

Bangladesh

A Stable and Vibrant Economy

AN ILLUSTRATIVE TIME SERIES APPROACH

APRIL 2015



Bangladesh Bank
(Central Bank of Bangladesh)

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BANGLADESH: A STABLE AND VIBRANT ECONOMY

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Governor's Message



- ❖ I am very delighted to learn about the publication of the time series booklet, *Bangladesh: A Stable and Vibrant Economy*. I thank the relevant departments and Chief Economist's Unit in particular for carrying out this task during this pre-budget time when the economy draws ample public attention. In addition, this booklet can be used to convey a dispassionate picture of the economy to the global stakeholders of the country and also to the eager readers who take enormous interests in Bangladesh.
- ❖ The specialty of this publication lies in the time series approach which helps the reader to understand the potentials of our economy from a long-term perspective while judgments based on simply short run deviations may often be misleading or confusing. Hence, this is a valuable collection whose usefulness is long lasting. Each page of this document contains a graphical presentation that tells us more stories than the words could deliver.
- ❖ I believe this booklet will represent our economy in a more direct and authentic way. I will be really glad if the readers find this publication beneficial and thought provoking. I also welcome any constructive comments or ideas that will further enrich the stability and vibrancy of the Bangladesh economy.

Atiur Rahman, PhD
April 14, 2015

Bangladesh: A Role Model of Sustained Growth

- ❖ Bangladesh has been achieving a respectable average annual growth of 6.14 percent over the last 12 years (2003-2014). This growth performance has been spectacularly stable.
- ❖ The standard deviation of the growth rates for the same period was as low as a quarter of a percent – lowest not only in South Asia but also in many other regions of the globe where emerging economies are performing.
- ❖ That makes Bangladesh special and the global mega lenders are now considering the country as the next hotspot for investment in infrastructure, energy, housing, education, and technology.
- ❖ Bangladesh is an economy of proven resilience and vibrancy. Political disturbances or natural disasters could not pull its growth down, because the people are amazingly adaptive and hardworking.
- ❖ The geographical location of Bangladesh, which is strategically rewarding, gives the country an extra strength in trade, transports, and communications. Bangladesh is a land of opportunities for today and a promising land of development for tomorrow. Its progress is simply irresistible.

History of Policy Regimes

Socialist Economic Program (1972-1975): In 1972, Bangladesh nationalized major industries, banks, insurance, public enterprises.

Denationalization and Privatization Policy (1976-1990): The government began to denationalize public sector enterprises in 1976. Privatization process in Bangladesh started with the announcement of the New Industrial Policy (NIP) in 1982: The policy reforms were characterized mainly by withdrawal of food and agricultural subsidies, privatization of state-owned enterprises, reduction of tariff and non-tariff import restrictions, boosting exports.

Liberalization and Fiscal Consolidation Policy 1991-Now: Liberalization started since the mid-1980s though it began with stronger force in the early 1990s with the resumption of parliamentary democracy in 1991. New VAT (Value Added Tax) began in 1991. Financial sector reforms mainly ranged over the period from 1989 to 1995 while Current Account Convertibility was launched in 1994. Interest rate liberalization took place in this time. In 2003, the central bank switched from the fixed exchange rate system to the flexible exchange rate regime.

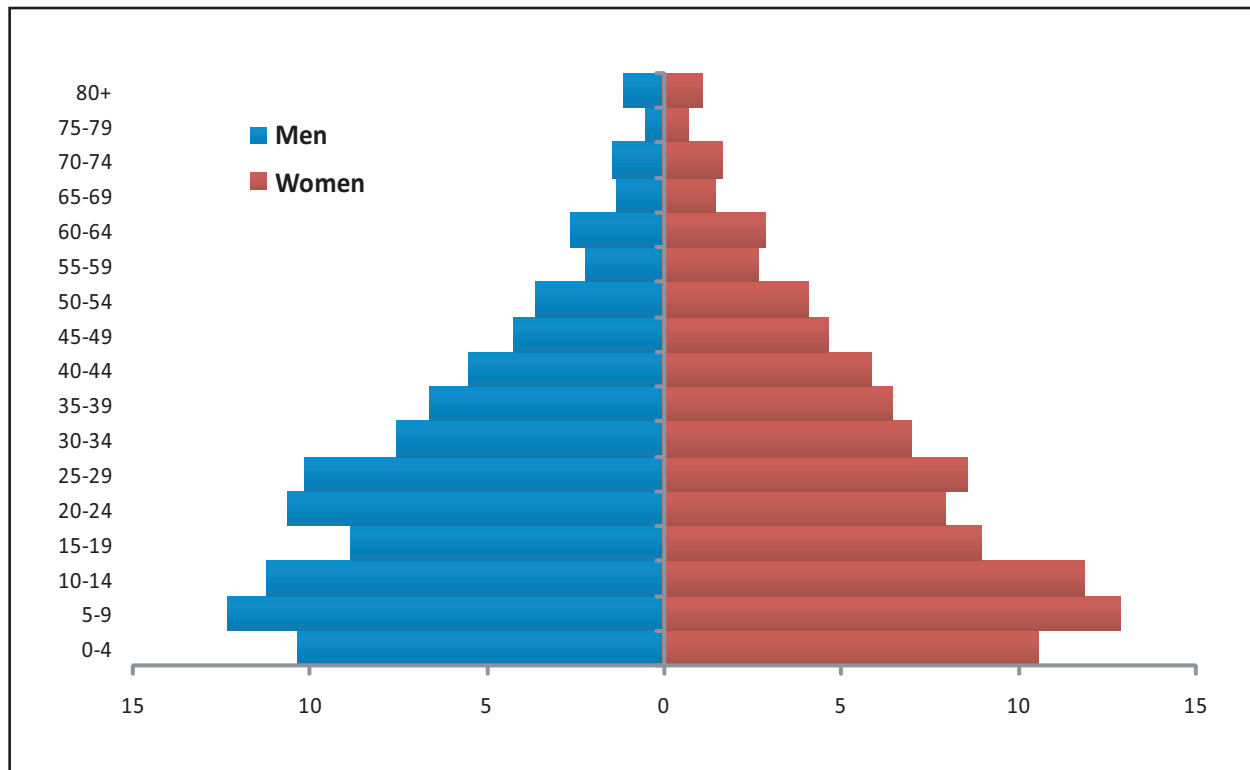
Policy Credibility: Bangladesh did not look back once it started liberalization in the early 1990s. The main reason behind this policy irreversibility is the financial gain Bangladesh achieved during the liberalized regime when growth earned a new momentum to place the country on a new path of acceleration.

Geographic Advantage



- ❖ Bangladesh is a geographically blessed country. It has a huge potential to turn into a hub of connectivity for South and South East Asia.
- ❖ Its position is strategically important for the emerging giants like China and India.
- ❖ The countries that find Bangladesh as a future route of connectivity include Malaysia, Thailand, Myanmar, Bhutan, Nepal, India, and Sri Lanka.

Demographic Advantage



- ❖ Bangladesh enjoys the demographic dividend: the majority of the population are young and demand generators as shown in the diagram (based on 2011 data).
- ❖ Tech savvy young graduates are coming out of universities in large numbers every year, continually being added into the large pool of manpower further flourishing demographic dividend with growing share of working age people.
- ❖ The population pyramid with a wider bottom fuels greater productivity in the economy.

PART I: OUTLOOK AND PROSPECTS

Global Outlook on Growth

GDP at constant prices	Year on year % change			Projections	
	2011	2012	2013	2014	2015
World	4.1	3.4	3.3	3.3	3.8
Advanced Economies	1.7	1.2	1.4	1.8	2.3
USA	1.6	2.3	2.2	2.2	3.1
Euro Area	1.6	-0.7	-0.4	0.8	1.3
Other Advanced Economies	2.7	1.6	2.1	2.9	2.9
Emerging Market and Developing Economies	6.2	5.1	4.7	4.4	5
China	9.3	7.7	7.7	7.4	7.1
India	6.6	4.7	5	5.6	6.4
Bangladesh	6.5	6.3	6.1	6.2	6.4

Source: IMF World Economic Outlook (October 2014)

- ❖ Bangladesh is a regional star performer in growth.
- ❖ The country is no less capable of generating growth than its neighboring giants like China and India.
- ❖ Bangladesh remains above the average growth rate generated by the emerging and developing economies.
- ❖ Bangladesh's success in achieving moderately high growth along with respectably high stability is only comparable with China's in the region of Asia and the Pacific.

Investment Prospects

- ❖ Japan sees Bangladesh as the most prospective country for future mega investments because its growth is respectable and historically sustained.
- ❖ China is increasingly augmenting its stakes in Bangladesh in infrastructure, power, and trade.
- ❖ India sees Bangladesh as the most reliable neighbor to benefit from mutual investment, connectivity, trade, and harmony.
- ❖ The US sees Bangladesh as a country of immense potentials and a future source of high return on investment.
- ❖ Economic zones are mushrooming and they will change the landscape.
- ❖ Bangladesh is one of the very few countries to achieve the millennium development targets faster than expected.

Outlook in the Media



- ❖ Despite differences in opinion, all media outlets believe one thing in common that Bangladesh's growth is irresistible.
- ❖ A brighter future is ahead and hence the consumer confidence is always buoyant.

People Understand Business



The new generation temperament is business minded. People often defy political calls of hartals or blockades which people feel unwarranted.

Hartal becomes work-vibrant

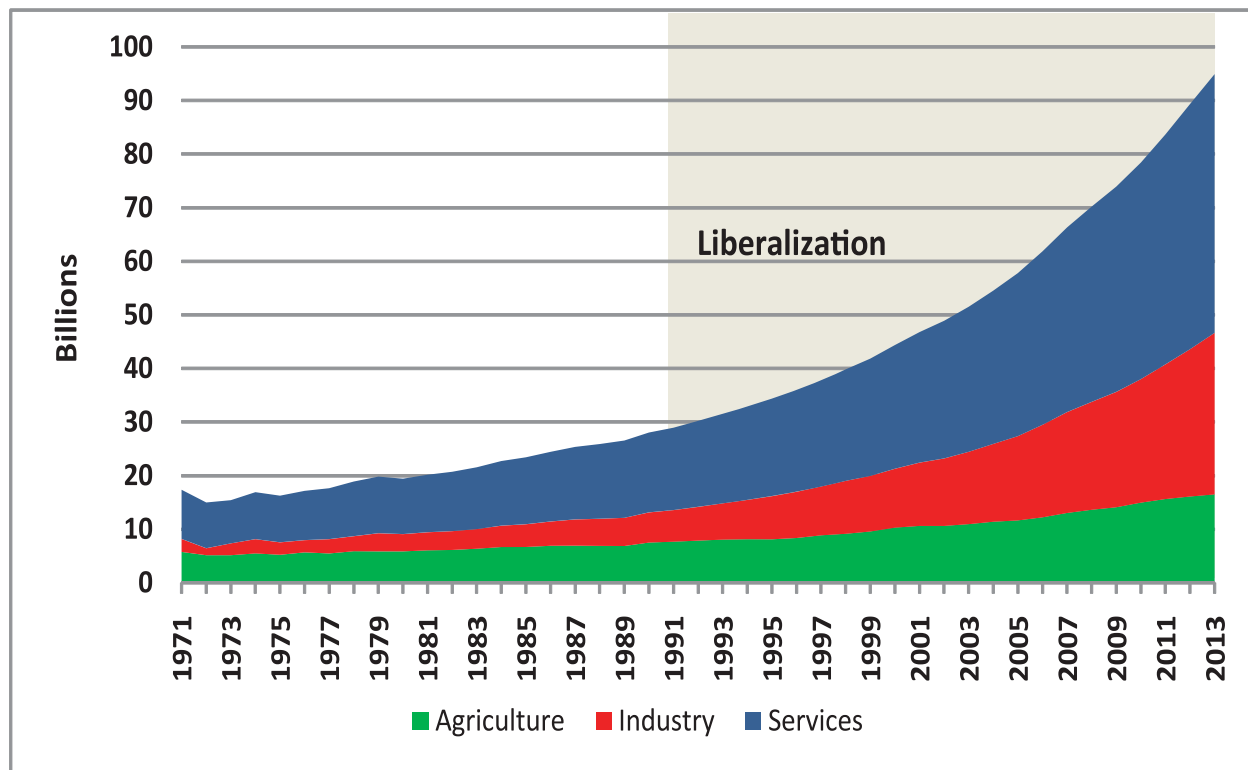
People irked, defiant; non-stop program loses its sting.

The ongoing hartals and over two-month-long indefinite blockade seem to have fizzled out. Tired of the prolonged agitation by the BNP-led alliance, people in big cities and district towns are coming out of their homes in large numbers to carry out their regular work. Local and inter-district bus operators have increased their trips significantly over the last week. The night-time trips of long-haul buses resumed on Thursday night after over a month. Transportation of goods across the country has been largely normal. All offices and businesses in and outside Dhaka are operating smoothly. Markets and roadside shops are open. Almost all the schools and colleges in the districts are running their normal academic activities as more students are joining classes and taking

Source: The Daily Star, 15th March, 2015

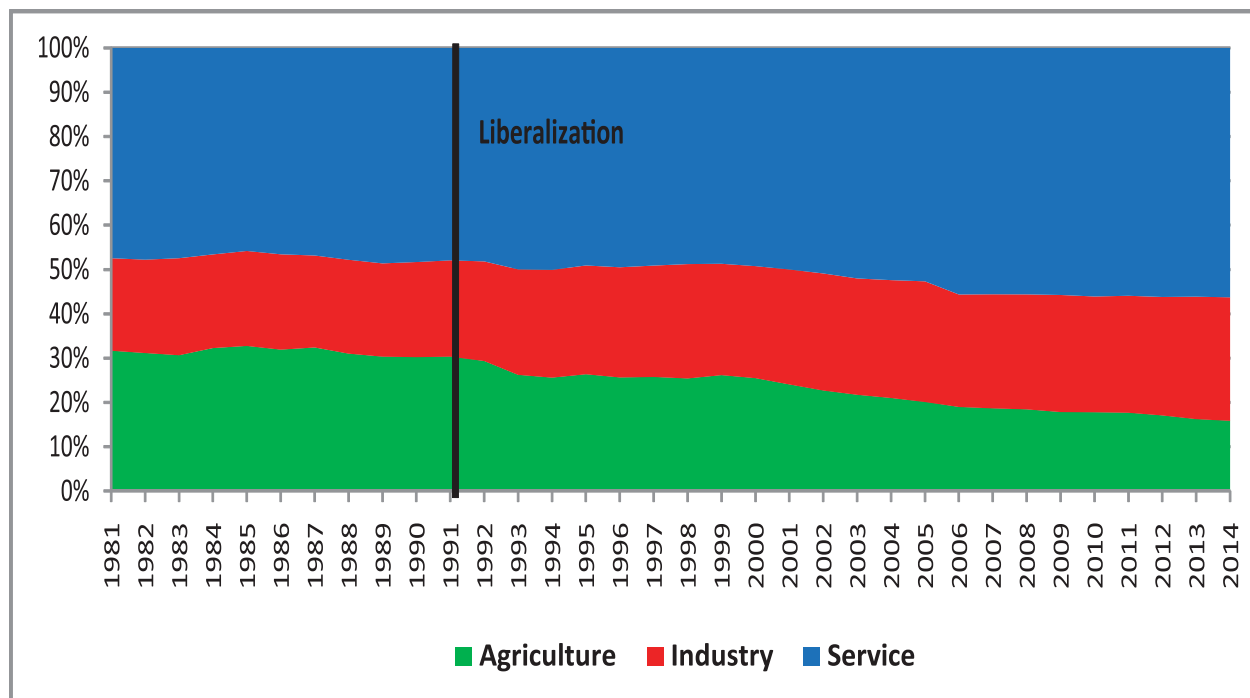
PART II: DOMESTIC SECTOR: RESILIENT AND FIRM

Dynamics of the Three Sectors



- ❖ The dynamics of the three major sectors of the economy, agriculture, industry, and services, looks impressive.
- ❖ Although all the sectors are moving up in volume, their developments got a new momentum since liberalization in the early 1990s.
- ❖ Except for the turbulent 1970s, the development of the sectors are smoothly uptrending.

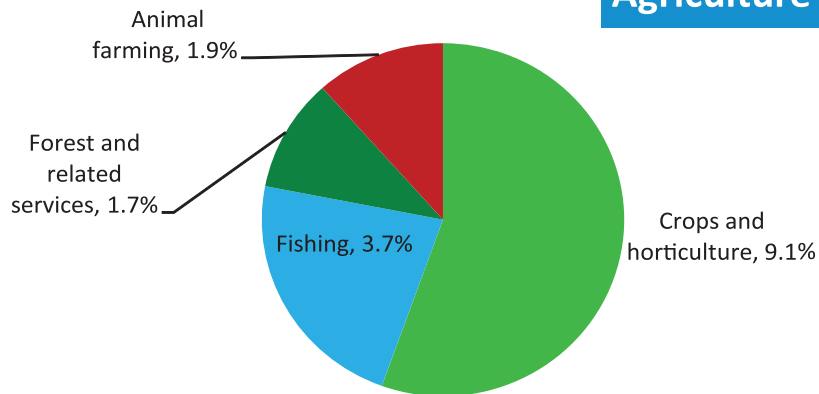
Relative Shares of the Three Sectors



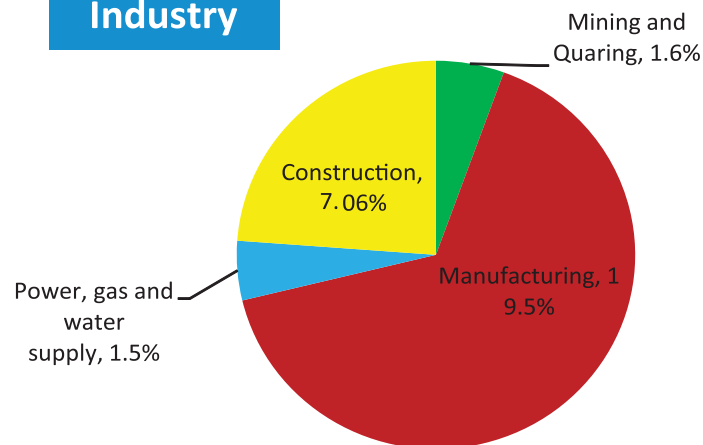
- ❖ The change of the relative shares of the three sectors is simply classical in pattern.
- ❖ As the economy grows at a respectable rate, the relative share of agriculture gradually shrinks while that of industry or services gradually rises.
- ❖ In Bangladesh's case both industry and services augmented their shares over time, implying a healthy transformation of the economy in the path of modern development.

Diversity of Each Sector Implying Strength

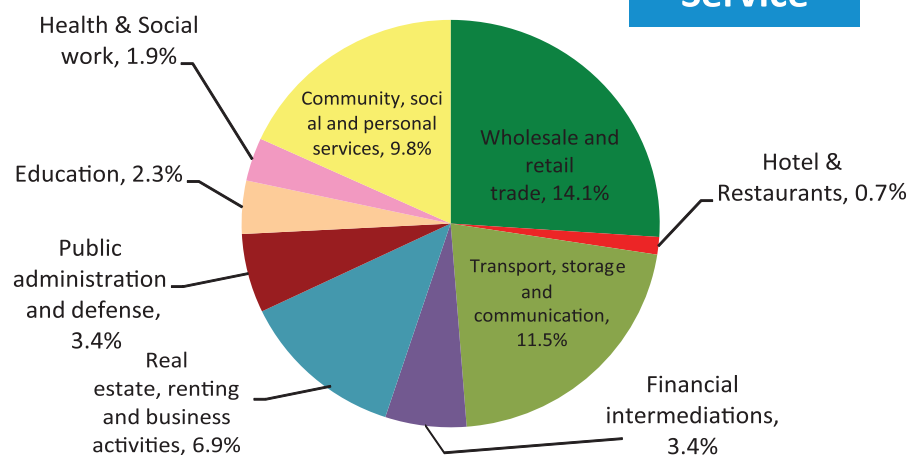
Agriculture



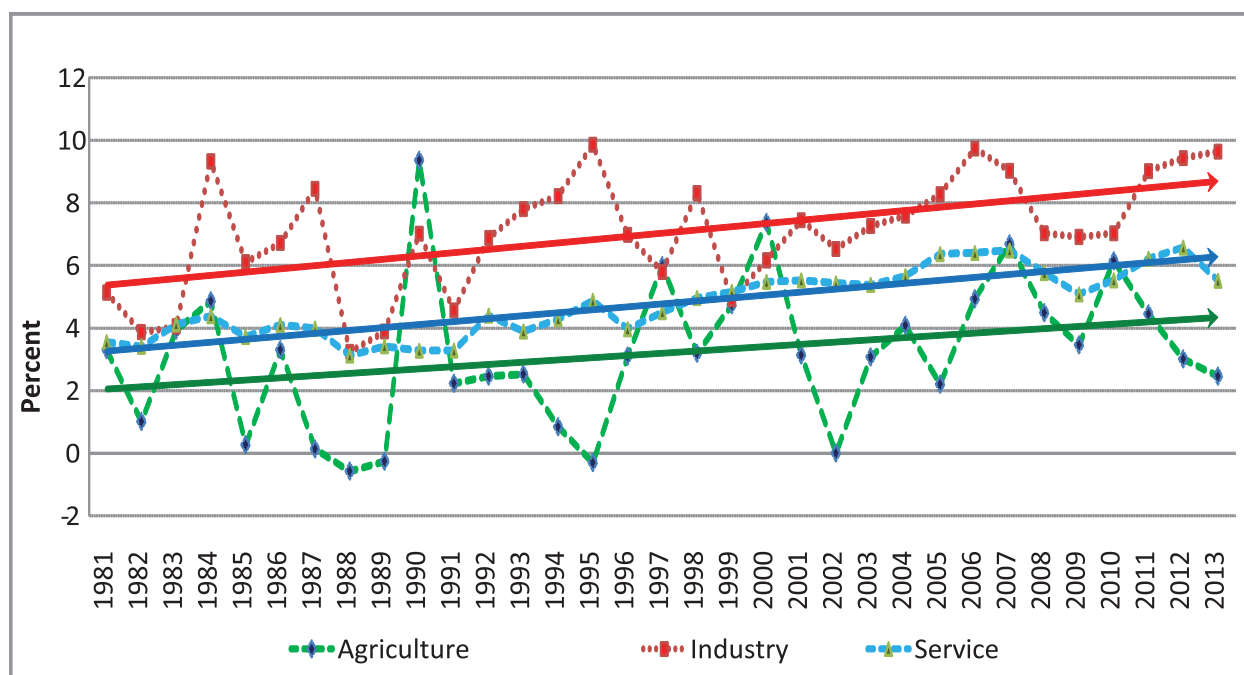
Industry



Service

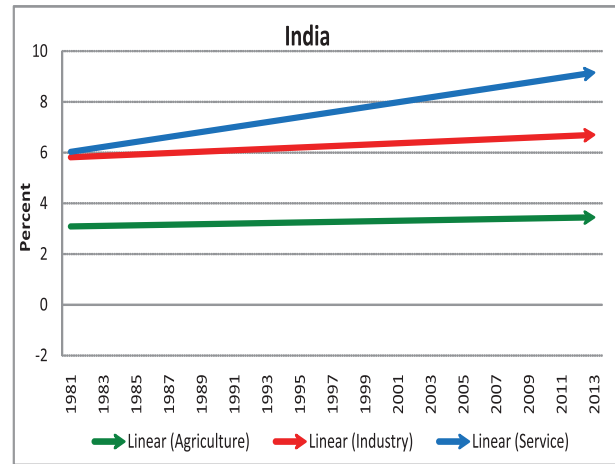
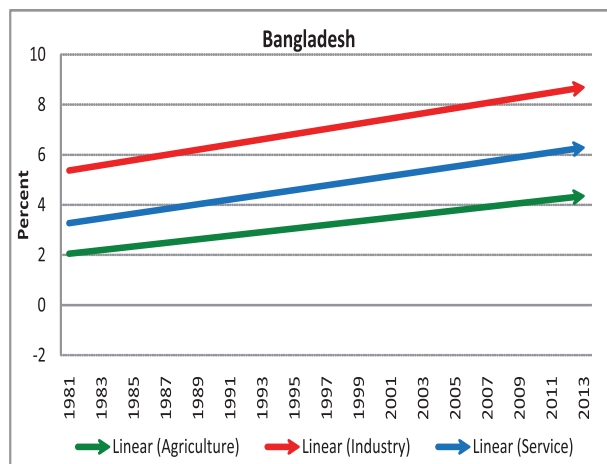


Sector Growth Trends: Financial Inclusion



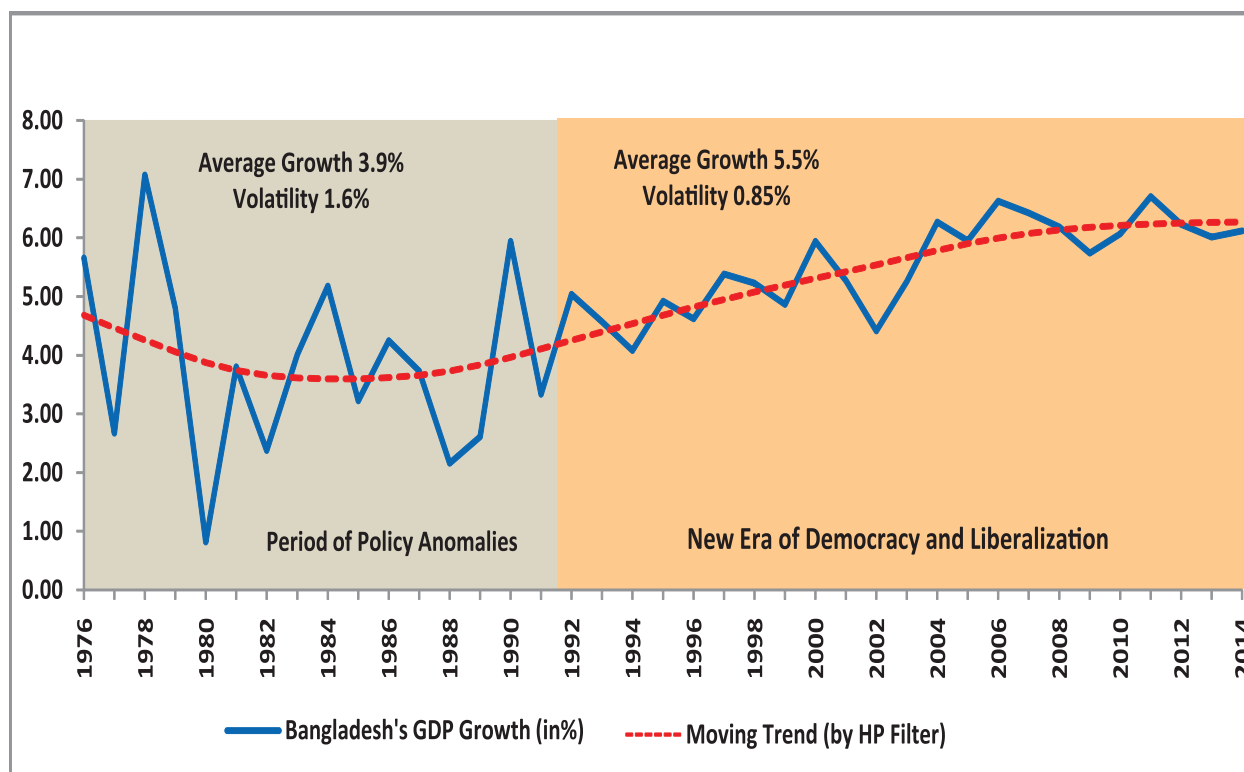
- ❖ All three sectors are growing at a consistent rate, justifying the measures of financial inclusion.
- ❖ Usually, agriculture is often neglected when an economy enters its emerging stage (e.g. India). But that did not happen for Bangladesh.
- ❖ Although agriculture has the lowest share among others, it harbors the highest amount of population through employment.
- ❖ Moreover, the growth of the rest two sectors is heavily disrupted if agriculture cannot grow in tandem.

Sector Growth Trends: Bangladesh vs. India



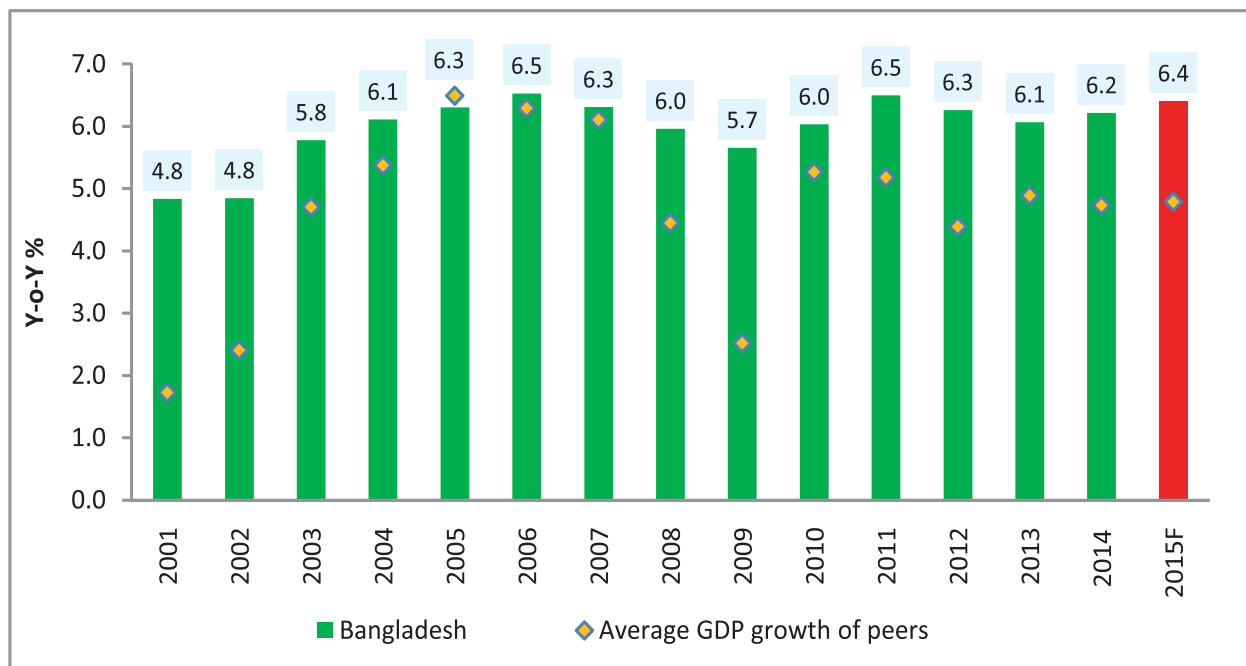
- ❖ The trends of sectoral growth in Bangladesh are much more robust and balanced than those in India from an overall point of view.
- ❖ India displays highest growth in the service sector, but fails to transmit the similar pattern in agriculture and industry.
- ❖ Hence, Bangladesh's growth is more inclusive in nature than India's.

Growth and Trend after Liberalization



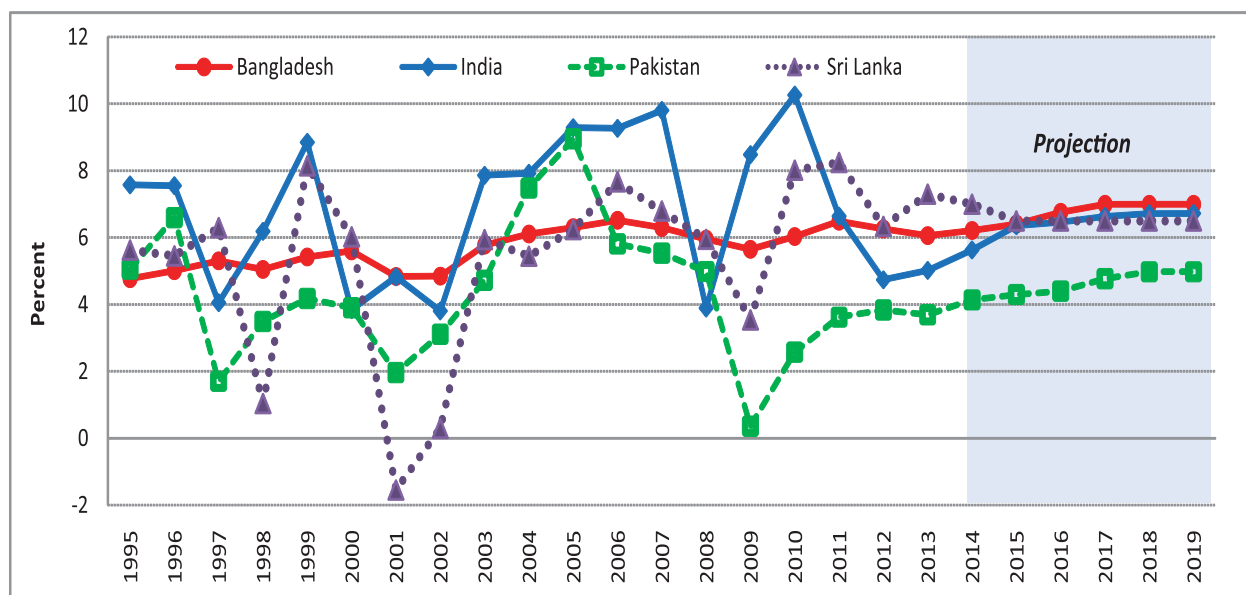
- ❖ Bangladesh entered a new era of growth momentum since liberalization and the resumption of parliamentary democracy in the early 1990s.
- ❖ Many economists in the early 1990s were skeptical and often critical about the liberalization measures of the government. But the diagram shows that they were wrong in their assessment of the strength of the market economy, which in fact empowered the poor the most.
- ❖ Liberalization is often thought as volatility augmenting, but that did not happen for Bangladesh. Rather, growth uncertainty reduced drastically since the country embarked on liberalization.

Growth Comparison with Peers of Similar Ratings



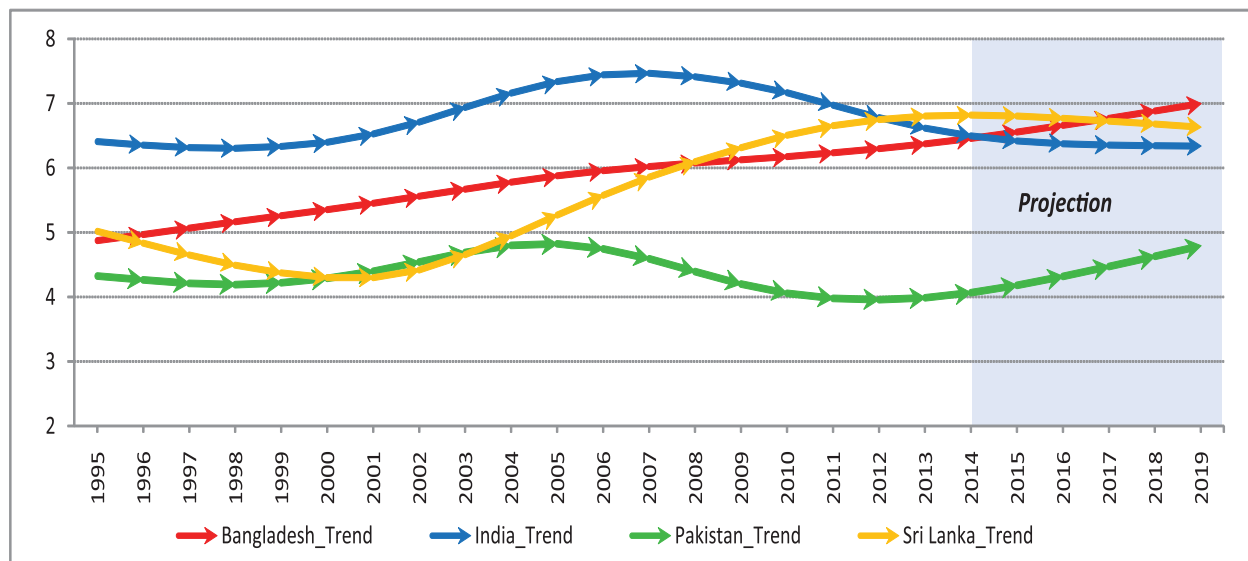
- ❖ Bangladesh consistently exceeded the average growth rate of its peers who got similar ratings by the rating agency Standard and Poors.
- ❖ The year of 2005 when Bangladesh's growth was slightly less than its peers' can be treated as an exception.
- ❖ More evidently, Bangladesh outstandingly outperformed its peers in 2008 and 2009 when the financial crisis tormented the globe in a significantly way.

Projected Growth Comparison in South Asia



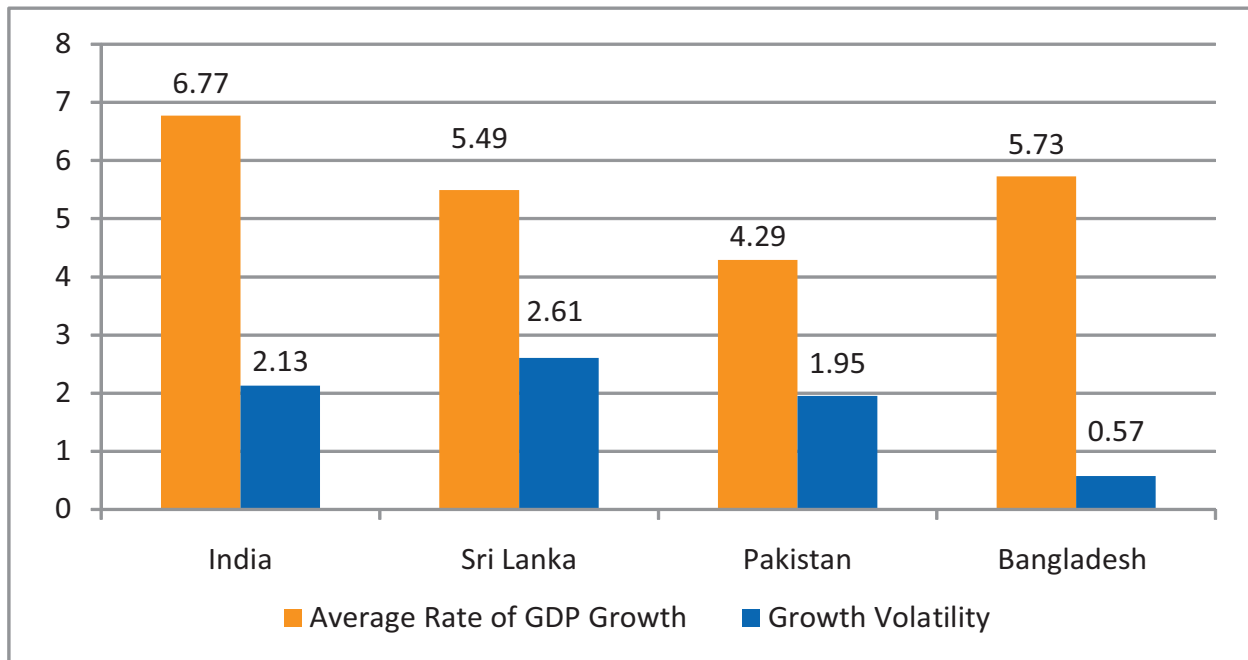
- ❖ The projected growth comparison by the IMF shows that Bangladesh will be an outperformer of growth in South Asia.
- ❖ Hence, Bangladesh's investment prospects look promising.
- ❖ The capital abundant countries got this message and they are showing elevated levels of interest in the service and manufacturing sectors of Bangladesh.

Growth Trend Comparison in South Asia



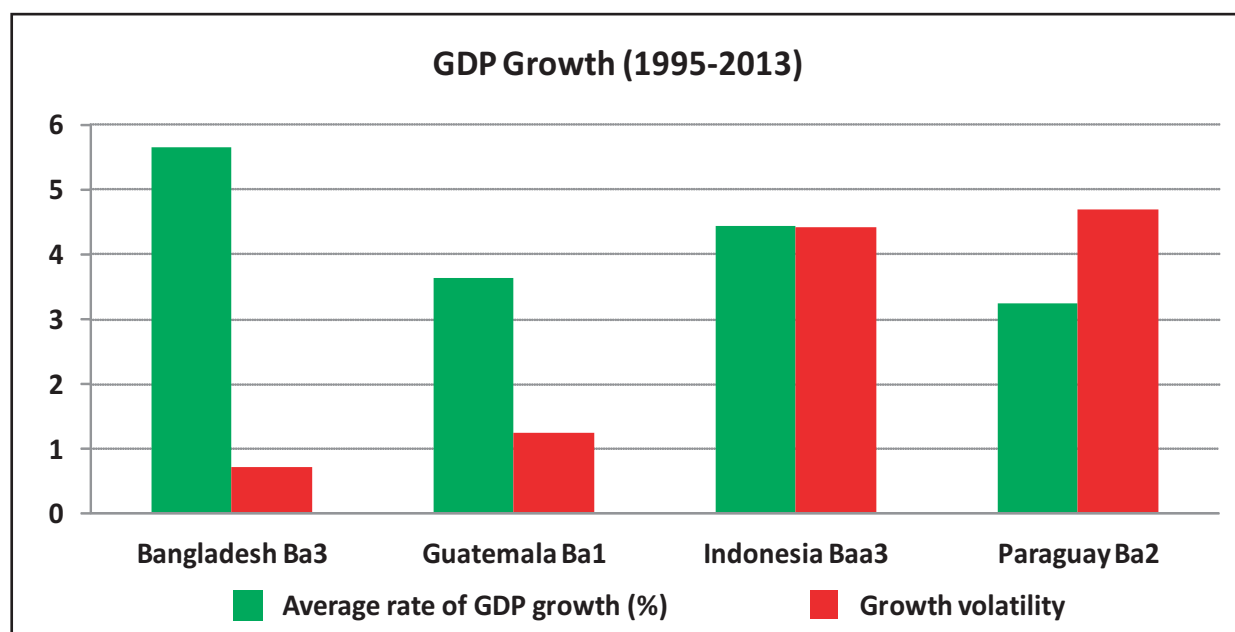
- ❖ While Bangladesh's growth is not currently the highest in the region, its trend of growth shows the most impressive upward trend in South Asia.
- ❖ Thus, judging the Bangladesh economy in terms of its long term growth potentials has been more relevant in recent decades.
- ❖ Bangladesh's growth potential is the most solid and unswerving in the region as the H-P trend lines show.

Growth and Volatility in South Asia



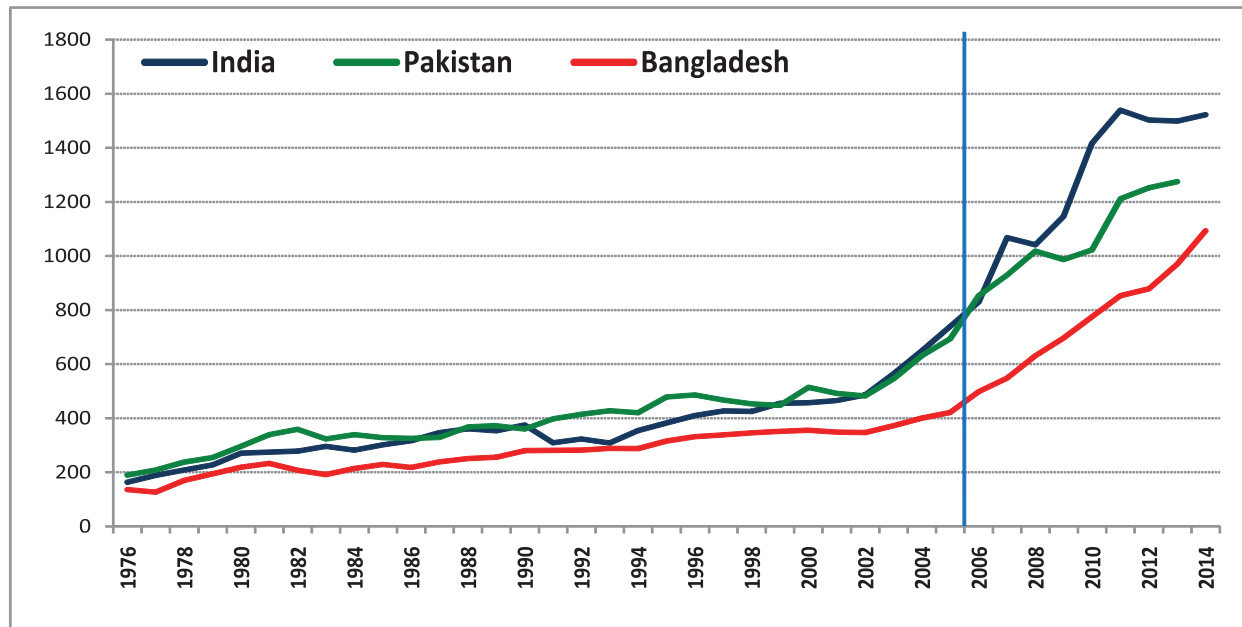
- ❖ The average annual real GDP growth rate of Bangladesh over the past two decades (1995-2014) is the second highest in South Asia with the lowest volatility.
- ❖ This indicates that the economic growth of Bangladesh is more stable than its regional peers.
- ❖ Now Bangladesh aims high to exceed India in the growth performance.

Growth and Volatility Comparison with Peers of Better Ratings



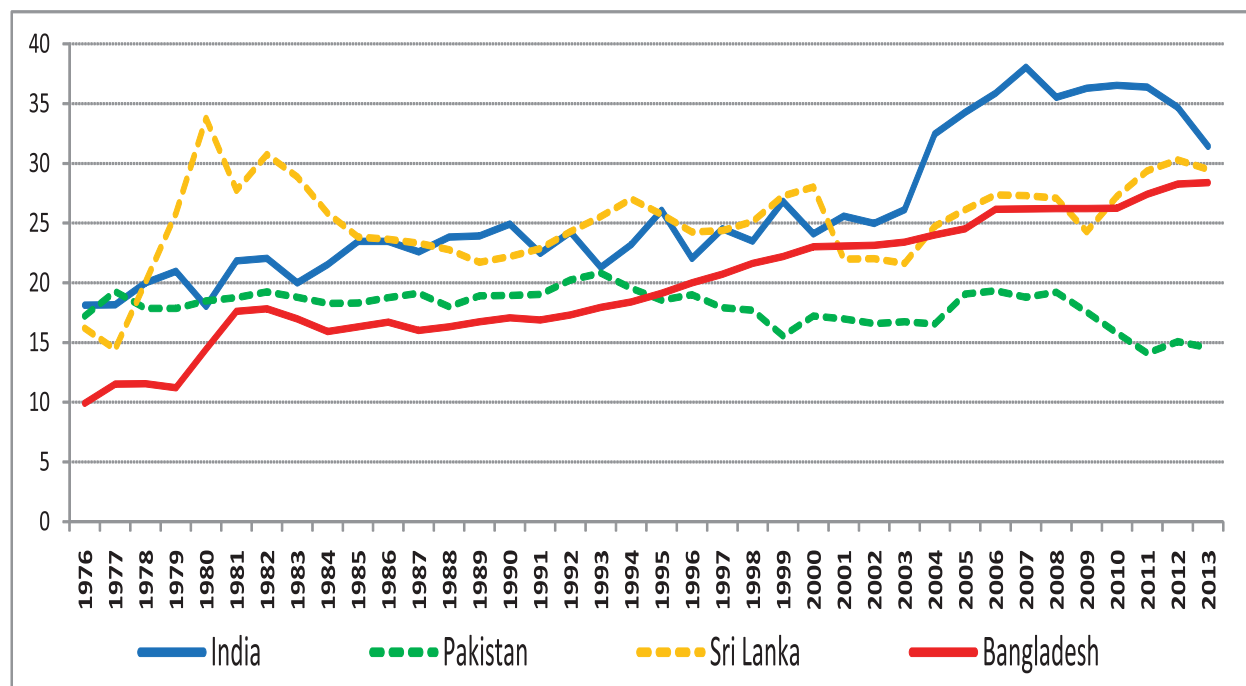
- ❖ Bangladesh outperforms the average growth rate of Guatemala, Indonesia, and Paraguay – the countries who have been rated higher than Bangladesh by the rating agency Moody's.
- ❖ Usually higher growth rates are associated with higher volatility. But Bangladesh's moderately high growth performance has been associated with almost lowest possible volatility, suggesting financial and real sector stability in the country.

Per Capita Income and Trend in South Asia



- ❖ Bangladesh's per capita income appears to catch its neighbors'.
- ❖ Although per capita income in Bangladesh is currently lower than that in India and Pakistan, a simple visual examination shows that the trend in per capita income of Bangladesh has been steeper than that of others particularly since the mid-2000s. Bangladesh will catch Pakistan in per capita income in less than 10 years if the current trend persists.
- ❖ Bangladesh will earn the status of middle income country in a couple of years.

Investment-GDP Ratio in South Asia



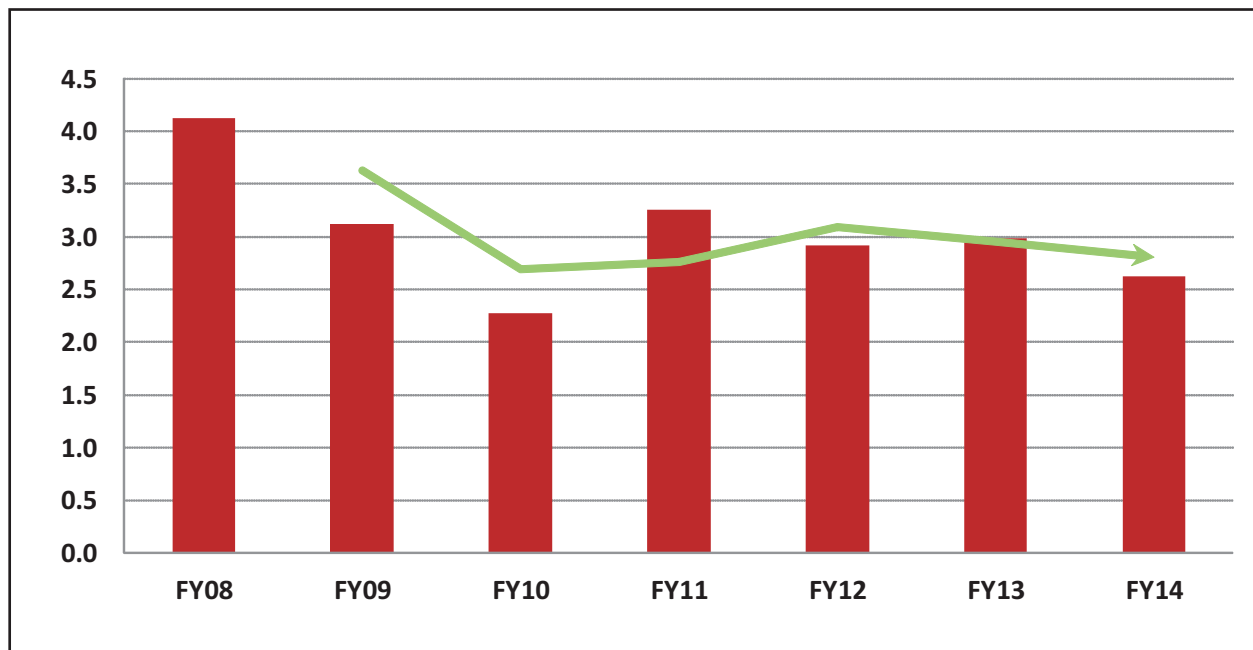
- ❖ Bangladesh's investment-GDP ratio shows an upward trend. The ratio has been in the doldrums until the early 1990s.
- ❖ The ratio began to accelerate since then. This acceleration has also been reflected in Bangladesh's growth performance.
- ❖ Although Bangladesh's investment-GDP ratio is currently lower than India's and much higher than Pakistan's, its upward trend is inherently stable and steady.

PART III: PUBLIC FINANCE OF EXPANSION AND RESPONSIBILITY

Facts of Public Finance

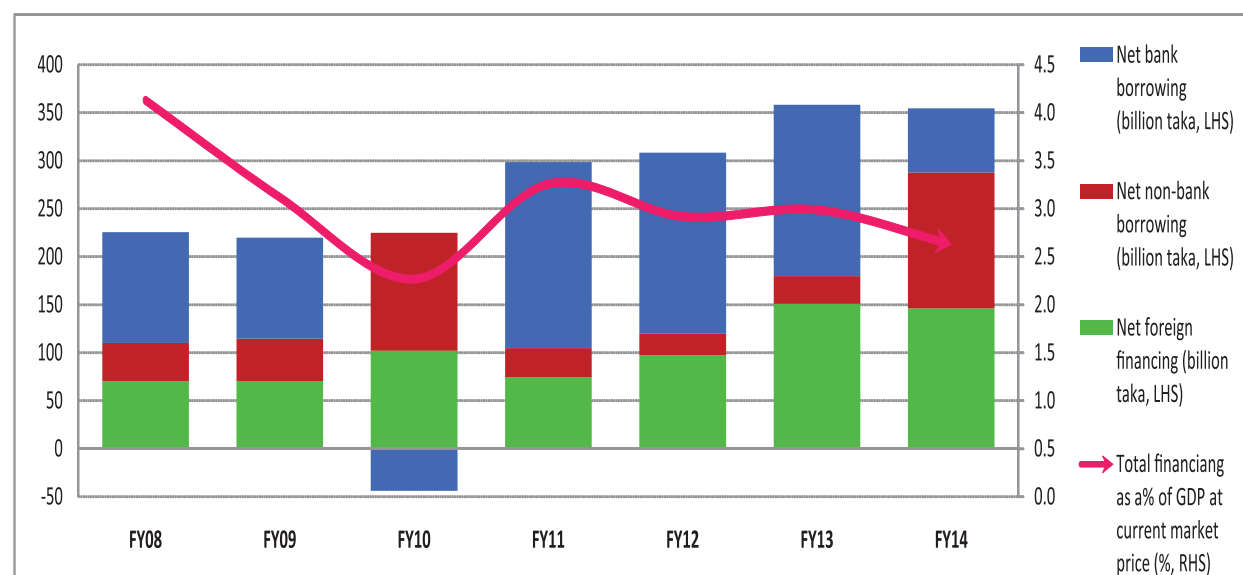
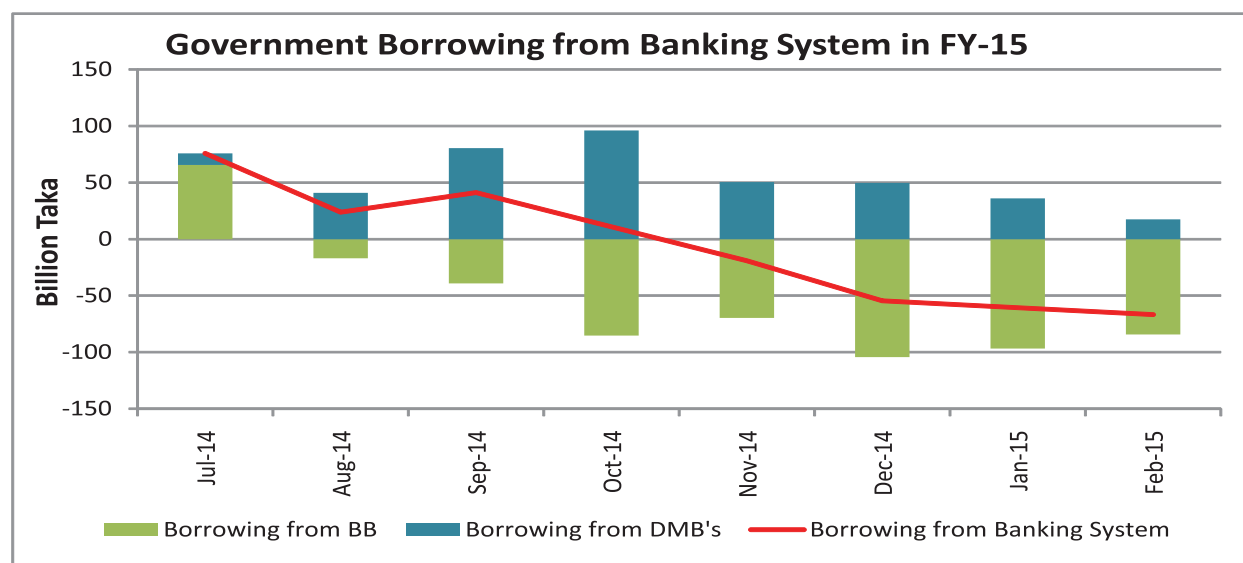
- ❖ Public finance has been more disciplined than ever before.
- ❖ Fiscal policy is carefully coordinated with monetary policy to support sustainable growth and moderate inflation.
- ❖ While the fiscal deficit in the budget looks around 4.5%, in practice it did not exceed 3% on average over the last 6 years.
- ❖ Fiscal responsibility is widely practiced.
- ❖ Revenue as a share of GDP steadily rose from 9% in 2009 to 12% in 2014. Further expansion is possible.
- ❖ The new Value added tax (VAT) with a simple 15% rate will further boost resource mobilization by the government to improve on infrastructure and power.
- ❖ Oil price reduction has been a boon for subsidy reduction and thus fiscal consolidation.
- ❖ The new pay scale is not likely to stoke high inflation (Bangladesh Bank has a study).

Financing Fiscal Deficit as a Share of GDP



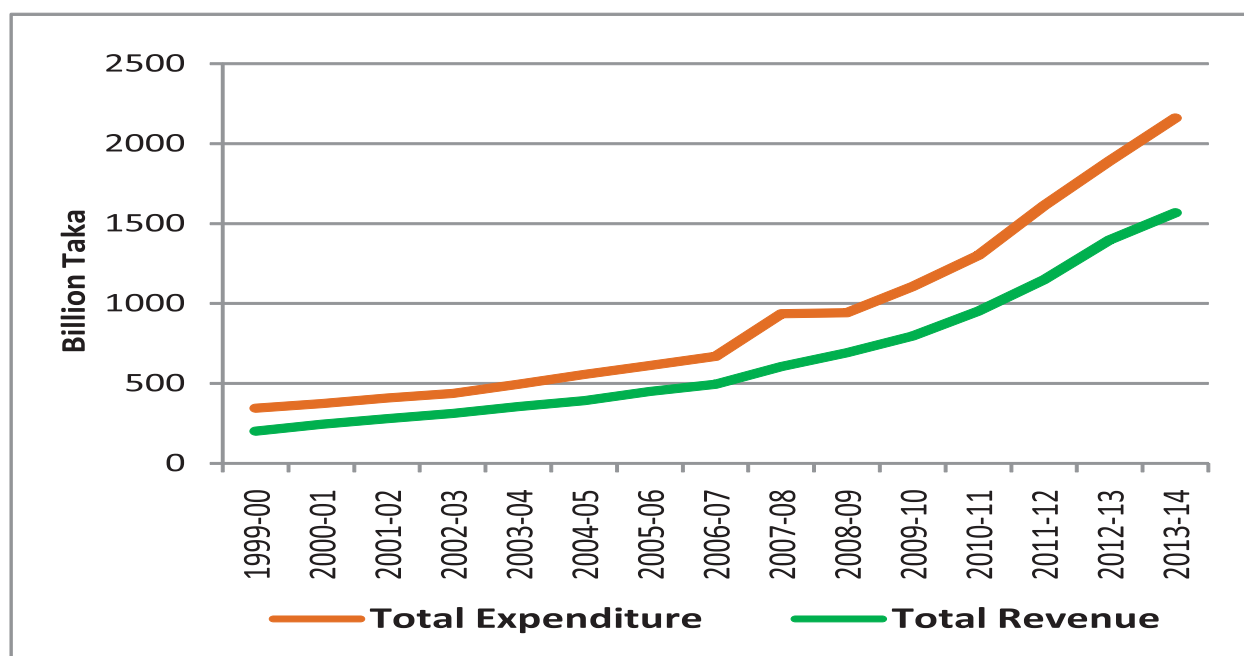
- ❖ The fiscal deficit as a share of GDP is already reasonable, below the alarming mark of 5 percent.
- ❖ The ratio is gradually falling on the trend. It reflects increasing fiscal responsibility.

Composition of Fiscal Deficit Financing



- ❖ The government borrowing from the banking sector has been decreasing. The composition of government financing is gradually changing.

Government Tax Revenue and Expenditure



- ❖ Total revenue collection has been increasing drastically since FY2012 due to different measures taken by the government including the strengthening of the National Board of Revenue (NBR).
- ❖ The implementation of proposed Value added tax (VAT) policy is expected to further reduce the budget deficit

Government's Mega Projects in Progress

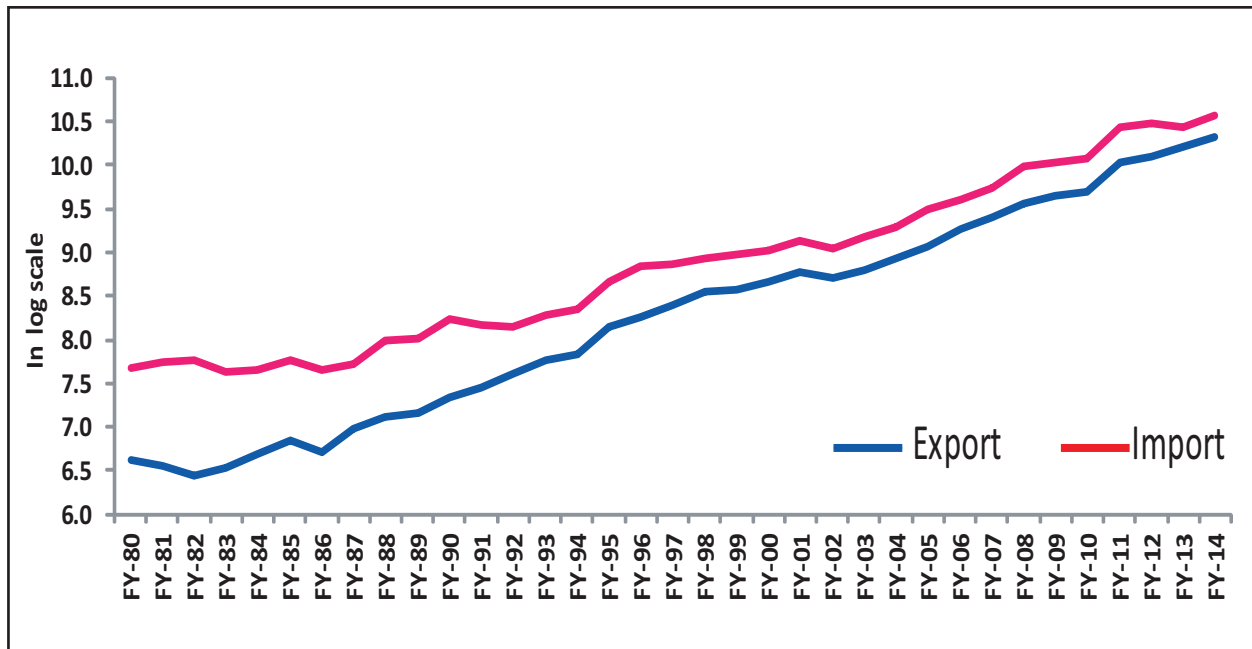
Mega projects in infrastructure and energy will tremendously amplify the economy's growth potential.

(All cost figures are estimated. b = billion, m = million)

- ❖ Padma Multipurpose Bridge: 6.15 km long, cost \$3.0b
- ❖ Deep-Sea Port at Sonadia in Cox's Bazar, cost \$13.85b
- ❖ Dhaka-Chittagong Access Control Highway, cost \$3.02b
- ❖ Dhaka City Elevated Expressway, cost Tk. 8.940b
- ❖ Dhaka-Narayanganj-Gazipur-Dhaka Elevated Expressway, cost \$1.90b
- ❖ Metro Rail/Mass Rapid Transit Line- JICA financed
- ❖ Bus Rapid Transit Line – JICA financed
- ❖ Sky Rail Around Dhaka city, cost \$2.8b
- ❖ Dhaka Underground Railway, cost \$3.1b
- ❖ Dual Gauge Double Rail Tracks from Akhaura to Laksam
- ❖ Bibiyana-Dhanua Gas Transmission Pipeline, cost Tk.1.710b
- ❖ Four 450 MW Power Stations, cost \$1.80b
- ❖ Rampal Thermal Power Plant, cost \$1.5b
- ❖ Two Nuclear Power Plants at Rooppur. 2000 MW each

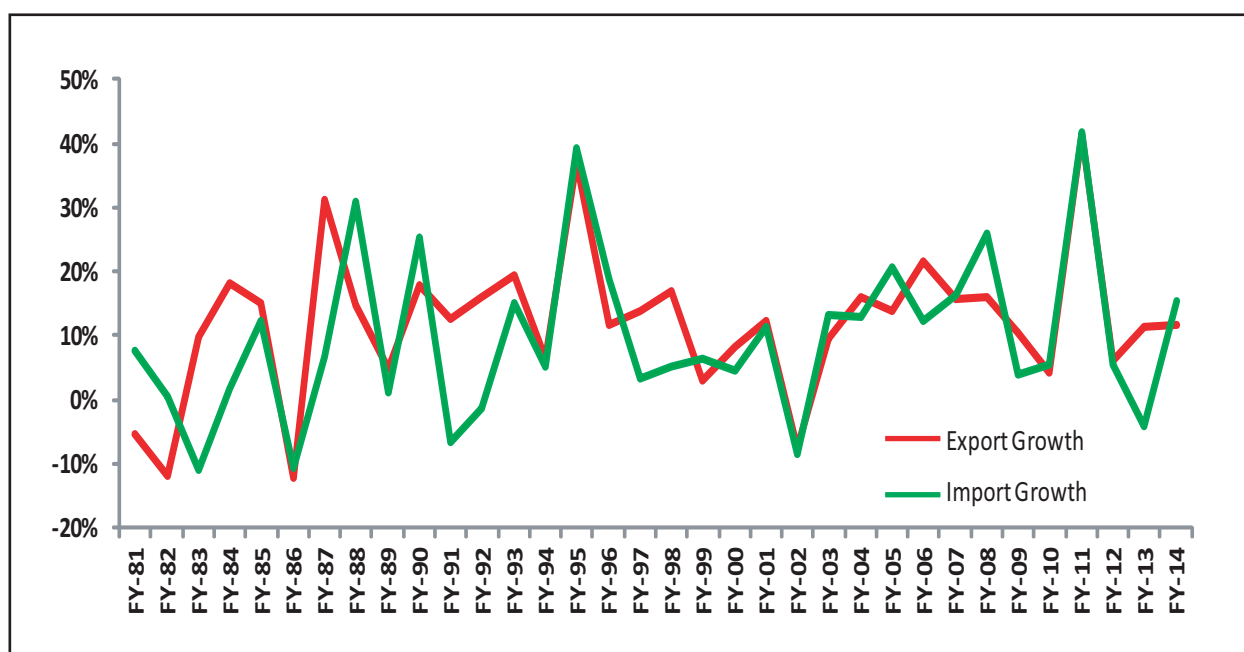
PART IV: EXTERNAL SECTOR: LIBERALIZATION AND GROWTH

Exports and Imports and the Narrowing Gap



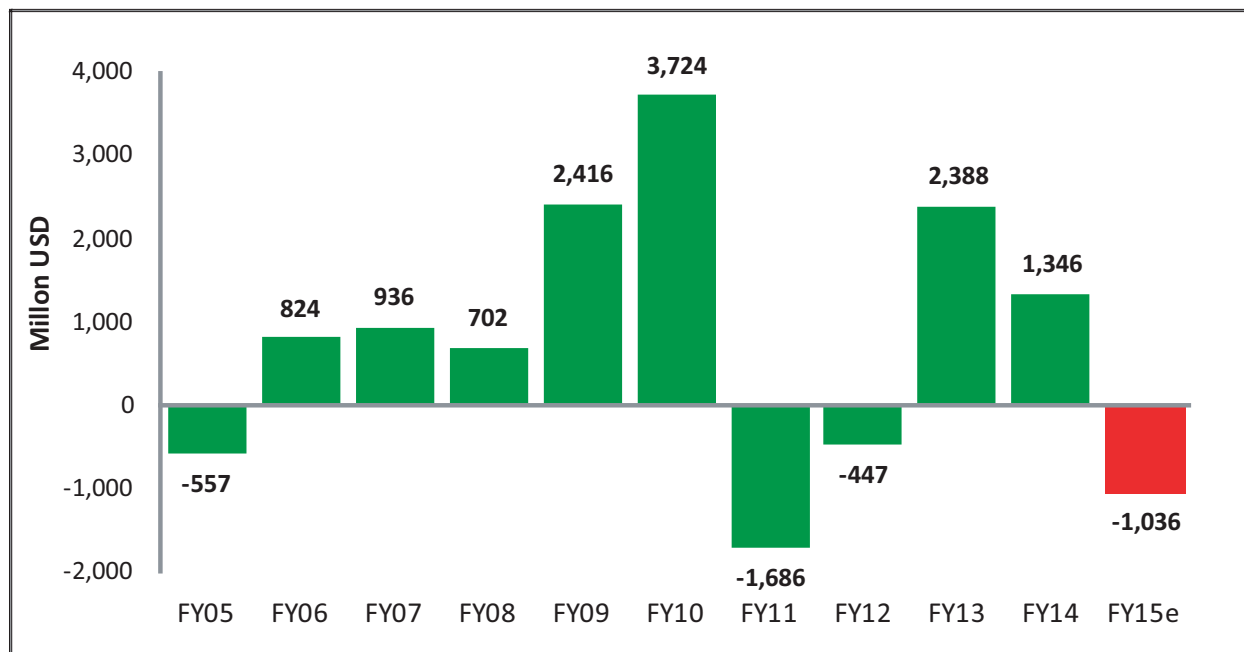
- ❖ The log figures of exports and imports are showing a steady uptrend.
- ❖ The gap between exports and imports are gradually narrowing down to show the robust performance of exports.
- ❖ The diagram also shows the steady performance of the trade sector of the country.

Export and Import Growth



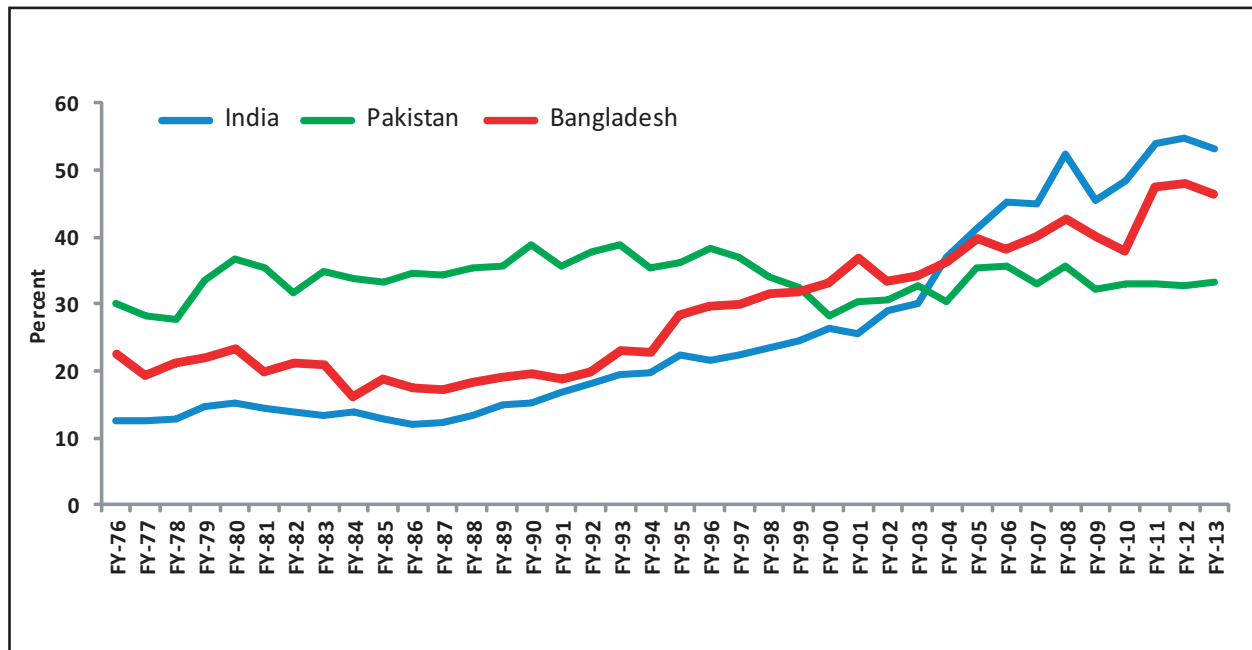
- ❖ The growth figures of exports and imports are almost synchronized in Bangladesh mainly because exports create extra demand for imports (e.g. back-to-back LCs).
- ❖ A visual inspection of the figure will confirm that both the growth series show an uptrend overtime.

Current Account Balance



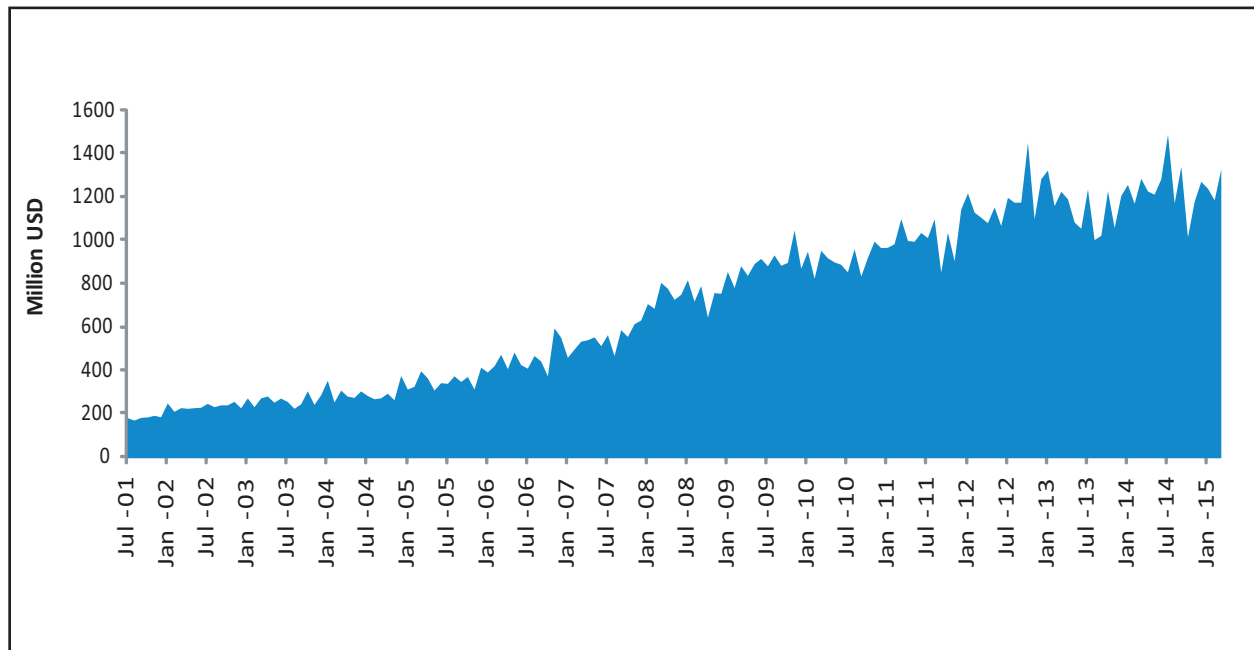
- ❖ Current Account Balance (CAB) does not show any rigid pattern. It switches from positive to negative figures. However in all cases, they are under control.
- ❖ Reasonable current account deficits may reflect the growing demand of an emerging economy like Bangladesh.

Openness Indices in South Asia



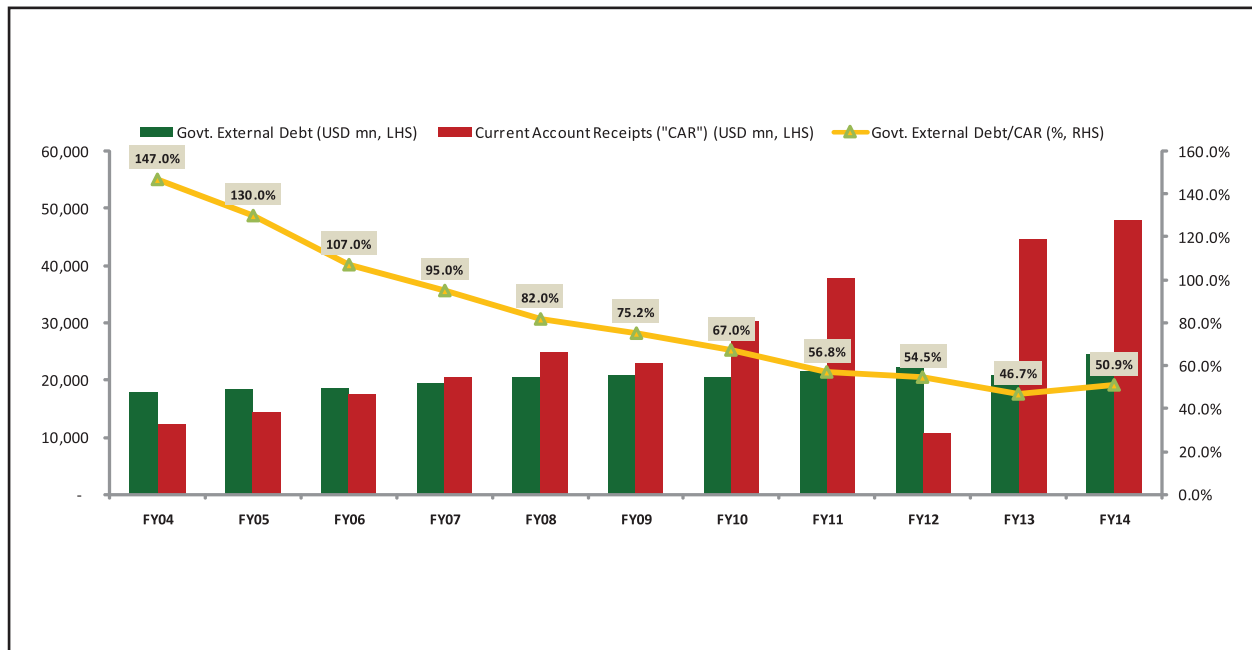
- ❖ Here the openness index is calculated by summing up exports and imports and dividing the summed up figure by GDP.
- ❖ It is evident that Bangladesh's openness index is steadily rising since liberalization of the early 1990s.
- ❖ Bangladesh embraces the spirit of globalization in a positive way.

Inflows of Remittances



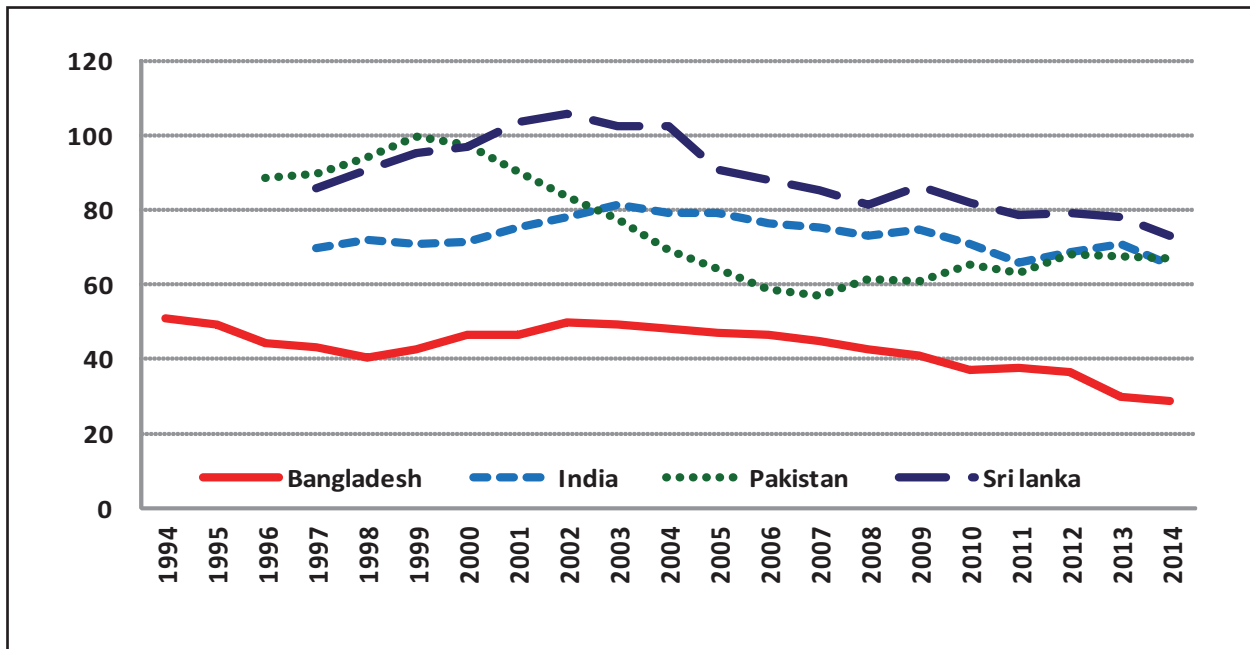
- ❖ Though the inflows of remittances are gradually rising, they got a new momentum since the middle of 2007.
- ❖ The government is exploring new outlets for manpower export.
- ❖ The Middle East and Saudi Arabia in Particular will host more Bangladeshi immigrant workers in the years to come.

Servicing the External Debt



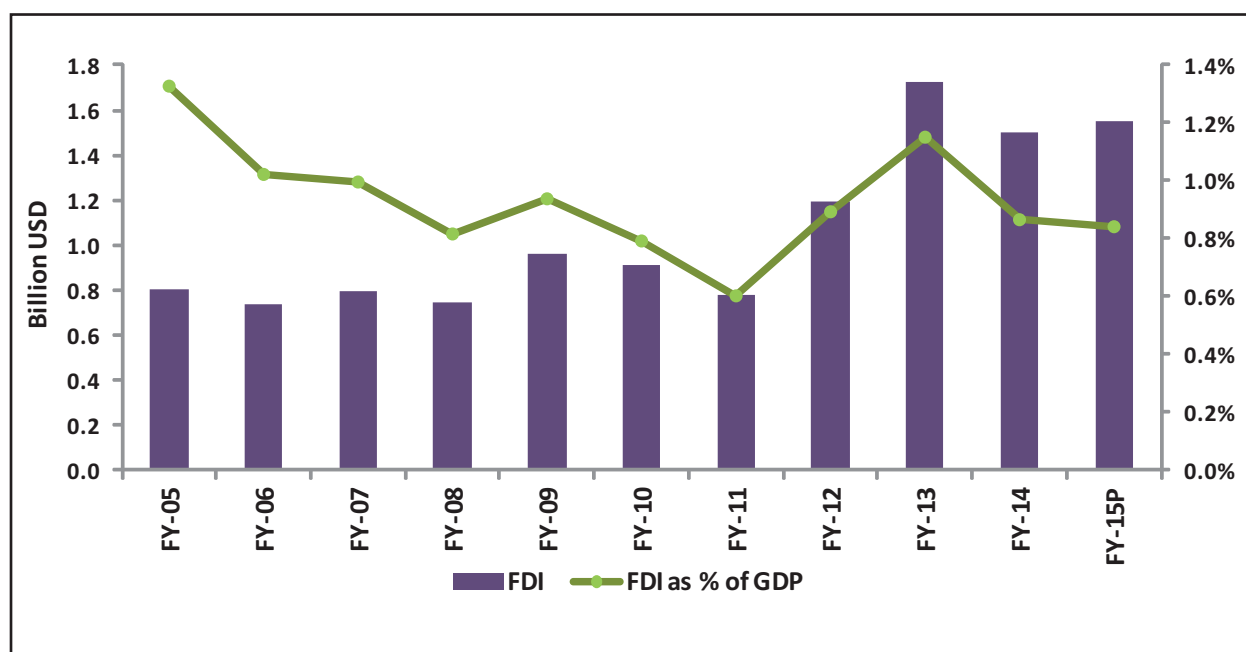
- ❖ The external debt of the government is rising very slowly.
- ❖ Current Account Receipts (CAR) which are mainly composed of export earning and remittances, are rising steadily.
- ❖ As a result the external debt-current account receipt ratio (Debt-CAR ratio) is falling rapidly. Suggesting an increasing capacity of the government to service the external debt.

Debt-GDP Ratio in South Asia



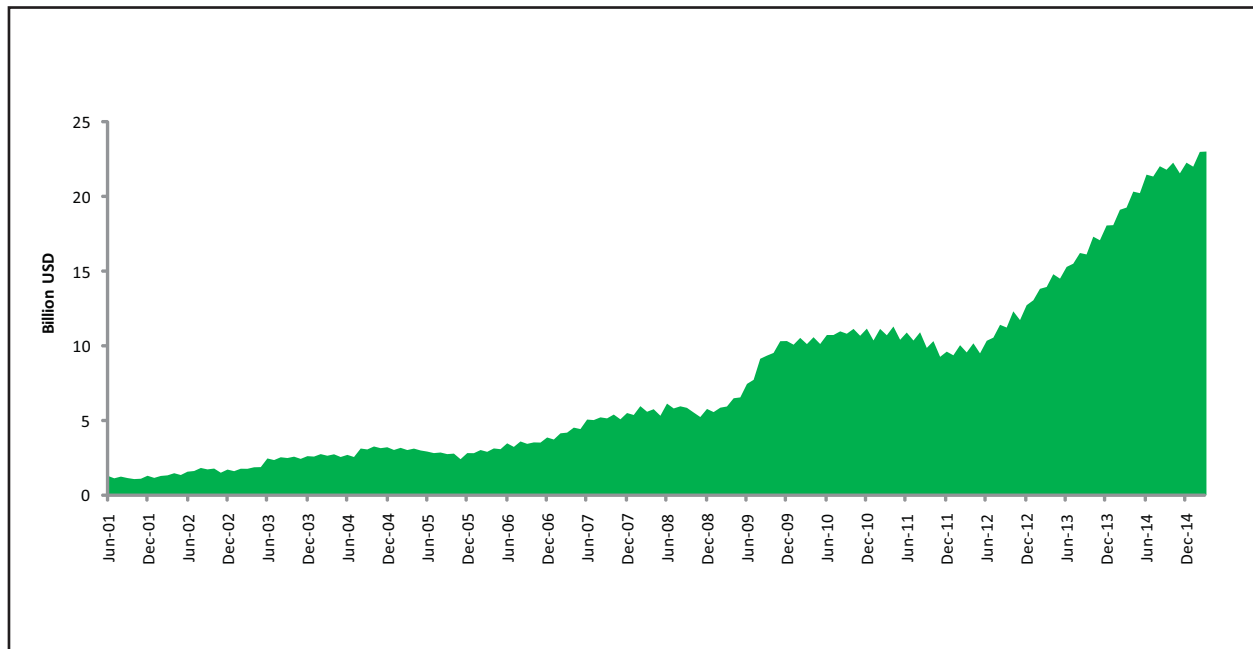
- ❖ The Debt-GDP Ratio in South Asia does not follow a uniform pattern.
- ❖ Bangladesh's debt-GDP ratio is outstandingly low in the region. While India, Pakistan, and Sri Lanka face almost 70 percent debt-GDP ratio, the corresponding rate for Bangladesh is below 30 percent.
- ❖ This shows that Bangladesh has more room for incurring more debt which can be used for infrastructure and energy development.

FDI and Its Share in GDP



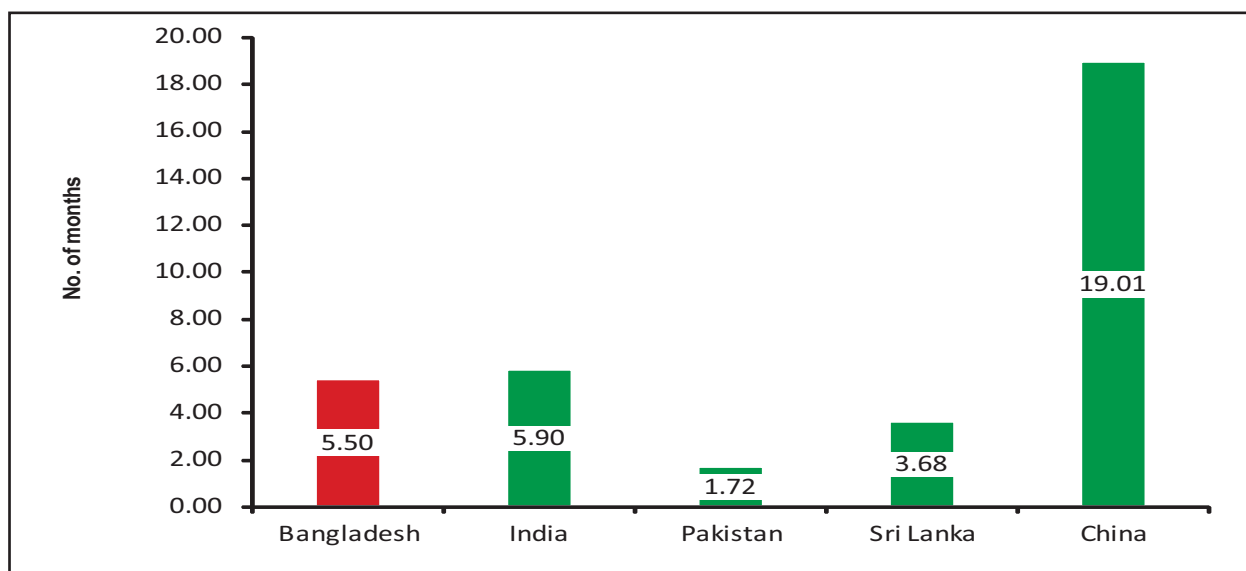
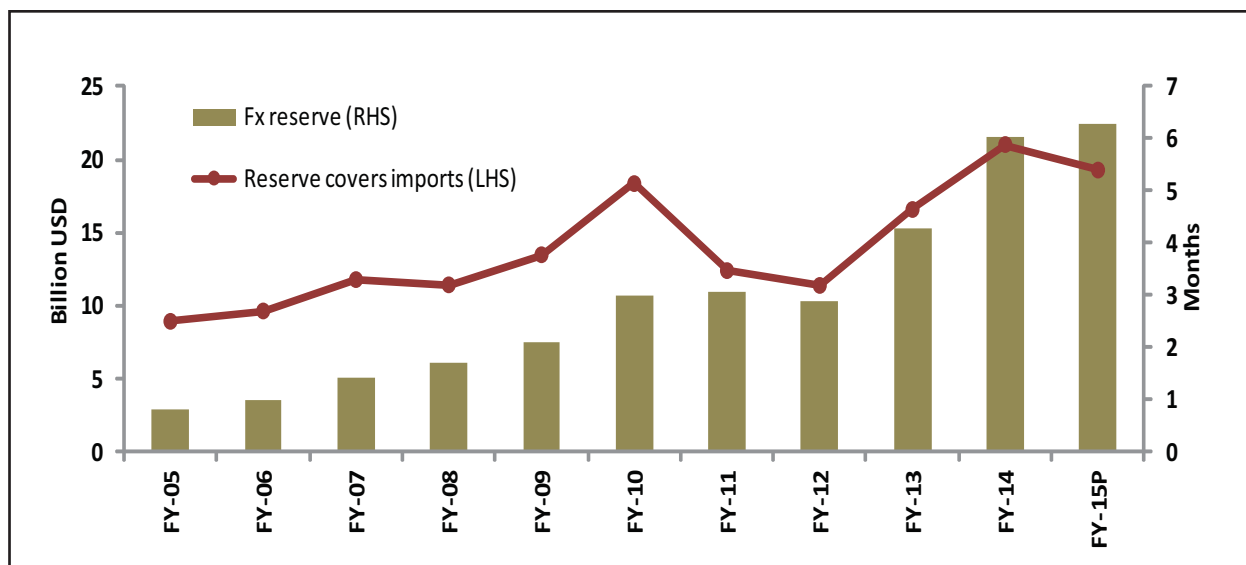
- ❖ The inflows of foreign direct investment (FDI) have been increasing in recent years, suggesting a growing confidence of foreign investors in Bangladesh's growth prospects.
- ❖ However FDI as a share of GDP is close to 1.0 percent which can be improved through further openness and governance enhancement.

Evolution of Foreign Reserves



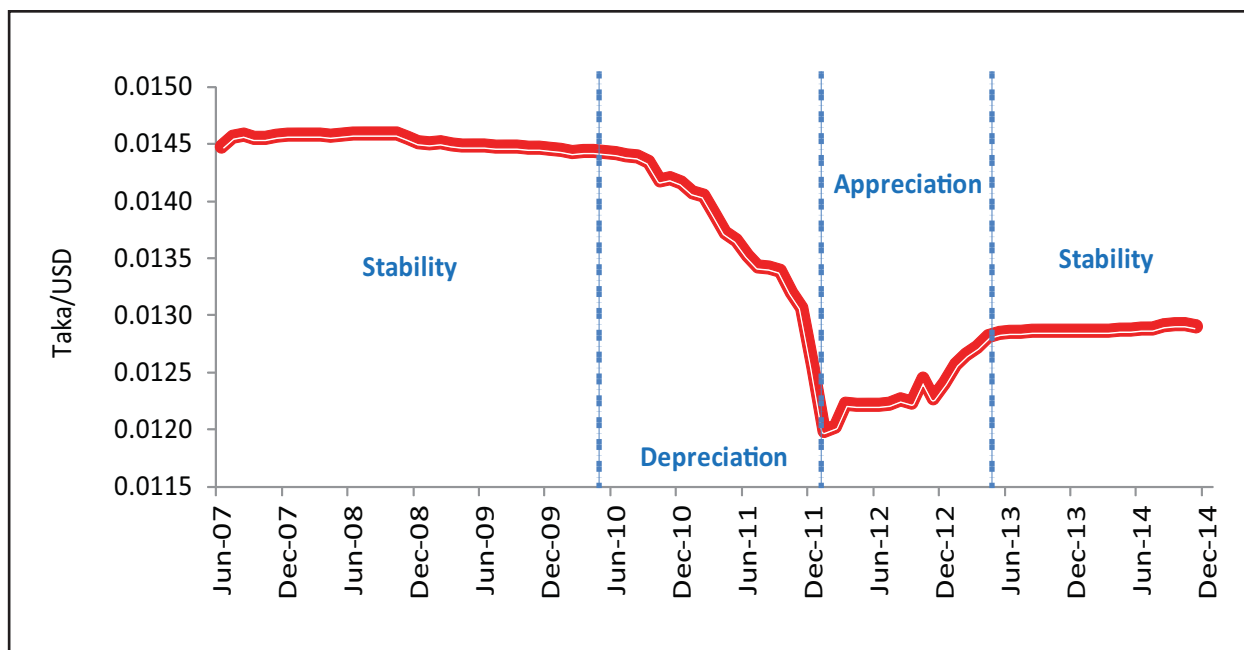
- ❖ The evolution of foreign reserves shows a respectable uptrend since 2009.
- ❖ The strong performances of the export sector and remittances and a rising agricultural production – all contributed to the healthy pileup of foreign reserves.
- ❖ And active monetary policy is creditworthy in this regard.

Import Cover of Foreign Reserves



- ❖ The import cover of foreign reserves has increased since 2012 and now has come to a reasonable number that gives comfort to the monetary authority. Bangladesh's foreign reserves are deemed to be standard in a regional comparison.

Path of the Exchange Rate



- ❖ A solid reserve of foreign exchanges gave enough strength to the market and helped to ensure a stable exchange rate.
- ❖ The stability of the exchange rate has been prevalent through the entire period.
- ❖ The exchange rate of Bangladesh is mainly market driven.

Balance of Payments

Balance of Payment: An Overview

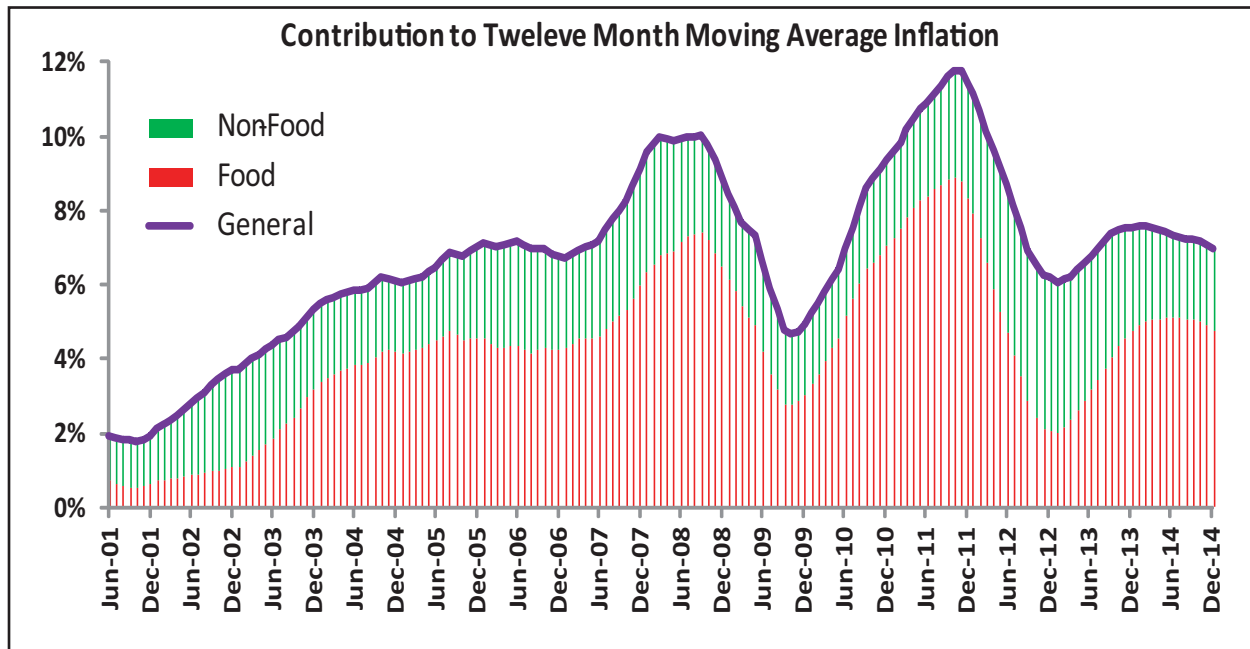
(in million US\$)

Items	FY2013	FY2014P	Projected FY2015
Balance of Trade	-7009	-6806	-9694
Export f.o.b (including EPZ)	26567	29765	31997
Import f.o.b (including EPZ)	33576	36571	41691
Balance of Services	-3162	-4189	-5246
Receipts	2830	3065	3096
Payments	5992	7254	8342
Balance of Primary Income	-2369	-2571	-2797
Receipts	120	171	137
Payments	2489	2742	2934
Balance of Secondary Income	14928	14912	16701
Official transfers	97	79	100
Private transfers	14831	14833	16601
CURRENT ACCOUNT BALANCE	2388	1346	-1036
Capital Account	629	644	450
Financial Account	2770	3075	1781
Foreign Direct Investment	1726	1504	1550
Portfolio Investment	368	825	850
Other Investment	676	746	-619
Net Aid Flows	1179	1259	1000
MLT loans	2085	2277	2500
MLT amortization payments	906	1018	1500
Other long term loans	-150	418	-250
Other short term loans	-193	355	-120
Trade credit	-250	-1045	-1007
Commercial banks(DMBs &NBDCs)	90	-241	-242
Errors and omissions	-659	418	0
OVERALL BALANCE	5128	5483	870

Note: P=Provisional R=Revised

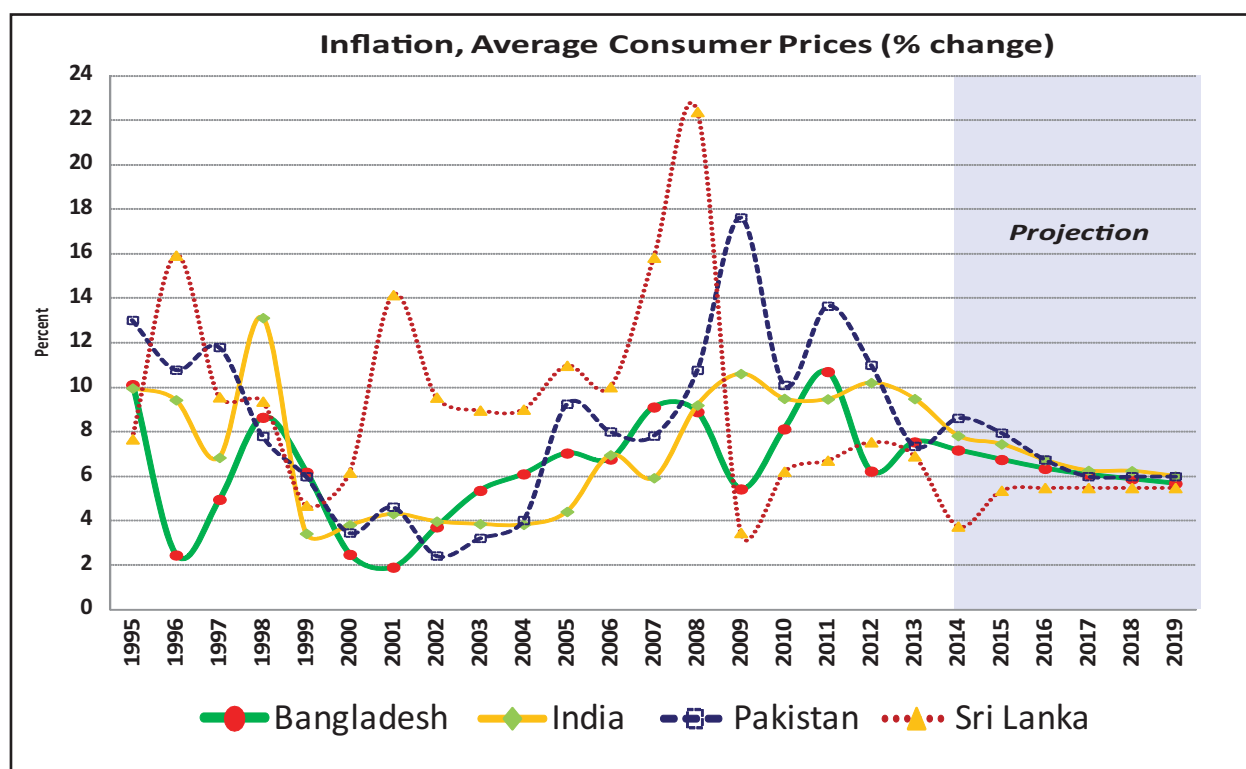
PART V: PRICE, MONEY, AND FINANCE: STABILITY AND IMPROVEMENTS

Inflation: Food and Nonfood



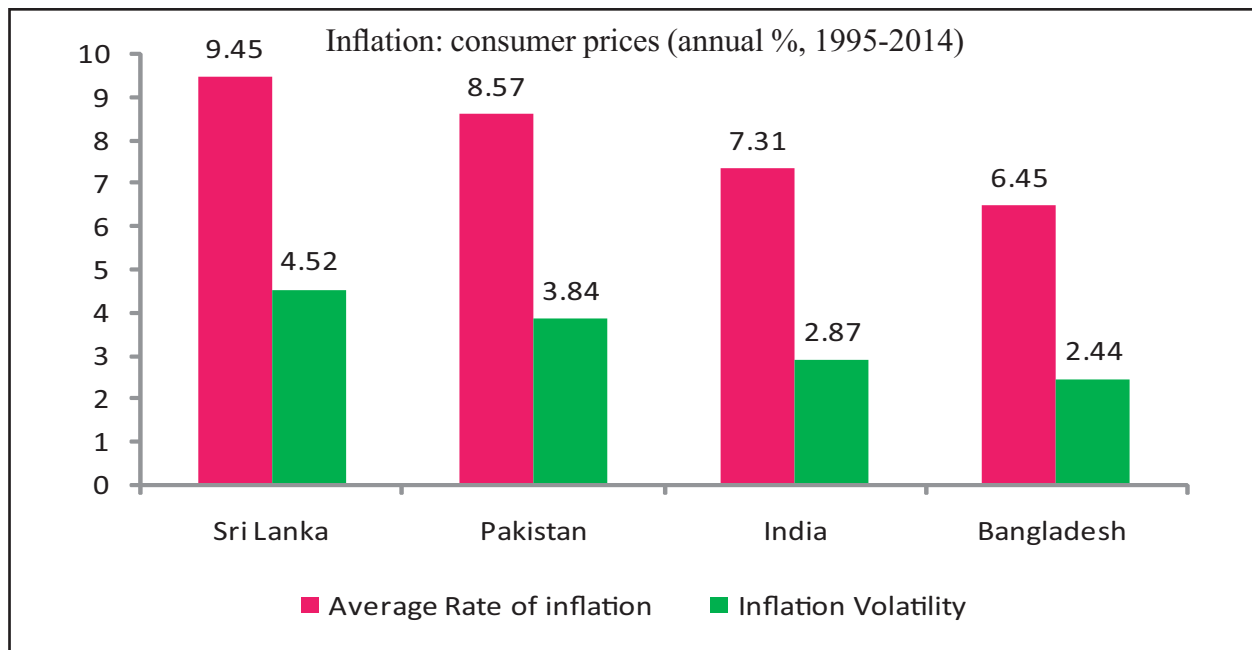
- ❖ Inflation in Bangladesh has gradually been coming down since December 2011.
- ❖ Though the diagram shows two big spikes of inflation, they mainly came from the global supply shocks.
- ❖ Overall, Bangladesh's inflation has remained at a tolerable level for last two years.

Projected Inflation in South Asia



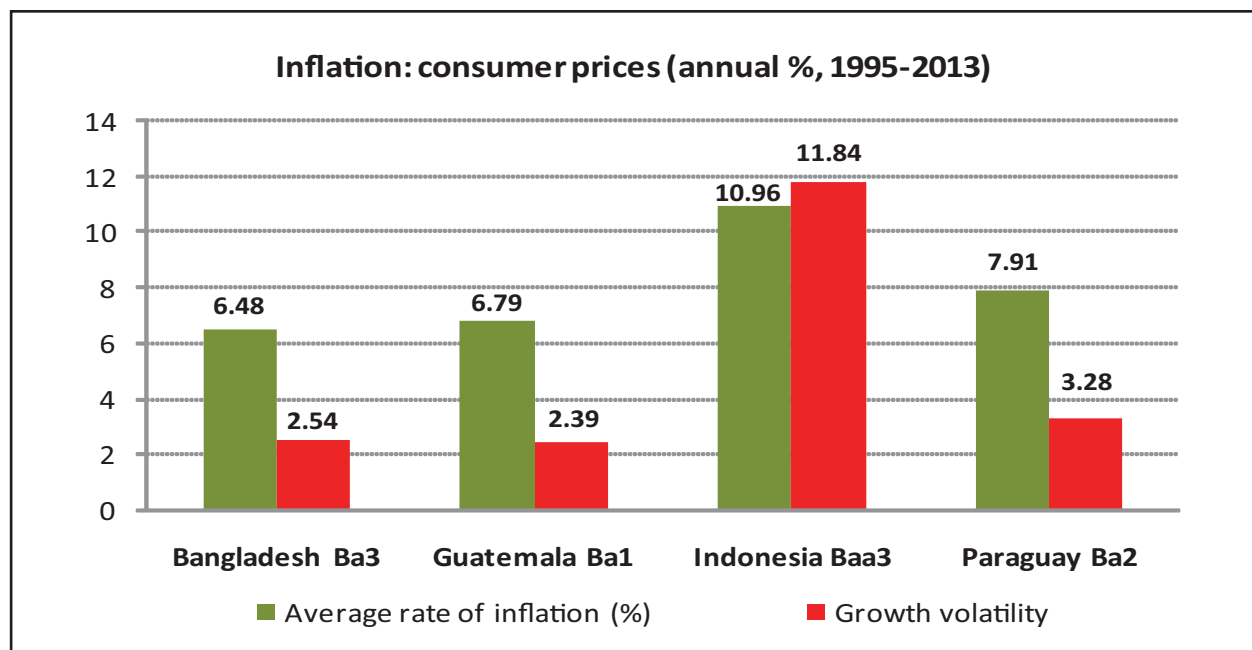
- ❖ Projected inflation in South Asia shows a convergence at the rate of 6.0 percent and Bangladesh is close to that.
- ❖ If that convergence is achieved, price stability will help South Asian countries to engage in greater volume of trade.

Inflation and Volatility in South Asia



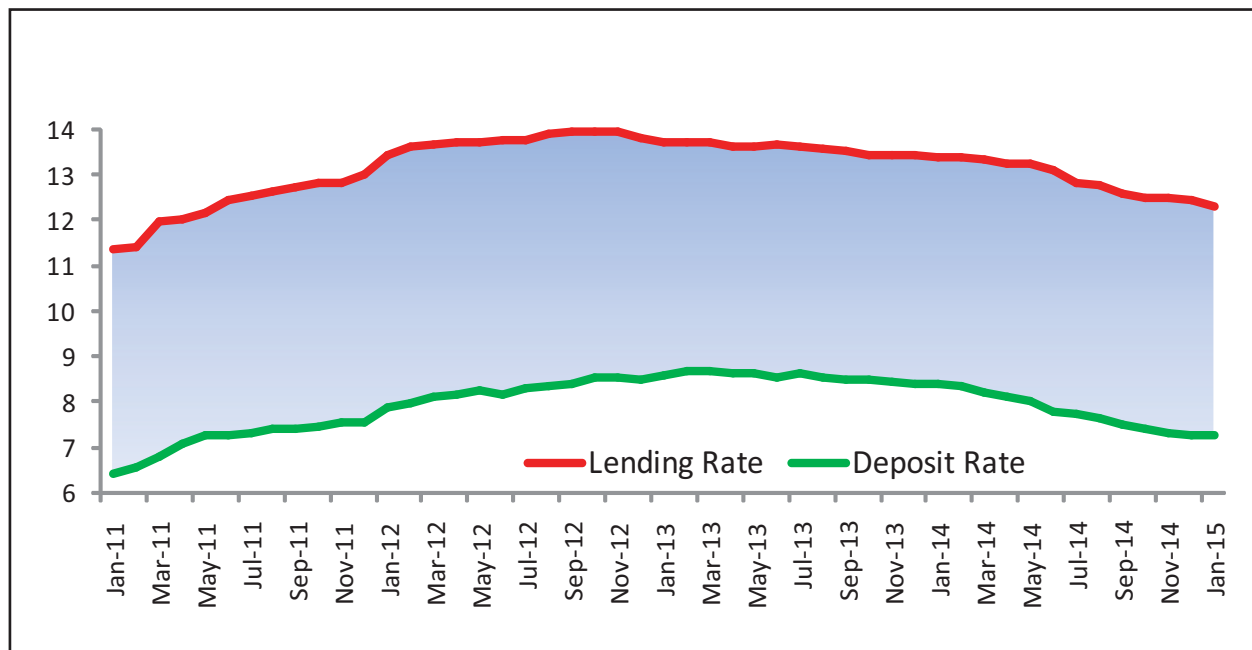
- ❖ The average rate of Bangladesh's inflation is the lowest in the region that includes India, Pakistan, and Sri Lanka as well.
- ❖ More spectacularly Bangladesh's inflation volatility is the lowest in the region, suggesting respectable macro stability in the country.

Inflation Comparison with Peers of Better Ratings



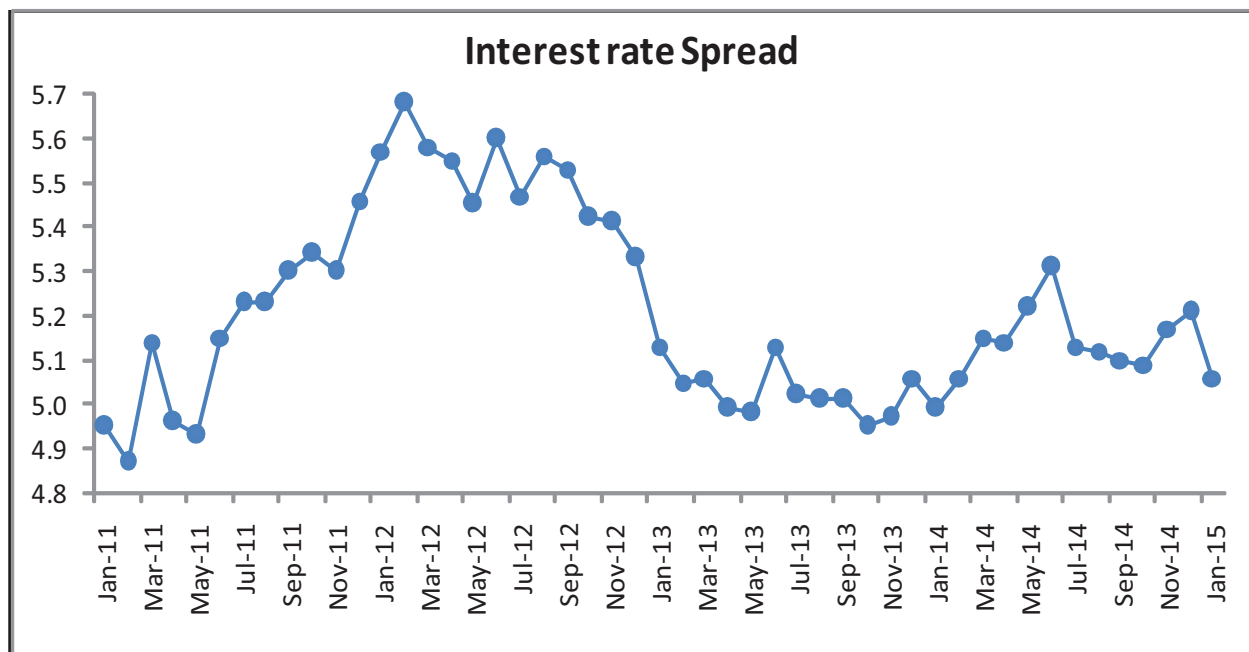
- ❖ The average rate of Bangladesh's inflation is lower than the average rates of inflation of Guatemala, Indonesia, and Paraguay – the countries who have been rated higher than Bangladesh by a rating agency Moody's.
- ❖ In addition to that Bangladesh's inflation has been associated with almost lowest possible volatility, suggesting better macro stability in the country.

Lending and Deposit Rates



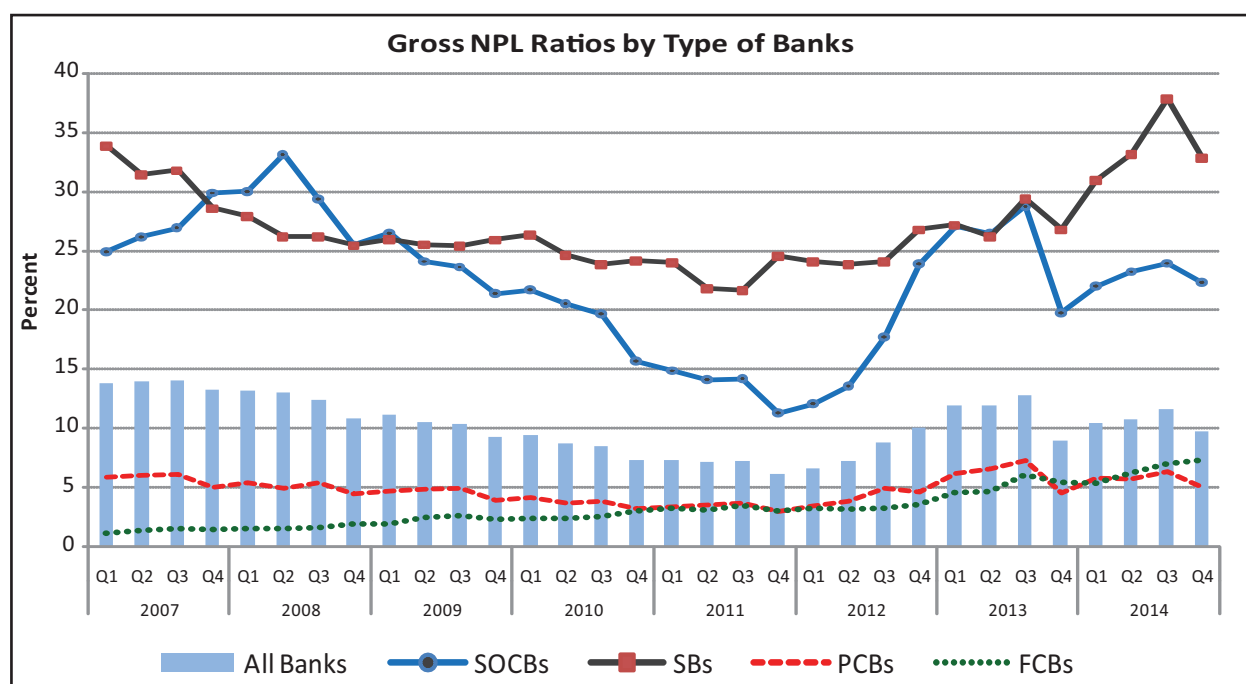
- ❖ The lending and deposit rates in Bangladesh are gradually falling since the end of 2012.
- ❖ More measures have been taken to further reduce the rates and the spread between the two rates.

Path of the Interest Rate Spread



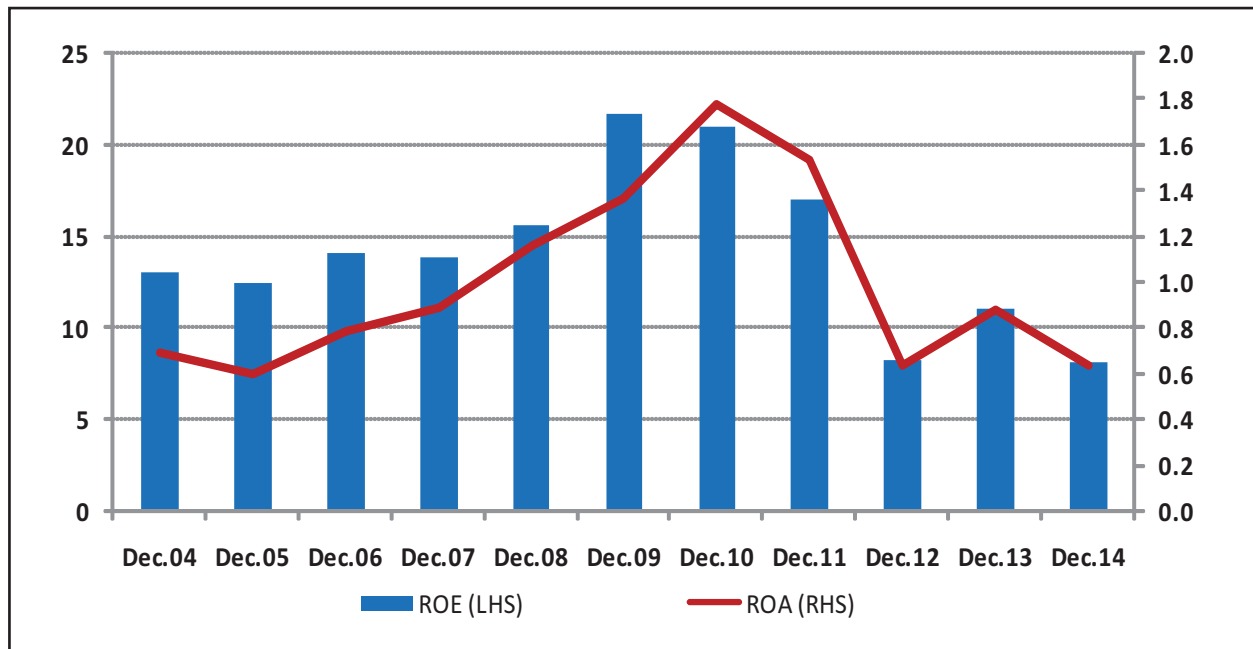
- ❖ The interest rate spread is gradually falling since early 2012.
- ❖ It slightly went up in the middle of 2014 mainly because of supply disruptions.

Nonperforming Loans in the Banking Sector



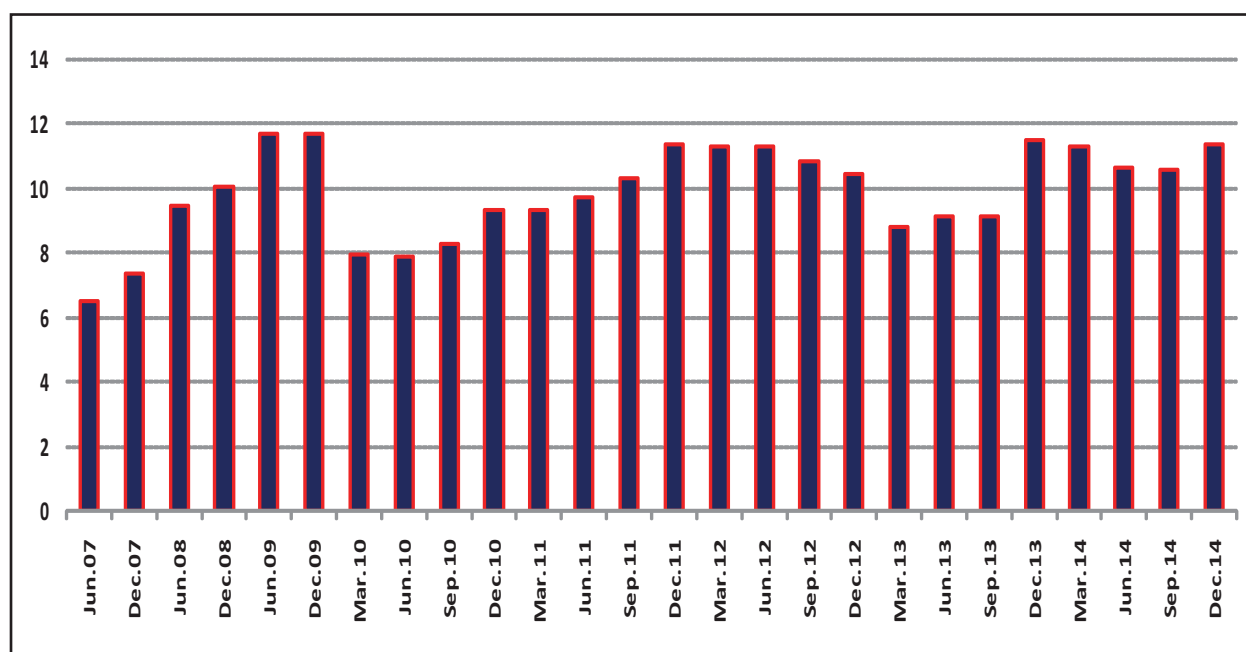
- ❖ Nonperforming loans in the banking sector are around 10.0 percent of the outstanding loans.
- ❖ State Owned Commercial Banks and Specialized Banks are the major drivers to the prevalence of high nonperforming loans.
- ❖ The central bank has taken adequate measures to reduce the amount of bad loans. And the results are reflected in the last quarter of 2014.

Return on Assets and Return on Equity



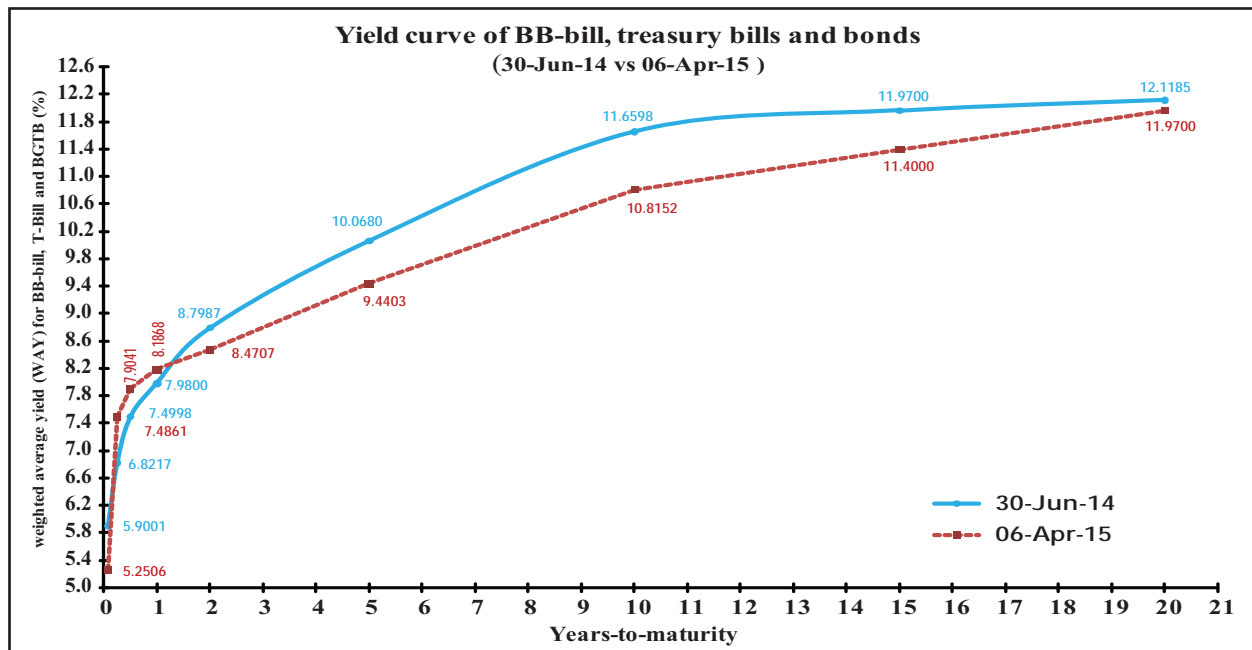
- ❖ The Return on Assets (ROA) and the Return on Equity (ROE) confirm the standards.
- ❖ The ROA is expected to be at least 0.5 percent.
- ❖ The current ROE at around 8.0 percent is satisfactory.

Capital Adequacy Ratio



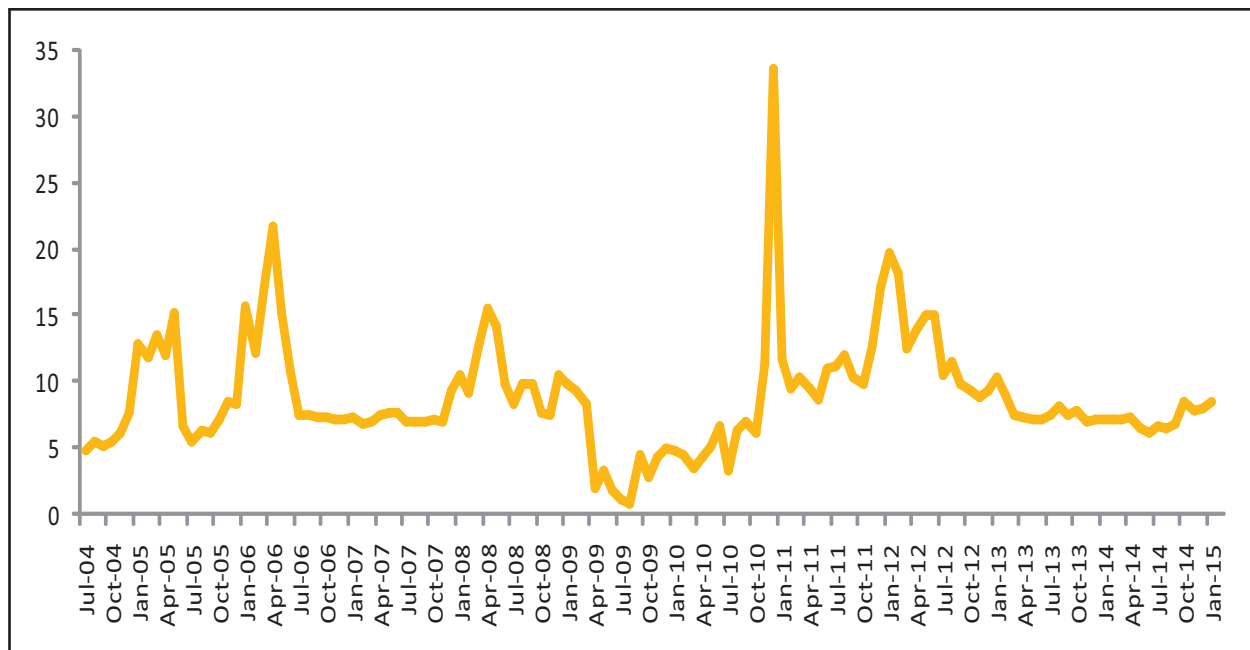
- ❖ The Capital Adequacy Ratio (CAR) which is supposed to be 10.0 percent is now higher than that.
- ❖ This reflects a healthy performance of the banking sector.
- ❖ Bangladesh already implemented Basel-II and has started implementing Basel-III, which are regarded as the global standards for banking practice.

Pattern of the Yield Curves



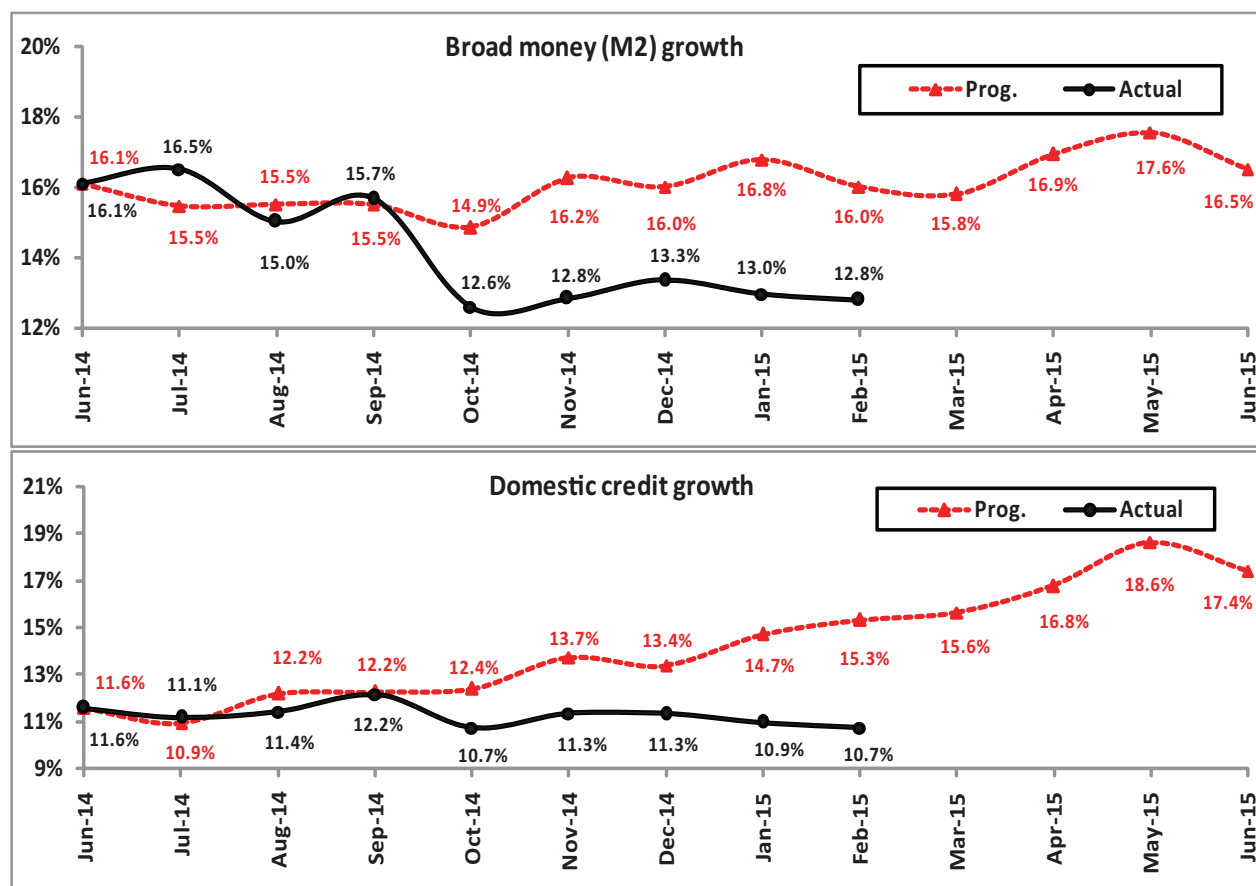
- ❖ The upward sloping yield curve shows a prospective future of investment in Bangladesh.
- ❖ That is why the foreign investors are now more attracted to engage themselves in long term commitments in Bangladesh.

Call Money Rate



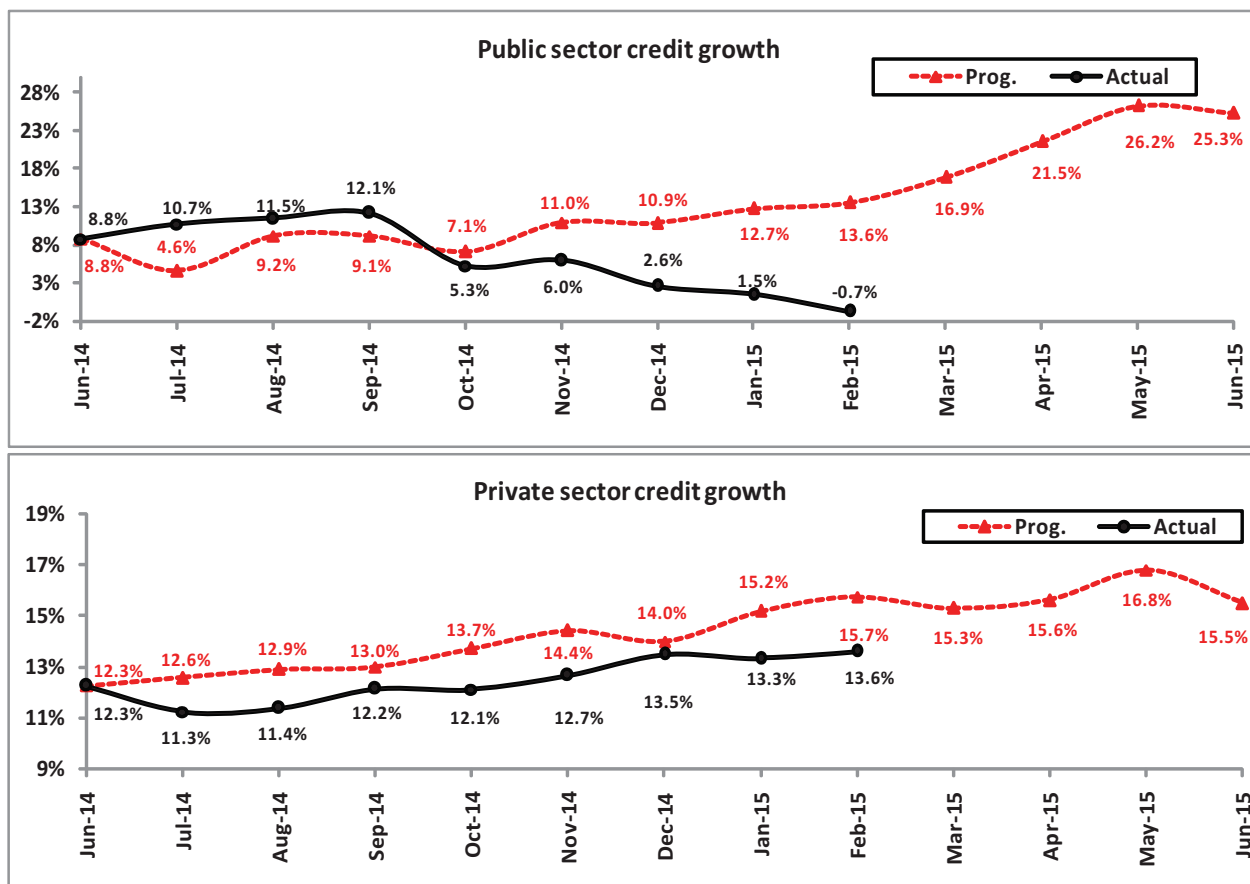
- ❖ Except for some occasional spikes the call money rate shows a considerably tight money market suggesting that there is no liquidity overhang in the money market.

Broad Money and Domestic Credit Growth



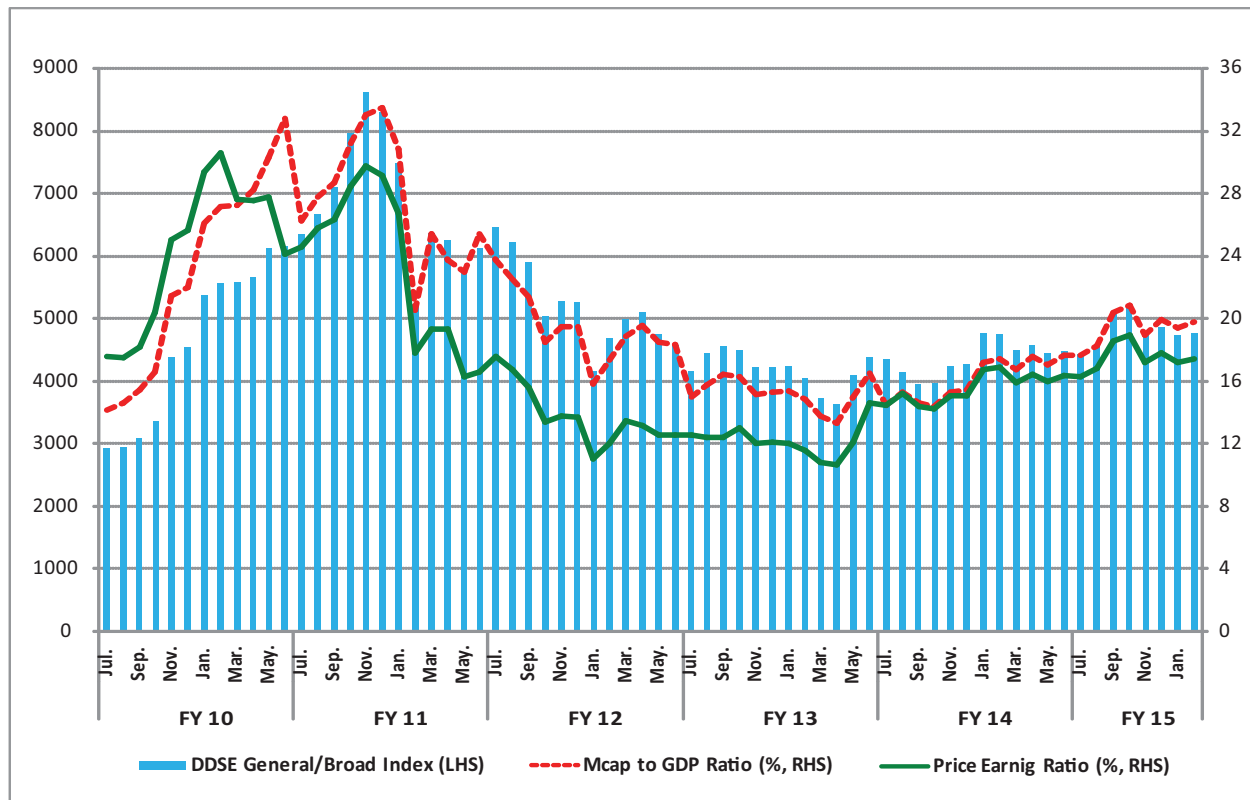
- ❖ The central bank has remained cautious in its monetary stance. As a result broad money growth has remained much lower than the programmed path.
- ❖ This helps to achieve inflation target in a steady fashion.
- ❖ The programmed path has left some room for future expansion of domestic credit.

Public and Private Sector Credit Growth



- ❖ Lower bank borrowing kept public sector credit growth below the programmed level since October 2014.
- ❖ The private sector credit growth also remained below the programmed path during the fiscal year 2015, particularly due to allowing the local corporates to tap foreign sources of financing.

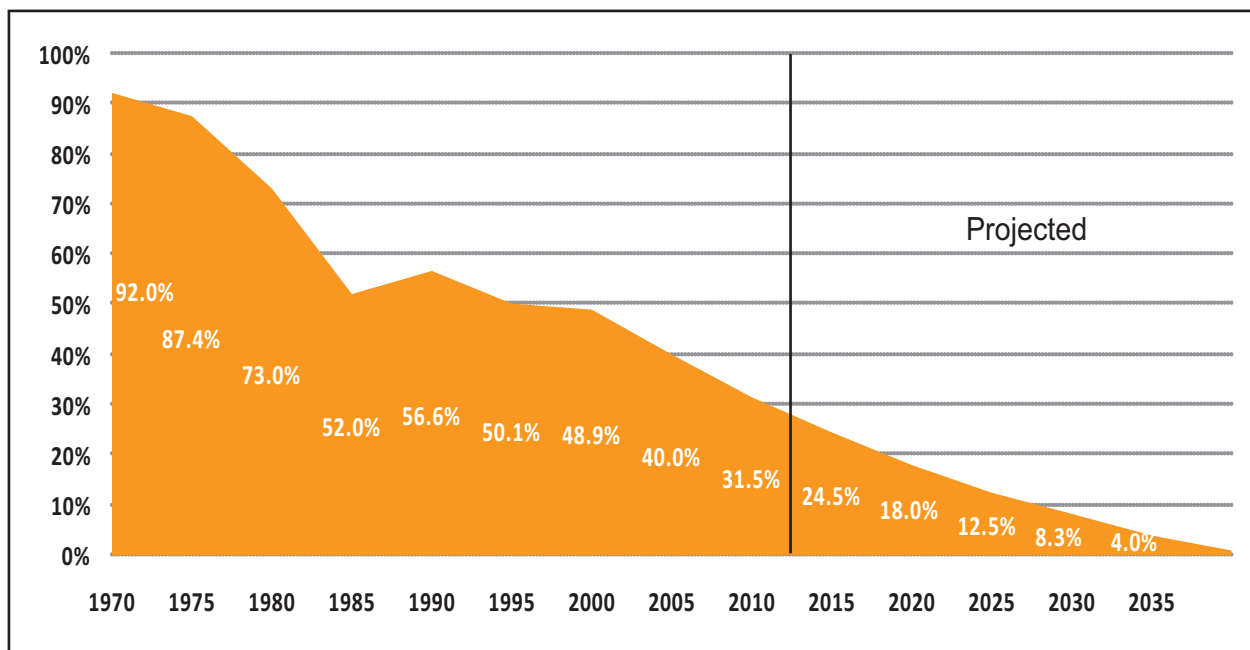
Capital Market Developments



- ❖ The stock market is reviving after 2012. Market capital as a share of GDP is gradually rising.
- ❖ The price earning ratio is also rising consistently since 2012.
- ❖ There was a price bubble in the FY2010 and once the bubble burst, the value of market capitalization fell, but it is rising now though slowly.





PART VI: SOCIAL INDICATORS: A MODEL OF DEVELOPMENT

Poverty Reduction Map



- ❖ One area where Bangladesh achieved an amazing success is poverty reduction.
- ❖ The way it reduced poverty has turned in to a role model for many developing countries.
- ❖ The poverty rate is expected to come to a single digit in 12 years.
- ❖ The rate may fall further if infrastructure development is achieved.

Literacy, Life Expectancy, and Other Figures

	1991	2013 / Latest		
				
	Bangladesh (Ba3)	Bangladesh (Ba3)	India (Baa3)	Sri Lanka (B1)
1. Literacy rate, adult total (% of people ages 15 and above)	35.3%	57.7%	62.8%	91.2%
2. Life expectancy at birth, total (years)	60.5	69.9	66.0	73.9
3. Fertility rate, total (births per woman)	4.4	2.2	2.5	2.4
4. Mortality rate, infant (per 1,000 live births)	95.8	33.0	44.0	8.0
5. Immunization, DPT (% of children 12-23 mths)	74%	97%	72%	99%

	All Households		
	2000	2005	2010
Electricity connection (%)	31.2	44.2	55.2
TV ownership (%)	15.8	26.5	35.8
Phone ownership (%)	1.5	12.2	63.9

- ❖ The achievements of Bangladesh in social indicators are simply exemplary.
- ❖ Bangladesh has turned into a regional star in social achievements.
- ❖ Nobel laureate Amartya Sen asserts that many social indicators of Bangladesh are ahead of India.
- ❖ The growth in electricity, television and, cell phone usage are phenomenal reflecting our increased demand for technology.

Concluding Remarks

- ❖ Economy remains resilient despite occasional disturbances. It targets to achieve 6.5% growth in the FY2015.
- ❖ Reserve-buildup of around six months of cover reflect stable external balances.
- ❖ Both monetary and fiscal policy remain prudent with budget deficit projected to be less than 3.5% in FY2014.
- ❖ Inflation has been on a downward trend largely due to effective monetary stance.
- ❖ Policy initiatives include maintaining vigilance on the financial sector and supporting the continued development of the domestic credit and debt markets.
- ❖ Bangladesh has come a long way to make sustained progress in the years ahead.
- ❖ Liberalization contributed to growth acceleration and drastic poverty reduction.
- ❖ Bangladesh's growth, inflation, exchange rates, and reserves are commendable in the region.
- ❖ Bangladesh exhibited highest amount of stability in inflation and growth in the region.
- ❖ The country has some space to increase its debt.
- ❖ Infrastructure, energy, institutional reforms (e.g. Judiciary) and social peace are needed to make the economy grow fast.
- ❖ Strong consumer demand and resilient business moods are the main strengths of Bangladesh's march for growth.



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