY2018-19 is expected to be 43.81 lakh MT

(inland fish production 37.17 lakh MT and marine fish production 6.64 lakh MT), which was 42.77 lakh MT (inland fish production 36.22 lakh MT and marine fish production 6.55 lakh MT) in previous fiscal year.

### Industry Sector

According to the provisional estimate the growth of 3 sectors ('mining and quarrying', 'manufacturing' and 'electricity, gas and water supply') of broad industry sector increased while growth of 1 sector ('construction') decreased in FY2018-19. Those three sectors comprise 78.40 percent of industry sector and 27.55 percent of GDP. The growth of natural gas and crude petroleum sub-sector increased to 3.11 percent in FY2018-19, which was 2.25 percent in previous fiscal year. However, growth of other mining and coal sub-sector slightly decreased to 12.02 percent, from 12.66 percent in previous fiscal year. Similarly, growth of 'large and medium scale manufacturing' sub-sector slightly increased

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to 15.61 percent, but ‘small scale manufacturing’ sub-sectors increased to 10.26 percent. Moreover, growth of 3 sub-sectors i.e. electricity, gas and water supply were 11.57 percent, 2.85 percent and 7.17 percent respectively in FY2018-19; which were 10.19 percent, 2.20 percent and 5.66 percent respectively in the previous fiscal year. On the other hand, growth in construction sector slightly decreased to 9.63 percent in FY2018-19 from 9.92 percent in the previous fiscal year.

According to the ‘Quantum Index of Industrial Production (QIIP)’ (Base Year: 2005-06), Index of Industrial Production of ‘large and medium scale manufacturing’ sub-sector in the first five months (July-November 2018) of current FY2018-19 stood at 384.99, increasing by 18.05 percent from 326.12 during the same period in the previous fiscal year.

### Service Sector

According to the provisional data, growth in broad service sector increased to 6.50 in FY2018-19 compared to 6.39 in previous fiscal year. The output of the ‘wholesale and retail trade’, ‘hotel and restaurants’ and ‘transport, storage and communication’ sector under broad service sector registered growth to 7.70 percent, 7.43 percent and 6.88 percent respectively in FY2018-19; which were 7.45 percent, 7.28 percent and 6.58 percent respectively in the preceding fiscal year. The growth of ‘real estate, renting and business activities’ and ‘community, social and personal services’ sector increased to 5.15 percent in FY2018-19 from 4.98 in the previous fiscal year. However, the growth of

‘public administration and defense’ and ‘education’ sub-sectors slightly reduced while the growth of ‘Health and Social Works’ and ‘Community, Social and Personal Services’ sub-sectors increased compared to the growth in previous fiscal year.

### Sectoral Shares in GDP at Constant Prices

Table 2.4 shows the sectoral share of GDP at constant prices during FY2010-11 to FY2018-19. According to data, the share of the agriculture and forestry sector in GDP at constant prices stood at 10.11 percent in the FY2018-19, from 10.67 percent in FY2017-18. The sectoral share of 3 sub-sectors i.e. ‘crops and horticulture’, ‘animal farmings’ and ‘forest and related services’ under agriculture and forestry sector decreased to some extent in FY2018-19 from preceding fiscal year. Moreover, share of GDP in fishing sector decreased to 3.50 percent in FY2018-19 from 3.56 percent in FY2017-18. The contribution of broad agriculture sector of GDP was 13.60 percent in FY2018-19, which was 14.23 percent in previous fiscal year.

During FY2018-19, within the broad industry sector, contribution of ‘mining and quarrying’ sector slightly decreased to 1.77 percent from 1.78 percent in FY2017-18. Similarly, contribution of ‘manufacturing’, ‘electricity, gas and water supply’ and ‘construction’ sectors expanded to 24.21 percent, 1.57 percent and 7.59 percent of GDP respectively in FY2018-19 compared to the previous fiscal year. The share of broad industry sector reached 35.14 percent in FY2018-19 from 33.66 percent in FY2017-18.

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In FY2018-19, the share of broad service sector in GDP stood at 51.26 percent, from 52.11 percent in previous year. Within the broad service sector, the contribution of wholesale and retail trade sector (13.88%) was the highest. Also transport, storage and communication sector was second highest

(10.98%). Next positions are community, social and personal services (8.16%); real estate, renting and business activities (6.13%); public administration and defense (3.65%); financial intermediations (3.45%); education (2.42%); health and social works (1.85%) and hotel and restaurants (0.74%).

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

| Sector/Sub-sector                                       | (Base Year: 2005-06) |               |               |               |               |               |               |               |               |  |
|---|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
|   | (In percentage)      |               |               |               |               |               |               |               |               |  |
|   | 2010-11              | 2011-12       | 2012-13       | 2013-14       | 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19*      |  |
| <b>1. Agriculture And Forestry</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>  | <b>11.12</b>  | <b>10.67</b>  | <b>10.11</b>  |  |
| a) Crops & horticulture                                 | 10.50                | 10.01         | 9.49          | 9.28          | 8.87          | 8.35          | 7.86          | 7.51          | 7.05          |  |
| b) Animal Farmings                                      | 1.98                 | 1.90          | 1.84          | 1.78          | 1.73          | 1.66          | 1.60          | 1.53          | 1.47          |  |
| c) Forest and related services                          | 1.79                 | 1.78          | 1.76          | 1.74          | 1.72          | 1.69          | 1.66          | 1.62          | 1.58          |  |
| <b>2. Fishing</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>3.61</b>   | <b>3.56</b>   | <b>3.50</b>   |  |
| <b>3. Mining And Quarrying</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>   | <b>1.80</b>   | <b>1.78</b>   | <b>1.77</b>   |  |
| a) Natural gas and crude petroleum                      | 1.03                 | 1.00          | 1.01          | 0.98          | 1.00          | 1.04          | 0.98          | 0.92          | 0.88          |  |
| b) Other mining & coal                                  | 0.57                 | 0.61          | 0.64          | 0.65          | 0.68          | 0.73          | 0.82          | 0.86          | 0.89          |  |
| <b>4. Manufacturing</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>  | <b>21.74</b>  | <b>22.85</b>  | <b>24.21</b>  |  |
| a) Large & medium scale                                 | 14.32                | 14.86         | 15.49         | 15.95         | 16.58         | 17.37         | 18.01         | 19.07         | 20.36         |  |
| b) Small scale  | 3.43                 | 3.42          | 3.51          | 3.51          | 3.58          | 3.64          | 3.73          | 3.78          | 3.85          |  |
| <b>5. Electricity, Gas And Water Supply</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>   | <b>1.52</b>   | <b>1.54</b>   | <b>1.57</b>   |  |
| a) Electricity  | 1.13                 | 1.17          | 1.21          | 1.19          | 1.19          | 1.26          | 1.29          | 1.32          | 1.36          |  |
| b) Gas  | 0.15                 | 0.15          | 0.15          | 0.15          | 0.14          | 0.15          | 0.14          | 0.13          | 0.12          |  |
| c) Water  | 0.08                 | 0.09          | 0.08          | 0.09          | 0.09          | 0.09          | 0.09          | 0.09          | 0.09          |  |
| <b>6. Construction</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>7.36</b>   | <b>7.50</b>   | <b>7.59</b>   |  |
| <b>7. Wholesale And Retail Trade</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>14.01</b>  | <b>13.95</b>  | <b>13.88</b>  |  |
| <b>8. Hotel And Restaurants</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>0.75</b>   | <b>0.75</b>   | <b>0.74</b>   |  |
| <b>9. Transport, Storage &amp; Communication</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>  | <b>11.26</b>  | <b>11.13</b>  | <b>10.98</b>  |  |
| a) Land Transport                                       | 7.31                 | 7.32          | 7.31          | 7.27          | 7.24          | 7.18          | 7.17          | 7.09          | 7.00          |  |
| b) Water transport                                      | 0.89                 | 0.86          | 0.84          | 0.81          | 0.79          | 0.76          | 0.74          | 0.71          | 0.68          |  |
| c) Air transport  | 0.14                 | 0.14          | 0.13          | 0.12          | 0.12          | 0.12          | 0.11          | 0.11          | 0.10          |  |
| d) Support transport services, storage                  | 0.63                 | 0.69          | 0.67          | 0.65          | 0.64          | 0.63          | 0.63          | 0.64          | 0.63          |  |
| e) Post and Tele communications                         | 2.26                 | 2.48          | 2.56          | 2.64          | 2.63          | 2.65          | 2.61          | 2.58          | 2.56          |  |
| <b>10. Financial Intermediations</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>   | <b>3.45</b>   | <b>3.45</b>   | <b>3.45</b>   |  |
| a) Monetary intermediation (Banks)                      | 2.37                 | 2.62          | 2.73          | 2.79          | 2.84          | 2.88          | 2.96          | 2.97          | 3.00          |  |
| b) Insurance  | 0.42                 | 0.41          | 0.39          | 0.37          | 0.36          | 0.34          | 0.32          | 0.30          | 0.27          |  |
| c) Other financial auxiliaries                          | 0.20                 | 0.19          | 0.18          | 0.18          | 0.18          | 0.17          | 0.17          | 0.18          | 0.18          |  |
| <b>11. Real Estate, Renting and Business Activities</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>6.49</b>   | <b>6.31</b>   | <b>6.13</b>   |  |
| <b>12. Public Administration and Defence</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>3.70</b>   | <b>3.71</b>   | <b>3.65</b>   |  |
| <b>13. Education</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>2.48</b>   | <b>2.46</b>   | <b>2.42</b>   |  |
| <b>14. Health and Social Works</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>1.85</b>   | <b>1.83</b>   | <b>1.85</b>   |  |
| <b>15. Community, Social and Personal Services</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>8.87</b>   | <b>8.52</b>   | <b>8.16</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 (BBS) \*Provisional

The structural changes of contribution of broad sectors in GDP are shown in the Table 2.5 and Figure 2.2. Table 2.5 indicates that the structural change of agriculture sector to industry sector in GDP continues in FY2018-19. Figure 2.2 shows that contribution of

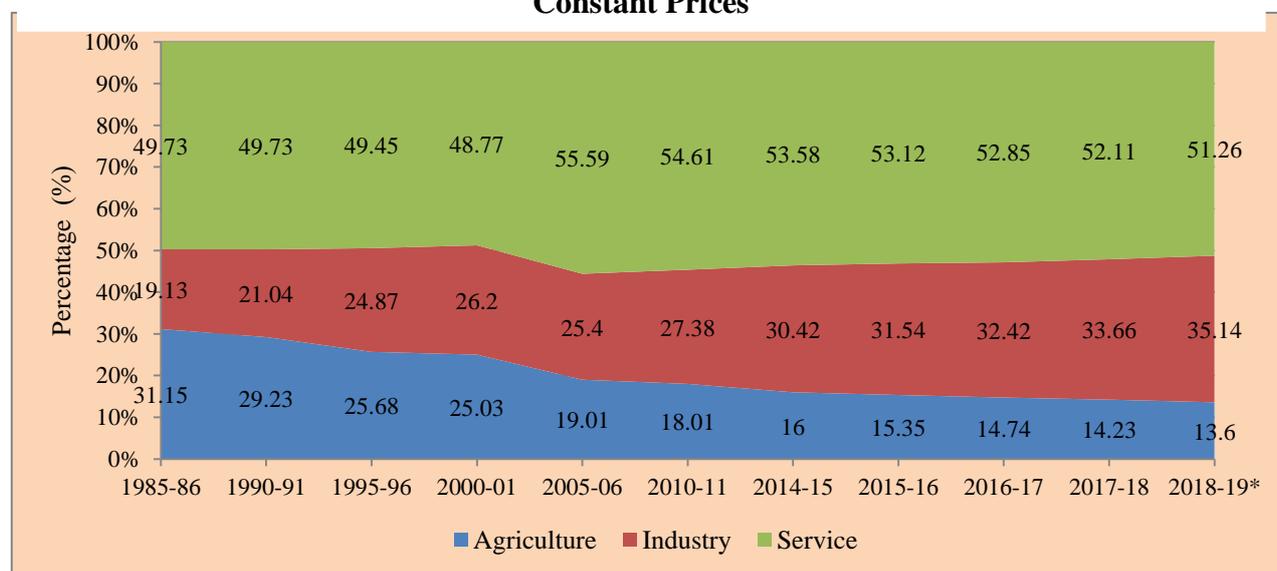
service sector was nearly 50 percent of GDP before FY2005-06. Contribution of this sector rose at 55.59 percent in FY2005-06. In recent times this contribution is near about 51-52 percent.

**Table 2.5: Trend of Structural Transformation of Broad Sectoral Shares in GDP and Growth Rate at Constant Prices**

| Share (in percent)               |         |         |         |         |         |         |         |         |         |         |         |           |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Sector                           | 1985-86 | 1990-91 | 1995-96 | 2000-01 | 2005-06 | 2010-11 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 * |
| Agriculture                      | 31.15   | 29.23   | 25.68   | 25.03   | 19.01   | 18.01   | 16.50   | 16.00   | 15.35   | 14.74   | 14.23   | 13.60     |
| Industry                         | 19.13   | 21.04   | 24.87   | 26.20   | 25.40   | 27.38   | 29.55   | 30.42   | 31.54   | 32.42   | 33.66   | 35.14     |
| Service                          | 49.73   | 49.73   | 49.45   | 48.77   | 55.59   | 54.61   | 53.15   | 53.58   | 53.12   | 52.85   | 52.11   | 51.26     |
| Total                            | 100.00  | 100.00  | 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    | 2.23    | 3.10    | 3.14    | 5.50    | 4.46    | 4.37    | 3.33    | 2.79    | 2.97    | 4.19    | 3.51      |
| Industry                         | 6.72    | 4.57    | 6.98    | 7.45    | 9.80    | 9.02    | 8.16    | 9.67    | 11.09   | 10.22   | 12.06   | 13.02     |
| Service                          | 4.10    | 3.28    | 3.96    | 5.53    | 6.60    | 6.22    | 5.62    | 5.80    | 6.25    | 6.69    | 6.39    | 6.50      |
| GDP (At producer prices)         | 3.34    | 3.24    | 4.47    | 5.41    | 7.18    | 6.64    | 6.15    | 6.54    | 7.11    | 7.28    | 7.86    | 8.13      |

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

**Figure 2.2: Share of three Major Sectors in the Last More than three Decades at Constant Prices**



\*Provisional

### Expenditure Based GDP

The scenario of consumption, savings and expenditure is presented in Table 2.6 and Table 2.7. According to the provisional data on the expenditure side, consumption decreased from 77.17 percent of GDP in

FY2017-18 to 76.07 percent in FY2018-19. On the other hand, domestic saving stood at 23.93 percent of GDP in FY2018-19; which was 22.83 percent in preceding fiscal year. However, national saving slightly increased to 28.41 percent in FY2018-19 from 27.42 percent in FY2017-18.

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

(In crore Taka.)

| Item                                 | 2010-11       | 2011-12        | 2012-13        | 2013-14        | 2014-15        | 2015-16        | 2016-17        | 2017-18        | 2018-19*       |
|--------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>1. Domestic Demand [(2)+(3)]</b>  | <b>978095</b> | <b>1129475</b> | <b>1275097</b> | <b>1430851</b> | <b>1617789</b> | <b>1813872</b> | <b>2078186</b> | <b>2439522</b> | <b>2729918</b> |
| <b>2. Consumption</b>                | <b>726966</b> | <b>831250</b>  | <b>934727</b>  | <b>1046858</b> | <b>1179924</b> | <b>1300034</b> | <b>1475356</b> | <b>1736587</b> | <b>1929384</b> |
| i. Public                            | 46684         | 53175          | 61339          | 71719          | 81918          | 102109         | 118467         | 143056         | 159768         |
| ii. Private                          | 680282        | 778075         | 873389         | 975139         | 1098006        | 1197925        | 1356889        | 1593531        | 1769616        |
| <b>3. Investment</b>                 | <b>251129</b> | <b>298225</b>  | <b>340370</b>  | <b>383994</b>  | <b>437865</b>  | <b>513839</b>  | <b>602830</b>  | <b>702936</b>  | <b>800533</b>  |
| i. Public                            | 48150         | 60802          | 79621          | 87991          | 103393         | 115492         | 146472         | 179417         | 207119         |
| ii. Private                          | 202979        | 237423         | 260749         | 296003         | 334472         | 398347         | 456358         | 523518         | 593414         |
| <b>4. Net Export</b>                 | <b>-69390</b> | <b>-82177</b>  | <b>-86570</b>  | <b>-87806</b>  | <b>-112361</b> | <b>-80663</b>  | <b>-103370</b> | <b>-194508</b> | <b>-179485</b> |
| <b>5. Gross Domestic Expenditure</b> | <b>908705</b> | <b>1047299</b> | <b>1188527</b> | <b>1343045</b> | <b>1505428</b> | <b>1733210</b> | <b>1974816</b> | <b>2245014</b> | <b>2550432</b> |
| <b>6. Gross Domestic Product</b>     | <b>915829</b> | <b>1055204</b> | <b>1198923</b> | <b>1343674</b> | <b>1515802</b> | <b>1732864</b> | <b>1975815</b> | <b>2250479</b> | <b>2536177</b> |
| <b>7. Statistical Discrepancy</b>    | <b>8017</b>   | <b>7905</b>    | <b>10396</b>   | <b>6292</b>    | <b>10375</b>   | <b>-346</b>    | <b>1000</b>    | <b>5465</b>    | <b>-14255</b>  |

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

Gross investment as percent of GDP accelerated in FY2018-19 compared to earlier year. Similarly, both public and private investment increased in FY2018-19 from previous fiscal year. The total investment rose to 31.56 percent in FY2018-19, which was 31.23 percent in FY2017-18. Public sector and private sector investment increased to

8.17 percent and 23.40 percent of GDP respectively in FY2018-19; which were 7.97 percent and 23.26 percent of GDP respectively in preceding fiscal year. In absolute term, amount of investment stood at Tk.8,00,533 crore in FY2018-19, increasing by 13.88 percent from Tk.7,02,936 crore in the previous fiscal year.

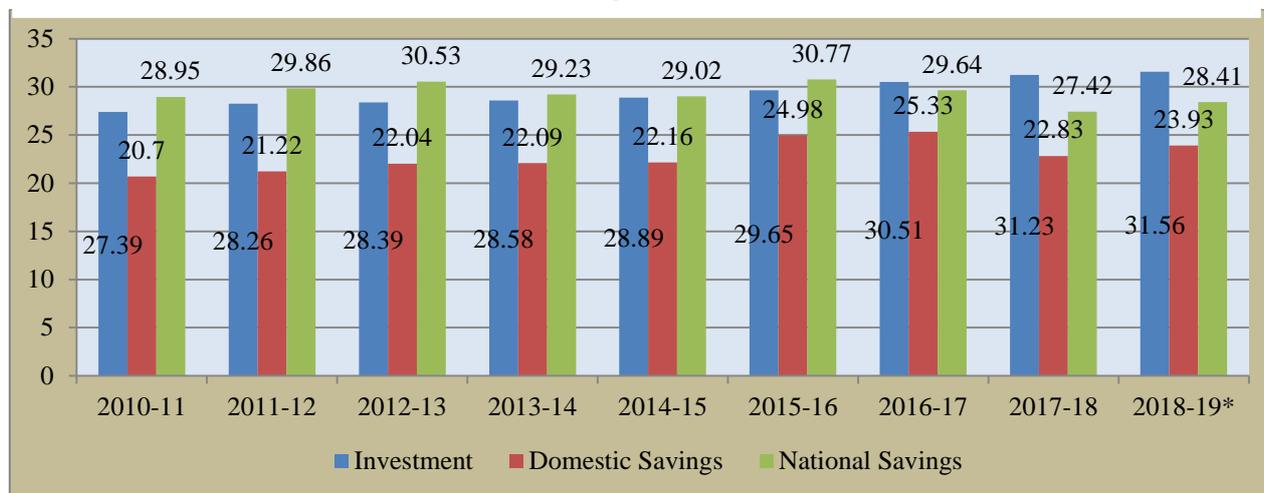
**Table: 2.7: Consumption, Savings and Investment (As percent of GDP)**

(Base Year: 2005-06)

| Item                       | 2010-11      | 2011-12      | 2012-13      | 2013-14      | 2014-15      | 2015-16      | 2016-17      | 2017-18      | 2018-19*     |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>1. Consumption</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> | <b>74.67</b> | <b>77.17</b> | <b>76.07</b> |
| i. Public                  | 5.09         | 5.04         | 5.12         | 5.34         | 5.40         | 5.89         | 6.00         | 6.36         | 6.30         |
| ii. Private                | 74.21        | 73.74        | 72.85        | 72.57        | 72.44        | 69.13        | 68.67        | 70.81        | 69.77        |
| <b>2. Investment</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> | <b>30.51</b> | <b>31.23</b> | <b>31.56</b> |
| i. Public                  | 5.25         | 5.76         | 6.64         | 6.55         | 6.82         | 6.66         | 7.41         | 7.97         | 8.17         |
| ii. Private                | 22.14        | 22.50        | 21.75        | 22.03        | 22.07        | 22.99        | 23.10        | 23.26        | 23.40        |
| <b>3. Domestic Savings</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>25.33</b> | <b>22.83</b> | <b>23.93</b> |
| <b>4. National Savings</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> | <b>29.64</b> | <b>27.42</b> | <b>28.41</b> |

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

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



\*Provisional

In order to increase domestic and foreign investment, the government of Bangladesh is formulating investment friendly policies, acts and laws. Bangladesh Economic Zone Authority (BEZA) has taken an initiative to create employment of around 1 crore people by establishing 100 Economic Zones (EZs) throughout the country by 2030. In this backdrop, approval has been given (up to January 2019) to establish 88 EZ (public 61 and private 27). ‘One Stop Act, 2018’ has been passed in the Parliament for simplifying the business and providing fast and hassle free services to the investors. Under this act, investors have been mandated to have necessary services from the same office. Moreover, it is expected that the investment in the country will be increased and GDP growth will be accelerated as some comprehensive plans and programmes under Annual Development Programme (ADP) and Public Private Partnership (PPP) on structural development, rapid electrification, energy

diversification, developed communication system and communication technology have been undertaken.

Bangladesh Investment Development Authority (BIDA) is relentlessly working with new initiatives to attain overall economic growth through encouraging local and foreign investment in private sector, providing facilities and assistance to establish industries and providing administrative coordination and better service to utilize government industries and commercial institutions and unutilized land and establishments into more suitable economic activities. BIDA is working to improve the ratings of Bangladesh which is currently 176th out of the 190 economies mentioned in the ‘Ease of Doing Business’ report. The full international standard online One Stop Service was launched on January 2019 in pilot basis. The new horizon of the investment environment is going to be opened by full-fledged One Stop Service.