Chapter-1

Macroeconomic Performance, Near and Medium Term Prospects

Global Economic Outlook

1.1 In 2012 the world economy grew at a moderate rate - 3.3 percent lower than the already disappointing pace of 2011 (Table 1.1). Policy measures taken by the major advanced economies failed to rebuild adequate confidence in the medium-term to uphold prospects. Though many emerging market and developing economies are growing at a rate of over 5 percent, output growth in the advanced economies is likely to remain sluggish, with high unemployment rates. The financial sector will also remain fragile (Global Financial Stability Report, October 2012).

1.2 IMF's latest World Economic Outlook Update (WEO Update, October 2012) anticipated that the average growth rate of the world economy would slow down from 3.8 percent in 2011 to 3.3 percent in 2012. This is lower than the July 2012 WEO Update and April 2012 WEO projections of 3.5 percent. The WEO forecast was revised downwards mainly because of the worldwide economic sluggishness in terms of low output growth and high unemployment rates during the first three quarters of 2012. Global manufacturing witnessed a sharp decline. The economies in the Euro zone suffered from financial crisis evident in a sharp increase in their sovereign rate spreads. These countries could not pull back from the financial crisis as was projected in the earlier WEO issues. The growth rate of the United Kingdom was also disappointing. As a result, the growth rate of the advanced economies was revised downward from 1.4 to 1.3 percent in 2012 compared to 1.6 percent in 2011. Finally, growth in the emerging market and developing economies was held back by the spillover effect of the advanced economies and their internal economic crisis. Their growth rate was projected to go down from 6.2 percent in 2011 to 5.3 percent in 2012. An overview of the WEO projections of economic growth is presented in Table 1.1.

Table 1.1 Overview of the World Economic Outlook projections

(annual percentage change)

	2010	2011	Projections	
			2012	2013
World output	**5.1**	**3.8**	**3.3**	**3.6**
Advanced economies	3.0	1.6	1.3	1.5
United States	2.4	1.8	2.2	2.1
Euro area	2.0	1.4	-0.4	0.2
Germany	4.0	3.1	0.9	0.9
France	1.7	1.7	0.1	0.4
Italy	1.8	0.4	-2.3	-0.7
Spain	-0.3	0.4	-1.5	-1.3
United Kingdom	1.8	0.8	-0.4	1.1
Japan	4.5	-0.8	2.2	1.2
Canada	3.2	2.4	1.9	2.0
Newly industrialised Asian Economies	8.5	4.0	2.1	3.6
Emerging and developing economies	7.4	6.2	5.3	5.6
Developing Asia	9.5	7.8	6.7	7.2
China	10.4	9.2	7.8	8.2
ASEAN-5	7.0	4.5	5.4	5.8
South Asia				
Bangladesh	6.4	6.5	6.1	6.1
India	10.1	6.8	4.9	6.0
Pakistan	3.1	3.0	3.7	3.3
Sri Lanka	7.8	8.3	6.7	6.7
World trade volume (goods and services)	**12.6**	**5.8**	**3.2**	**4.5**
Imports				
Advanced economies	11.4	4.4	1.7	3.3
Emerging and developing economies	14.9	8.8	7.0	6.6
Exports				
Advanced economies	12.0	5.3	2.2	3.6
Emerging and developing economies	13.7	6.5	4.0	5.7
Commodity prices (U.S. dollars)				
Oil	27.9	31.6	2.1	-1.0
Nonfuel	26.3	17.8	-9.5	-2.9
Consumer prices				
Advanced economies	1.5	2.7	1.9	1.6
Emerging and developing economies	6.1	7.2	6.1	5.8
South Asia				
Bangladesh	8.1	10.7	8.5	6.7
India	12.0	8.9	10.2	9.6
Pakistan	10.1	13.7	11.0	10.4
Sri Lanka	6.2	6.7	7.9	8.0

Source : World Economic Outlook, October 2012, IMF.

1.3 Consumer prices in advanced economies are expected to fall from 2.7 percent in 2011 to 1.9 percent in 2012. In the United States the labour market improved gradually and wages declined. As a result the CPI inflation has been projected to fall from 3.1 percent in 2011 to 2.0 percent in 2012. Similarly, in the Euro area inflation has been projected to fall from 2.7 percent in 2011 to 2.3 percent in 2012 as wages remained stagnant over this period. In emerging and developing economies inflation is also expected to fall from 7.2 percent in 2011 to 6.1 percent in 2012, though the projected changes for individual economies are different. For example, CPI inflation would decline in Bangladesh and Pakistan while it would go up in India and Sri Lanka (Table 1.1).

1.4 The growth rate of world trade volume has been projected to decline from 5.8 percent in 2011 to 3.2 percent in 2012 (WEO Update, October 2012). This is lower than the projection of WEO Update, July 2012. The growth rates of exports for both the advanced economies and emerging and developing economies are expected to fall to 2.2 and 4.0 percent in 2012 from 5.3 and 6.5 percent respectively in 2011. The growth of imports for both the advanced economies and emerging and developing economies are also projected to fall to 1.7 and 7.0 percent in 2012 from 4.4 and 8.8 percent respectively in 2011.

1.5 According to IMF (Global Financial Stability Report (GFSR), October 2012) the risks to financial stability have increased despite recent favourable developments in the financial markets due to feeble confidence in the global financial system. The Euro crisis remains the prime source of concern. The pressure on banks to shed assets was eased by the European Central Bank's (ECB's) special liquidity operations around the beginning of 2012. However, that pressure rose again, accompanied by increasing market fragmentation. At this point, integrated policy measures are required to bring back confidence, to reverse capital flight, and to reintegrate the Euro zone. Implementation of appropriate and growth-friendly fiscal consolidation, structural reforms, and completion of the banking sector clean-up to restructure viable banks and to resolve nonviable banks are the key elements of these integrated policy measures. The Euro area crisis has facilitated enormous capital flows to the United States and Japan. Although these flows have pushed government funding costs to historical lows, both countries continue to face considerable fiscal challenges. Emerging market economies have skilfully navigated through global shocks so far. However, they need to be aware of the risks of a potential shockwave while managing a slowdown in growth.

1.6 In the wake of new rounds of quantitative easing measures, policy rates remained very low and central bank balance sheets continued to expand in the major advanced economies. These unusually accommodative monetary stances were transmitted to emerging market economies in the form of undesirable exchange rates and capital flow volatility. During the second half of 2011 and the first half of 2012, against the backdrop of weakening growth and receding inflationary pressures, the central banks in many advanced and emerging market economies halted or reversed the tightening of policy rates that had taken place in the first half of 2011. The European Central Bank (ECB) cut back its main refinancing rate to 1 percent, while permitting the Euro area overnight rate to fall to a level close to its deposit facility rate, which was reduced to 0.25 percent. The other major advanced economies maintained their policy rates to stay at their effective lower bound. The Central Bank of Brazil cut its rates by 400 basis points starting from August 2011. The Reserve Bank of India reduced policy rates by 50 basis points in April 2012, and the People's Bank of China cut its benchmark one-year loan rate by 25 basis points in June 2012. Some emerging market central banks, including China and India, also lowered their reserve requirements. In June 2012, markets expected further cuts of policy rates in the Euro area, China, and Brazil while policy rates in the United States, the United Kingdom, Japan and India were expected to remain unchanged. In April 2012, the Federal Open Market Committee expected that given the macroeconomic performance the federal funds rates will remain at exceptionally low levels at least until late 2014.

Developments in the Bangladesh Economy

1.7 Despite the global economic downturn and challenging domestic economic environment, the Bangladesh economy achieved a respectable growth of 6.3 percent during FY12. The strong growth in the industry sector, a sustained high growth in the services sector and a modest growth in agriculture helped the real economy to remain steady. The Government and the Bangladesh Bank continued to adopt policies to attain economic stability and higher growth. Economic growth was aided by the slow but positive growth in exports and remittances, as well as robust domestic demand. Inflation remained high during FY12 mainly due to the upward trends in oil prices in the international market and the sharp depreciation of Taka. The annual average inflation increased to 10.6 percent in June 2012 from 8.8 percent in June 2011, while the 12-month point to point CPI inflation declined to 8.6 percent. Broad money (M2) grew by 17.4 percent in FY12, which was lower than the 21.4 percent growth recorded in FY11. Total domestic credit grew by 19.3 percent. The growth rate of credit to private sector declined from 25.8 percent in FY11 to 19.7 percent in FY12. However, this was higher than the annual target of 16.0 percent reflecting greater space provided by lower than expected government borrowing. Export earnings recorded a slower but positive growth of 6.2 percent during FY12 reflecting weak demand from the European Union and the US for low-end garment products from Bangladesh. The growth of import payments was at 5.4 percent. At the same time, remittances from non-resident Bangladeshi nationals increased by 10.2 percent. The substantial increase in remittances more than offset the trade deficit and services deficit. Together, a surplus in current account balance and a surplus in capital account more than offsetting a deficit in financial account led to a surplus in the balance of payments.

Growth Performance

1.8 In FY12, output and investment activities continued to expand although some macroeconomic volatility emerged. The real GDP growth rate was considerably lower than the initial projection of 7.0 percent, mainly because of the lower than expected growth in the agriculture sector. Agriculture sector output growth declined significantly, from 5.1 percent in FY11 to 2.5 percent in FY12 as growth in the crops and horticulture sub-sector declined markedly during the year. The rise in production cost due to higher prices of fuel, and fertiliser contributed to the slower growth of agriculture. The sectoral GDP growth rates are presented in Table 1.2. While the forest and related services and fishing sub-sectors attained higher output growth, the animal farming sub-sector achieved a slightly lower growth and the crops and horticulture sub-sector experienced a dramatic decline in growth rates in FY12 compared to those in FY11.

1.9 The improved power and energy supply helped the industry sector to achieve an impressive growth of 9.5 percent in FY12 compared to 8.2 percent in FY11 (Table 1.2). It was also aided by the spillover from last year's huge growth of imports of capital machinery and industrial raw materials. The growth rate in large and medium scale manufacturing remained high although it declined slightly from FY11. The small scale industry, on the other hand, experienced a higher growth compared to that in FY11. This was supported by the increased credit facilities through the SME financing. The power, gas and water supply sub-sector grew remarkably, by more than two fold, mainly due to the strong policy support. The growth in the construction sub-sector also increased significantly due to the higher demand in the housing sector.

1.10 Growth in the services sector slightly decreased to 6.1 percent in FY12 from 6.2 percent in FY11. Growth in the wholesale and retail trade, financial intermediations, education and health and social works sub-sectors declined slightly with considerable decline in the growth in public administration and defence sub-sector. On the other hand, the growth rates in the transport, storage and communication, real estate, renting and business activities and community, social and personal services sub-sectors increased in FY12 compared to those in FY11 (Table 1.2).

Savings and Investment

1.11 Gross fixed investment increased to 25.5 percent of GDP in FY12 from 25.2 percent in FY11 (Chart 1.1). During the same period private investment decreased from 19.5 percent to 19.1 percent of GDP and public investment increased from 5.6 percent to 6.3 percent of GDP. National savings rates increased from 28.8 percent of GDP in FY11 to 29.4 percent in FY12. Domestic savings as a percent of GDP also showed a similar trend, increasing slightly from 19.3 percent in FY11 to 19.4 percent in FY12, The domestic savings-investment gap as a percentage of GDP, correspondingly, increased from 5.9 percent in FY11 to 6.1 percent in FY12.

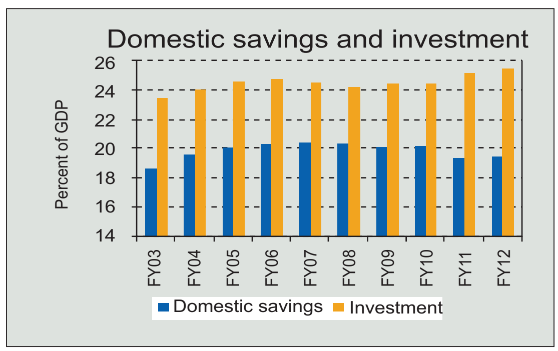
Table 1.2. : Sectoral GDP growth rates

(at FY96 constant prices)

	FY93-02 (Average)	FY03-12 (Average)	FY11^R	FY12^P
1. Agriculture	**3.1**	**3.9**	**5.1**	**2.5**
a) Agriculture and forestry	2.3	3.9	5.1	1.7
i) Crops and horticulture	2.0	3.6	5.7	0.9
ii) Animal farming	2.8	4.5	3.5	3.4
iii) Forestry and related services	3.9	4.9	3.9	4.4
b) Fishing	6.4	4.0	5.3	5.4
2. Industry	**7.2**	**7.9**	**8.2**	**9.5**
a) Mining and quarrying	6.6	7.9	4.8	6.3
b) Manufacturing	6.7	8.2	9.5	9.8
i) Large and medium scale	6.7	8.5	10.9	10.8
ii) Small scale	6.8	7.6	5.8	7.2
c) Power, gas and water supply	5.6	7.6	6.6	14.1
d) Construction	8.6	7.2	6.5	8.5
3. Services	**4.8**	**6.2**	**6.2**	**6.1**
a) Wholesale and retail trade	6.0	6.6	6.3	5.9
b) Hotel and restaurants	5.9	7.4	7.6	7.6
c) Transport, storage and communication	5.5	7.4	5.7	6.6
d) Financial intermediations	5.1	8.9	9.6	9.5
e) Real estate, renting and business activities	3.5	4.3	4.0	4.1
f) Public administration and defence	6.4	7.6	9.7	6.1
g) Education	6.4	8.8	9.4	8.6
h) Health and social works	4.4	7.0	8.4	7.9
i) Community, social and personal services	2.9	4.0	4.7	4.8
GDP (at FY96 constant market prices)	**4.9**	**6.2**	**6.7**	**6.3**

Source: Bangladesh Bureau of Statistics.
R=Revised, P=Provisional.

Chart 1.1



Price Developments

1.12 The average inflation rate maintained an upward trend and accelerated to 10.6 percent at the end of FY12 from 8.8 percent at the end of FY11. Over this period non-food inflation increased from 4.2 to 11.2 percent whereas, food inflation declined from 11.3 to 10.5 percent. Though average inflation went up, point to point CPI inflation decreased from 10.2 to 8.6 percent during this period. The upward trend in average inflation mainly stemmed from the repeated rounds of administered user prices hikes, the upward trends in oil prices in the international market, the lagged impact of the FY11 monetary stance and the sharp depreciation of domestic currency.

Money and Credit Developments

1.13 In FY12, the Bangladesh Bank continued to pursue a monetary policy stance which was designed to meet both output growth and inflation targets. This restricted diversion and excessive expansion of credit flow to unproductive sectors while ensuring adequate credit to productive sectors to stimulate inclusive growth. In order to reduce the inflationary pressure the Bangladesh Bank increased the repo and the reverse repo interest rates in two steps. They were increased from 6.75 and 4.75 percent in FY11 to 7.75 and 5.75 percent respectively in FY12. Besides, the Bangladesh Bank continued to maintain the cash reserve ratio (CRR) and the statutory liquidity ratio (SLR) for banks at 6.0 and 19.0 percent respectively.

1.14 The broad money (M2) growth stood at 17.4 percent in FY12, which was lower than the 21.4 percent growth recorded in FY11 and was close to the target of 17.0 percent growth under the programme. The growth in broad money was mainly driven by the growth in net domestic assets (NDA). The NDA of the banking system increased by 18.1 percent in FY12 resulting from a 19.3 percent growth in domestic credit against the target of 19.1 percent. The credit to public sector increased by 17.5 percent in FY12. The growth rate of the credit to private sector declined from 25.8 percent in FY11 to 19.7 percent in FY12. However, this was higher than the targeted growth of 16.0 percent.

Chart 1.2

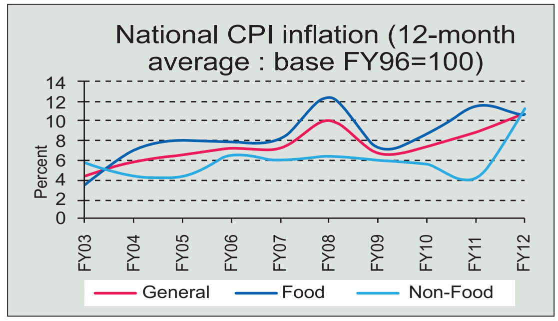


Chart 1.3

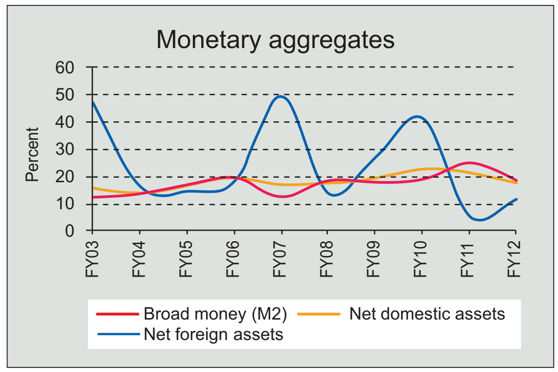
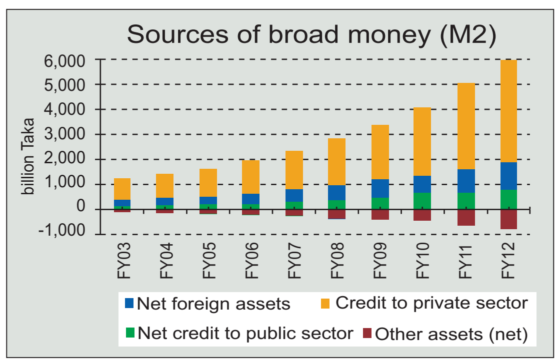


Chart 1.4



1.15 Of the components of broad money on the liability side, growth of the time deposits (20.7 percent) was higher than that of the currency and demand deposits (6.4 percent). The income velocity of money declined marginally to 1.77 in FY12 from 1.81 in FY11, indicating increased monetisation and financial deepening in the economy.

1.16 The weighted average interest rate on bank advances increased to 13.7 percent at the end of June 2012 from 12.4 percent at the end of June 2011, while the deposit rate increased to 8.3 from 7.3 percent over the same period.

Public Finance

1.17 Excluding grants the overall budget deficit to GDP ratio increased to 5.1 percent in FY12, from 4.5 percent in FY11. Domestic financing of the deficit decreased to 3.8 percent of GDP in FY12 from 3.9 percent of GDP in FY11.

1.18 Revenue receipts in FY12 were 12.6 percent of GDP. It grew by 23.6 percent in FY12 compared to the 22.5 percent growth in FY11. The revenue receipts growth was mainly led by income tax receipts, non-tax revenue receipts and taxes collected from other sources including supplementary duty and export duty. However, the growth of revenue from income and profit declined to 27.7 percent in FY12 compared to the 35.3 percent growth in FY11.

1.19 Public expenditure in FY12 was 17.6 percent of GDP. It grew by 25.7 percent, compared to 26.2 percent growth in FY11.

1.20 Current expenditure in FY12 surpassed initial allocations for a number of accounts namely agriculture sector, industrial and economic services, defence services, social sector, public order and safety, local government and rural development and housing.

Chart 1.5

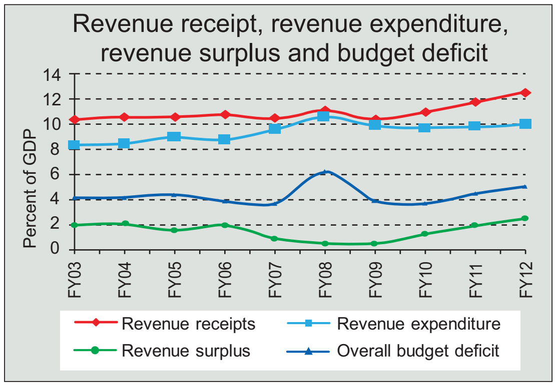
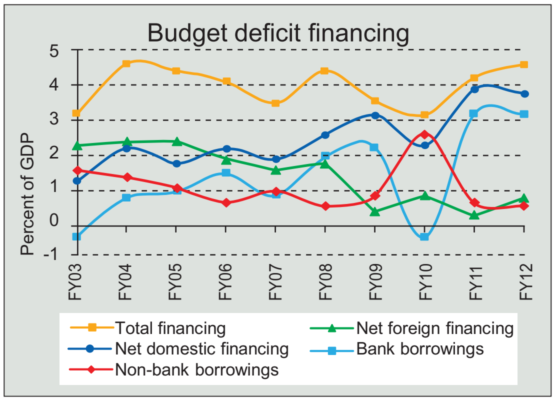


Chart 1.6



External Sector

1.21 The exports earnings increased to USD 23992.0 million from USD 22592.0 million and imports payments increased to USD 31987.0 million from USD 30336.0 million in FY12 over FY11. Trade deficit widened to USD 7995.0 million in FY12 from USD 7744.0 million in FY11. The services and income account including primary income and secondary income registered a surplus of USD 9625.0 million due to an increase in remittance inflows. Remittance inflows increased to USD 12843.0 million in FY12 from USD 11650.0 million in FY11. As a consequence current account surplus was USD 1630.0 million in FY12 compared to USD 885.0 million surplus in FY11. The capital and financial account deficit declined from USD 1278.0 million in FY11 to USD 486.0 million in FY12, primarily due to increased flow of FDI and portfolio investment. The capital account surplus declined from USD 642.0 million to USD 469.0 million during this period. While taking into account net errors and omissions, the overall balance of payments registered a surplus of USD 494.0 million in FY12 compared to a deficit of USD 656.0 million in FY11. Gross international foreign exchange reserves at end-year stood at USD 10364.0 million, representing about 3.9 months of import cover.

1.22 The export earnings, expressed as a percent of GDP, increased from 20.2 in FY11 to 20.8 in FY12. The growth rate of exports earnings declined from 39.2 percent to 6.2 percent during this period. While ready-made garments (RMG), leather, tea and other export items experienced a positive growth, some of the export items like fertiliser, raw jute, terry towels, jute goods, and frozen foods experienced a negative growth. Among the RMG export items, woven garments grew by 13.9 percent while the knitwear growth was very insignificant (only 0.05 percent).

1.23 Import payments, as a percent of GDP, increased from 27.1 in FY11 to 27.7 in FY12. Imports grew at a rate of 5.4 percent during FY12 compared to 41.8 percent growth in FY11. This lower growth of import payments resulted mainly from the decline in food grains imports by 52.9 percent although other food items, consumer and intermediate goods, and capital goods and others experienced positive import growth of 49.7, 6.6 and 5.7 percent respectively in FY12.

Chart 1.7

Chart 1.8

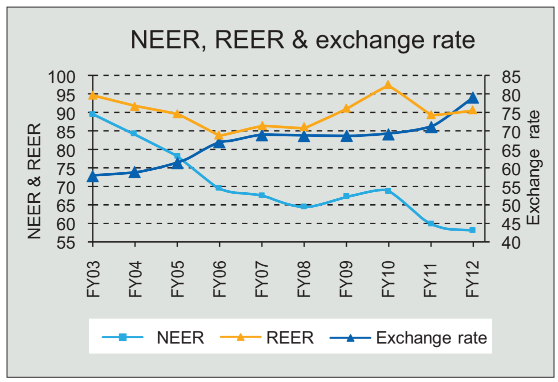
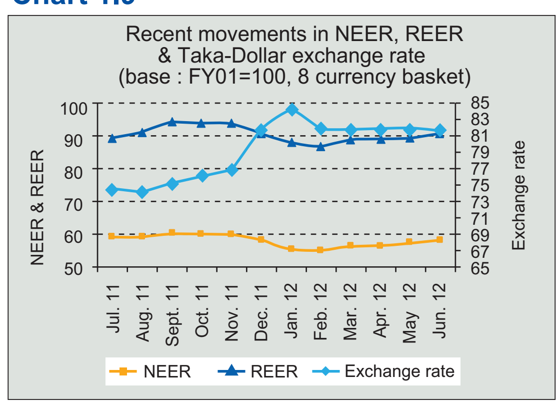


Chart 1.9



1.24 The rate of growth of workers' remittance inflows was 10.2 percent in FY12 compared to the previous year's moderate growth of 6.0 percent.

1.25 The foreign exchange market experienced some volatility during parts of

FY12 with strong demand pressures from both the public and the private sectors. During the first half of FY12, high international oil prices and low aid disbursements forced significant depreciation of the Taka against USD and some foreign reserve depletion. In the second half of FY12, external pressure eased due to monetary tightening, lower import demand, increased flow of remittances and the proactive steps taken by the Bangladesh Bank. The BB's interventions in the market were aimed at easing demand pressure while keeping liquidity at the appropriate levels. The pressure on the exchange rate of Taka was eased partly by the BB's net sale of USD 624.0 million from reserves. With this partial easing, Taka depreciated against USD by 10.0 percent for the whole of FY12 (Appendix 2, Table XXI). The nominal exchange rate of Taka increased to Taka 81.82 per US dollar as of June 2012 from Taka 74.15 per US dollar as of end June 2011. In nominal effective terms, against a trade weighted eight currency basket (base: 2000-01=100), the Taka depreciated by 2.8 percent in FY12, while the real effective exchange rate of the Taka appreciated by 2.2 percent.

1.26 Outstanding external debt of Bangladesh increased to USD 22.8 billion as of end June 2012 from USD 22.1 billion as of end June 2011. However, the outstanding debt to GDP ratio remained unchanged at 19.7 percent at the end of June 2012.

Financial Sector Issues

1.27 In light of the global economic slowdown, the financial sector of the country has been closely monitored to maintain macroeconomic stability. Bangladesh's financial system remained sound and resilient throughout 2012, though it had to address issues related to a financial sector fraud as discussed below. The banks have strengthened their funding base over the year and are prepared to meet future credit demand and support economic growth. The risk weighted capital adequacy ratio improved in FY12 from 10.35 in September 2011 to 11.31 in June 2012. Most of the banks are now able to comfortably meet the regulatory requirements for core funding. A new Financial Stability Department was set up and a Financial Stability Report was produced and disseminated. Banks carried out stress testing effectively in line with the BB's guidelines, the results of which indicated bank's resilience to minor shocks. According to the recent stress test results, the banks and the insurance companies are resilient to relevant risks despite the significantly conservative settings of the two stress scenarios adopted. This reflects not only the presence of a high initial bank capital buffer, but also the banks' ability to generate income even in an adverse scenario. The interest rates and charges/fees for banking services have been closely monitored to foster competition and to protect the customer. The payment and settlement systems operated smoothly and contributed effectively to maintaining financial system stability. The BB's financial inclusion drive continued and credit access has been widened for underserved productive sectors.

1.28 In the second half of FY12, BB detected a large financial fraud in a branch of a state-owned bank. BB promptly referred the case to the Anti-Corruption Commission and the process of bringing the perpetrators of this fraud to justice is underway. Bangladesh Bank investigated this scam and found weakness in loan sanctioning within this bank including poor control over fund management of the Treasury Department, no regular meeting by the Asset-Liability Management Committee, no effective coordination between Treasury Department and branches etc.

Bangladesh Bank has stepped up it's financial supervision role following this scam. Highlights include:

- Appointment of a Fraud Risk Detection and Risk Mitigation Advisor who has been imparting training to BB officials and bank staff on ways to detect and reduce fraud. In addition, an international IMF-supported consultant is working to strengthen off-site and on-site supervision.

- An electronic dashboard has been set up for real-time monitoring of letters of credit and other banking transactions so that abnormalities can be detected faster.

- Corporate Memory Management System (CMMS) has been established to preserve the disciplinary record of officers and directors of scheduled banks and non-bank financial institutions.

- Quick Review Report (QRR) of banks is being done on quarterly basis with a view to identifying existing risk specially capital, resource management, earning capacity, liquidity etc.

- Information on serious irregularities detected by the Department of Off-site Supervision is sent regularly to Department of Banking Inspection of BB to check these at field level.

Near and Medium Term Outlook for the Bangladesh Economy

1.29 The Bangladesh economy experienced an impressive over six percent growth rate in FY12 despite the global crisis. Global growth performance should improve moderately in 2013 given the proactive role adopted by the European and the US policymakers to deal with their major short and medium term economic challenges. Even against this background of difficult global economic conditions, the prospects for the Bangladesh economy are favourable over the near and medium term. However, macroeconomic policies must continue to support a vigorous and sustained expansion in agriculture and industry together with an acceleration in investment activities while striving to maintain inflation under control. This policy course will reinforce the recent trends in the economy which has experienced a moderate growth in the agriculture sector, increased government revenue collection and large investments in infrastructure including in the power sector. The accompanying achievements of a more stable exchange rate and a declining inflation setting have contributed to the favourable revision in macroeconomic indicators announced in the updated Medium Term Macroeconomic Framework (MTMF) for 2013-2017. For instance, real GDP growth has been projected to rise to 7.2 percent in FY13 and increase gradually to 8.0 percent by FY15 and remain slightly above this 8.0 percent level thereafter. Achieving these sustained growth levels would not be possible without further development of the power, energy and communication infrastructure. It is envisaged that these large investment projects would be undertaken by both the Government and the private sector, as well as through joint endeavours. Furthermore, underlying the growth projections are additional expansion in the industry and services sectors. The main growth impetus from these sectors would stem principally from further expansion of SME activities and augmenting agriculture outputs through productivity enhancements and diversification. Accordingly, gross domestic investment has been projected to increase gradually from 26.6 percent of GDP in FY13 to 32.8 percent in FY17 supported by the introduction and implementation of pro-industrialisation and investment friendly economic policies and strategies. Inflation is projected to decline to 7.5 percent in FY13 and to decrease gradually afterwards.

1.30 Bangladesh's recent economic growth averaging 6.2 percent over the past decade is undoubtedly impressive. Attainment of the expected GDP growth in FY13 will depend mainly on effective adoption of prudent macroeconomic policies in a sound domestic economic environment along with global economic recovery. Bangladesh will also need to focus on markets outside the EU, particularly in the ASEAN and the SAARC countries. These sound economic policies combined with the policies contributing to rapid gains in social indicators will contribute to Bangladesh's aspiration to become a middle income country in the near future.