



# Pocket Trade Outlook FY 2021-22



BANGLADESH  
FOREIGN  
TRADE  
INSTITUTE



## **BANGLADESH FOREIGN TRADE INSTITUTE**

TCB Bhaban (5th Floor), 1 Karwan Bazar, Dhaka-1215, Bangladesh  
Ph: +88-02-55013424-6, E-mail: [info@bfti.org.bd](mailto:info@bfti.org.bd)

# **Pocket Trade Outlook FY 2021-22**



**BANGLADESH  
FOREIGN  
TRADE  
INSTITUTE**

**BANGLADESH FOREIGN TRADE INSTITUTE**

TCB Bhaban (5th Floor), 1 Karwan Bazar, Dhaka-1215, Bangladesh

Ph: +88-02-55013424-6, E-mail: [info@bfti.org.bd](mailto:info@bfti.org.bd)

---



# Table of Contents

Foreword	5
Overview of BFTI	6
Board of Directors of BFTI	8
Bangladesh Country Profile	11
World Economy	16
World Trade	17
Bangladesh Economy	18
1. Real Sector	19
1.1 Agriculture	22
1.2 Industry	22
1.3 Service Sector	23
1.4 Investment & Savings	24
2. External Sector	25
2.1 Export	25
2.2 Import	26
2.3 Remittance	29
2.4 Foreign Exchange Reserve	29
2.5 Foreign Direct Investment (FDI)	30
2.6 Balance of Payment	30
3. Monetary Sector	33
3.1 Inflation	33
3.2 Monetary Policy	34
3.3 Financial Inclusion	35
3.4 Mobile Banking & Agent Banking	35
4. Fiscal Sector and Fiscal Policy Management	37
4.1 Fiscal Incentives	39
Various Socio-Economic Indicators	40
Major Economic Indicators	40
Comparative Picture of Social Sector Progress	44
GDP Growth at Constant Market Price Since Independence	45
National Budget Since Independence	46
Trade Data Since Independence	48
Debt Profile from FY2011-12 to FY2020-21	50



## Foreword

It is my great pleasure to express that the Bangladesh Foreign Trade Institute (BFTI) has been able to publish the first-ever Pocket Trade Outlook of Bangladesh. Since inception, BFTI has gradually developed itself as a well-recognized Institute for research, training and policy advocacy on trade and business. As the Institute is maturing over time, we are now, as a think tank, aiming at establishing BFTI as a center of excellence in trade and business.

BFTI took initiatives to publish a Pocket Trade Outlook, providing a comprehensive overview of Bangladesh economy with special focus on trade and business. Assessing and realizing the necessity of the researchers, scholars and readers for extensive trade and business-related data in a summarized form, this book has covered Bangladesh's real sector, external sector, fiscal and monetary sector with special focus on trade. Visible improvements in all the economic and social indicators of Bangladesh reflect the impressive development and potential future of Bangladesh under the prudent and visionary leadership of our Honourable Prime Minister Sheikh Hasina. I strongly believe that this pocket book will serve the needs of all the stakeholders associated with trade and business.

In this endeavour, we acknowledge the support and contribution of all the members of the Board of Directors of BFTI particularly Mr. Tipu Munshi, MP, Honourable Commerce Minister and Chairman of the Board.

BFTI will welcome and positively consider every constructive suggestion for further improving the quality and content of the future editions.

I would like to express my heartfelt thanks to the BFTI team who contributed to this publication.



**(Dr. Md. Jafar Uddin)**  
Chief Executive Officer

## Overview of BFTI

The Bangladesh Foreign Trade Institute (BFTI) is a not for profit research and training Institute that deals with international trade. As a think tank, BFTI aims at facilitating and promoting country's trade through research, policy advocacy, training and education. The Institute was formed under the Societies Registration Act, 1860 on June 14, 2003 and was registered with the Office of Registrar of Joint Stock Companies and Firms (RJSC) on September 18, 2006, under the provision of the Companies Act, 1994. The Institute is governed by a high-level Board of Directors consisting of 16 members, equally represented by the government and the private sectors. The Board is chaired by Hon'ble Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh.

### **Vision**

To develop as an internationally reputed Institute for trade policy research and a center of excellence for education and training of the highest standard on trade and business.

### **Mission**

To set in motion the country's foreign trade management in a professional manner by developing trade and business knowledge of the public and private sector practitioners through top quality research, policy advice, education and training.

### **Major mandates**

- Providing policy support to the government and the private sector trade bodies and associations on existing and emerging trade-related issues;
- Building trade-related capacity for government agencies and private sector enterprises through research, training and education; and
- Creating a policy forum for consultation between policy makers and business leaders.




## Objectives

- To act as a think-tank for the government and private sector on international trade;
- To act as a focal point of the Ministry of Commerce for the development of a comprehensive trade policy;
- To provide trainings to the public and private sector officials, businessmen and professionals to equip them with the professional capacity on trade-related issues;
- To provide updated information and to advise the Ministry of Commerce on World Trade Organization (WTO) Agreements and their implications for Bangladesh and disseminate the same to the members of the trade bodies;
- To focus on the national activities and international contacts and interactions in connection with the WTO issues, bilateral, regional & multilateral trade agreements; and
- To provide expert advice to the government and the private sector on international trade disputes and negotiations.

### Activities to achieve the objectives:

- Research
- Policy Advocacy
- Training
- Consulting
- Education

## Board of Directors Bangladesh Foreign Trade Institute (BFTI)

Sl.	Name & Designation	
	<b>Chairman</b>	
01.	<b>Mr. Tipu Munshi, MP</b> Honourable Minister Ministry of Commerce	
	<b>Vice Chairmen</b>	
02.	<b>Mr. Tapan Kanti Ghosh</b> Senior Secretary Ministry of Commerce	
03.	<b>Mr. Md. Jashim Uddin</b> President Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)	
04.	<b>Mr. Mahbubur Rahman</b> President International Chamber of Commerce Bangladesh (ICCB)	
	<b>Members</b>	
05.	<b>Ms. Fatima Yasmin</b> Senior Secretary, Finance Division Ministry of Finance	
06.	<b>Ms. Sharifa Khan</b> Secretary Economic Relations Division	

Sl.	Name & Designation	
07.	<b>Ms. Zakia Sultana</b> Secretary Ministry of Industries	
08.	<b>Ms. Mahfuza Akhter</b> Chairman Bangladesh Trade and Tariff Commission	
09.	<b>Mr. A.H.M. Ahsan</b> Vice-Chairman Export Promotion Bureau	
10.	<b>Ambassador Asad Alam Siam</b> Rector Foreign Service Academy Ministry of Foreign Affairs	
11.	<b>Mr. Rizwan Rahman</b> President Dhaka Chamber of Commerce & Industry (DCCI)	
12.	<b>Mr. Md. Saiful Islam</b> President Metropolitan Chamber of Commerce and Industry (MCCI)	

Sl.	Name & Designation	
13.	<p><b>Mr. Mahbubul Alam</b> President Chittagong Chamber of Commerce &amp; Industry (CCCI)</p>	
14.	<p><b>Mr. Faruque Hassan</b> President Bangladesh Garment Manufacturers and Exporters Association (BGMEA)</p>	
15.	<p><b>Mr. Mohammad Ali Khokon</b> President Bangladesh Textile Mills Association (BTMA)</p>	
16.	<p><b>Mr. Anwar-ul Alam Chowdhury (Parvez)</b> President Bangladesh Chamber of Industries (BCI)</p>	
17.	<b>Member Secretary</b>	
	<p><b>Dr. Md. Jafar Uddin</b> Chief Executive Officer Bangladesh Foreign Trade Institute (BFTI)</p>	

## Bangladesh Country Profile

Official Name	:	The People's Republic of Bangladesh
Form of Government	:	Parliamentary Form of Government
Head of the State	:	President
Head of the Government	:	Prime Minister
Geographical Location	:	North Latitude- Between 20° 34' and 26°38', East Longitude- Between 88°01' and 92°41'
Boundaries	:	North: India, South: Bay of Bengal, West: India, East: India and Myanmar
Area	:	147,570 sq. km (56,977 sq miles)
Territorial Water	:	200 nautical miles
Capital City	:	Dhaka
Standard Time	:	GMT +6 hours
Climatic Variation	:	a) Temperature Maximum: 32.9°C, Minimum: 13.2°C b) Annual Rainfall 2610 mm c) Relative Humidity (80%)
Population	:	170.79 Million
Labor Force (15 years and above)	:	63.5 Million
Labor Force by broad sector	:	Agriculture: 40.6%, Industry: 20.4%, Services: 39%
Literacy rate (7 years and above)	:	75.2%
Life expectancy at birth	:	71.2 years (Male), 74.5 years (Female), 72.8 years (Average)
Poverty rate	:	20.5%
Per Capita GNI	:	US\$ 2,824
International dialing code	:	+880

Electricity Coverage	:	100%
Land boundaries	:	Total: 4,246 km
State Language	:	Bangla English is widely understood and spoken.
Population by Religion	:	Muslim: 91.04%, Hindu: 7.95%, Buddhist: 0.61%, Christian: 0.30%, Others: 0.12%
Currency	:	Taka (BDT)
Major Industries	:	Ready-made Garments, Textiles, Chemical/Organic Fertilizers, Pharmaceuticals, Jute and Jute Goods, Tea Processing, Paper and Newsprints, Cement, Light Engineering, Sugar, Leather goods, Food, Fish, Poultry.
Major Trading Partners	:	EU countries, China, India, USA, UK, Japan, Singapore, Canada, Indonesia, Malaysia, Brazil, UAE, Australia, Saudi Arabia.
Major Export Goods	:	Ready-made Garments, Home Textile, Leather & Leather Products, Agricultural Products, Jute and Jute Goods, Engineering Products, Frozen & Live Fish, Pharmaceutical Products, Bicycle, Plastic & Melamine Product, Rubber, Handicrafts, Carpet, Specialized Textiles, Ceramic Products, Glass & Glass Ware, Ships, Boats & Floating Structures.

Major Export Services	:	Government Services, Transportation, Other Business Services (Research & development services, Professional and management services, Technical, trade-related and other business services), Construction Services, Telecommunication and Information Services (Telecommunication and maintenance services, Export of International Gateway (IGW), Computer Services (Export of computer software, IT enabled services, Computer consultancy services, Installation, Maintenance and repair of computers and peripheral equipment services), Manufacturing Services on Physical Inputs Owned by Others, Travel, Financial Services (other than insurance).
Major Import Goods	:	Textile and Articles thereof, Iron, Steel & Other Base Metals, Petroleum, Oil, and Lubricants (POL), Capital Machinery, Other Capital Goods, Yarn, Raw Cotton, Fertilizer, Plastics and Rubber Articles thereof, Chemicals, Edible Oil, Wheat, Oil Seeds, Staple Fibre, Pharmaceutical Products, Sugar, Clinker, Dyeing and Tanning Materials, Crude Petroleum, Pulses (all sorts), Rice, Milk & Cream.
Major Import Services	:	Transportation, Construction Services, Other Business Services, Travel, Financial Services (Other than insurance), Government Services,

		Telecommunications, Computer and Information Services, Charges for the Use of Intellectual Property, Insurance Services, Maintenance and Repair Services and Personal, Cultural & Recreational Services.
Export Volume	:	US\$60.97 billion, Goods US\$52.08 billion, Service US\$ 8.89 billion <sup>1</sup> , FY2021-22.
Major Export Destinations	:	USA-20%, Germany-14.6%, UK-9.3%, Spain-6.1%, France-5.2%, Poland-4.1%, India-3.8%, Netherlands-3.4%, Italy-3.3%, Canada-2.9%, Japan-2.6%, Australia-1.8%, Belgium-1.7%, China-1.3%, Russia 1.2% and Turkey-0.88%.
Import Volume	:	US\$82.49 billion <sup>2</sup> (Goods), FY2021-22.
Major Import Sourcing Countries	:	China-25.3%, India-16.9%, Singapore-4.8%, USA-4.4%, Japan-3.9%, Indonesia-3.6%, Brazil 3.4%, Malaysia-3.1%, UAE-2.6%, Korea-2.2%, Qatar-2%, Canada-2%, Saudi Arabia-1.9%, Germany-1.6%, Thailand-1.5% and Australia-1.5%.
International Airports	:	Hazrat Shahjalal International Airport, Dhaka; Shah Amanat International Airport, Chattogram; Osmani International Airport, Sylhet.
Domestic Airports	:	Cox's Bazar Airport; Shah Makhdum Airport, Rajshahi; Jashore Airport; Saidpur Airport and Barishal Airport.

<sup>1</sup>EPB Export Data 2021-22 (July- June)

<sup>2</sup>Import Payments for Goods Data is provisional from Bangladesh Bank 2021-22 (July-June)



Seaports	:	Chittagong Port, Mongla Port and Payra Port.
Inland River Ports	:	Dhaka Port, Narayanganj Port, Barisal Port, Chandpur, Khulna, Baghabari, Patuakhali, Narsingdi, Aricha, Nagarbari, Daulotdia, Tongi, Mawa, Char Janajat, Ashuganj-Bhairab Bazar, Bhola, Barguna, Noapara, Munshiganj, Chatak, Meghnaghat, Cox's Bazar, Faridpur, Ghorashal, Shimulia, Teknaf, Tekergat, Chilmari, Moju Chowdhury Hat and Sunamganj.
Land Ports	:	A. Operational: Benapole, Teknaf, Banglabandha, Sonamasjid, Hili, Burimari, Tamabil, Sonahat, Akhaura, Bibirbazar, Nakugaon and Bhomra.  B. Under Construction: Belonia, Gobrakura-Koroitoli, Ramgarh, Chilahati, Tegamukh, Darshana, Daulatganj, Sheola, Dhanua-Kamalpur, Balla, Birol, Bholaganj.
Transport	:	Railways: 3,093 km, Roadways: 22,433 km, Inland waterways:1533 sq km, Coastal waterways: 1677 sq km.
Communication	:	Mobile Phone Subscribers: 184.45 million Internet Subscribers:126.21 million.

Source: Bangladesh Economic Review 2021-22, BIDA, EPB, BLPA, BB, GDP BBS, BBS Statistical Pocket Book 2021, BIWTA, Civil Aviation Authority, BTRC, BBS Population and Housing Census 2022.

## World Economy

World Economic Outlook (WEO), a publication of International Monetary Fund (IMF) projected that global growth is expected to decline from an estimated 6.1 percent in 2021 to 3.6 percent in both 2022 and 2023. The ongoing war in Ukraine and sanction on Russia are expected to reduce global growth in 2022 through direct impacts on the two countries and global spillovers. Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7 percent in advanced economies, 5.3 percent in Euro Area, 3.5 percent in Emerging & Developing Asia and 12.8 percent in the Middle East and Central Asia. In Bangladesh, growth is projected at 6.4 percent in 2022 and 6.7 percent in 2023. Inflation is projected at 6 percent in 2022 and 6.2 percent in 2023. Here, growth & inflation scenario of the global economy are described in a table from IMF World Economic Outlook database:

**Table 1: Global Economy: Growth & Inflation Scenario**

year to year growth in (%)

Country/Region	Real GDP Growth				Inflation			
	Actual		Projection		Actual		Projection	
	2020	2021	2022	2023	2020	2021	2022	2023
<b>World</b>	-3.1	6.1	3.6	3.6	-	-	-	-
<b>Advanced Economies</b>	-4.5	5.2	3.3	2.4	0.7	3.1	5.7	2.5
<b>United States</b>	-3.4	5.7	3.7	2.3	1.2	4.7	7.7	2.9
<b>Euro Area</b>	-6.4	5.3	2.8	2.3	0.3	2.6	5.3	2.3
<b>Emerging and Developing Asia</b>	-0.8	7.3	5.4	5.6	3.1	2.2	3.5	2.9
<b>Bangladesh</b>	3.5	5.0	6.4	6.7	5.6	5.6	6.0	6.2
<b>China</b>	2.2	8.1	4.4	5.1	2.4	0.9	2.1	1.8
<b>India</b>	-6.6	8.9	8.2	6.9	6.2	5.5	6.1	4.8
<b>Middle East and Central Asia</b>	-2.9	5.7	4.6	3.7	10.6	13.2	12.8	10.5

Source: World Economic Outlook, April 2022, IMF

# World Trade

According to the IMF World Economic Outlook report of April 2022, world trade volumes triggered to massive 10.1 percent growth in 2021 from 7.9 percent negative growth in 2020. However, it is projected that the global trade growth will be 5 percent in 2022 which will be lower than that of the previous year. According to UNCTAD Trade Statistics 2021, the overview of world merchandise trade is given below:

**Table 2: World Trade Overview in 2021**

in Million US\$

Territories/Countries	Export	Import
World	22,283,908	22,518,828
Developed Economies	12,398,935	13,299,645
Developing Economies	9,884,973	9,219,182
ASEAN (Association of Southeast Asian Nations)	1,720,051	1,620,848
European Union	6,625,559	6,456,885
Asia	9,570,437	8,785,053
Northern America	2,258,764	3,438,404
Oceania	403,362	324,914
<b>SAARC (South Asian Association for Regional Cooperation)</b>	<b>484,610</b>	<b>773,823</b>
Afghanistan	1,007	5,042
Bangladesh	44,223	80,874*
Bhutan	886	1,020
India	395,408	572,520
Maldives	285	2,574
Nepal	1,979*	18,623*
Pakistan	28,320	72,533
Sri Lanka	12,502	20,637

\*Estimated

Source: UNCTAD International Merchandise Trade Database 2021

## Bangladesh Economy

Bangladesh celebrated two grand occasions in 2021, the Birth Centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and the Golden Jubilee of the Independence.

The country is on track to graduate from LDC in 2026, having met and maintained all three of the UNCDP's graduation requirements in its 2<sup>nd</sup> triennial evaluation. Bangladesh Government has also taken proactive steps to prepare the country for a 'graduation with momentum' and a 'smooth transition' into a new economic environment. Bangladesh's LDC graduation strategies will lay the foundation for it to become a high income country by 2041, with a per capita income of over US\$12,500 and foreign trade of US\$ 300 billion. World Bank envisaged that Bangladesh had become one of the fastest-growing economies and per capita income almost tripled in just 10 years<sup>3</sup>. Bangladesh has achieved the highest cumulative GDP growth globally in the last ten years and maintained strong macroeconomic stability, resulting in impressive socio-economic development, increased per capita income, and reduced poverty<sup>4</sup>.

According to the Centre for Economics and Business Research (CEBR) of UK, Bangladesh will graduate to 24<sup>th</sup> largest economy<sup>5</sup> by 2036 owing to its ability to attract large foreign investments, the rising RMG demand, and macroeconomic stability.

---

<sup>3</sup>Bangladesh Overview\_ Development news, research, data \_ World Bank

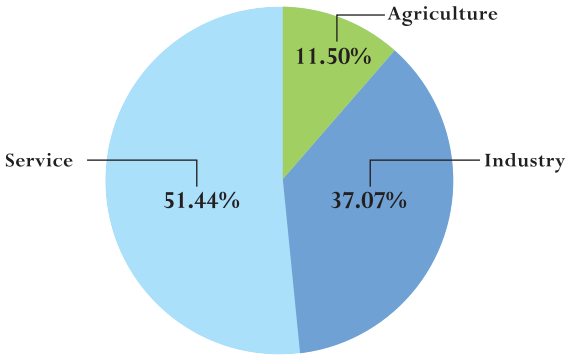
<sup>4</sup>Voluntary National Review 2020, UN retrieved from <https://sustainabledevelopment.un.org/memberstates/bangladesh>

<sup>5</sup>World Economic League Table (WELT 2022) report, page 15

# 1 Real Sector

Bangladesh has begun its economic journey with 6 percent-plus growth and an impressive achievement in human, social and economic development fronts. Although the COVID-19 pandemic prevailed, Bangladesh achieved 3.45 percent GDP growth in FY2019-20 which was 7.88 percent in FY2018-19.

**Figure 1: Sectoral Share of GDP in FY2021-22**



Source: Bangladesh Bureau of Statistics (2021-22)

A provisional estimate envisaged that in FY2021-22, Bangladesh could secure 7.25 percent GDP growth, showing the strength of the economy. GDP stood at US\$464.98 billion with GNI per capita increased to US\$2824 in FY2021-22 from US\$2,591 in FY2020-21. Over the decade, Bangladesh's economy has experienced a sectoral transformation where agriculture-dominated economy is gradually turning into a service dependent economy and industry has become the key engine of growth. The contribution of agriculture, industry and service sector to GDP is 11.50 percent, 37.07 percent and 51.44 percent respectively.

**Table 3: Sectoral Growth Rate of GDP at Constant Prices**  
(Base: 2015-16)

Sector	2017-18	2018-19	2019-20	2020-21	2021-22 (p)
<b>Agriculture</b>	<b>3.54</b>	<b>3.26</b>	<b>3.42</b>	<b>3.17</b>	<b>2.20</b>
Agriculture, forestry and fishing	3.54	3.26	3.42	3.17	2.20
<b>Industry</b>	<b>10.20</b>	<b>11.63</b>	<b>3.61</b>	<b>10.29</b>	<b>10.44</b>
a) Mining and quarrying	9.55	11.31	3.16	6.49	-1.94
b) Manufacturing	10.45	12.33	1.68	11.59	12.31
i) Large industry	11.08	12.79	0.41	10.61	12.87
ii) Small, medium & micro industry	11.10	10.61	2.69	13.89	11.71
iii) Cottage industry	7.45	14.17	3.67	10.27	11.75
c) Electricity, gas, steam and air conditioning	8.27	8.24	0.67	9.54	5.96
d) Water supply; sewerage, waste management	2.96	6.31	2.18	6.65	7.43
e) Construction	10.06	10.47	9.13	8.08	8.94
<b>Services</b>	<b>6.55</b>	<b>6.88</b>	<b>3.93</b>	<b>5.73</b>	<b>6.31</b>
a) Wholesale and retail trade; repair of motor vehicle	8.74	8.85	3.21	7.64	8.72
b) Transport and storage	6.74	7.01	1.73	4.04	5.70

(Value in percent)

Sectoral Growth Rate of GDP at Constant Prices (Continued)

Sector	2017-18	2018-19	2019-20	2020-21	2021-22 (p)
c) Accommodation & food service activity	5.52	5.64	1.69	4.53	5.59
d) Information and communication	6.77	7.36	6.57	7.11	6.15
e) Financial and insurance activities	6.94	8.25	4.72	5.82	7.60
f) Real estate activities	3.48	3.61	3.68	3.42	3.66
g) Professional, scientific and technical activities	4.08	4.17	3.38	5.09	4.25
h) Administrative and support service activities	7.74	8.17	6.33	6.02	5.48
i) Public administration and defense; compulsory social security	8.67	6.49	5.49	6.05	4.02
j) Education	5.89	7.06	5.33	5.81	6.23
k) Human health and social work activities	9.20	12.20	10.70	10.60	9.78
l) Arts, entertainment and recreation	5.24	5.48	5.43	5.76	6.07
m) Other service activities	3.22	3.27	3.06	3.08	3.19
<b>Overall Growth Rate</b>	<b>7.32</b>	<b>7.88</b>	<b>3.45</b>	<b>6.94</b>	<b>7.25</b>

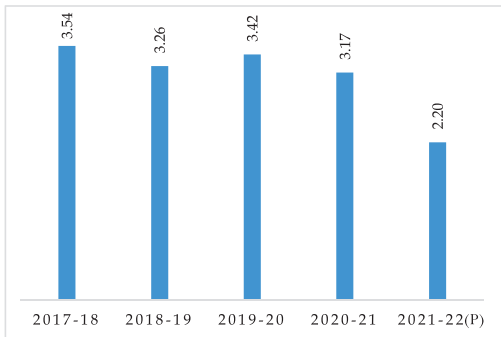
Note: 'p' denotes provisional

Source: Bangladesh Bureau of Statistics (2021-22)

## 1.1 Agriculture

Agriculture is considered as the sectoral forerunner, accommodating 40.6 percent of total employment according to the Quarterly Labor Force Survey 2016-17. BBS Provisional data shows that in FY2021-22, the growth of this sector reduced to 2.20 percent from 3.17 percent in FY2020-21. In FY2021-22, the contribution of this sector to the GDP also decreased to 11.50 percent from 12.07 percent in FY2020-21. The total production target of food grains in FY2021-22 was 46.58 million metric tons (MT) which was 46.64 million<sup>6</sup> metric tons (MT) in FY2020-21.

**Figure 2: Agriculture Sector Growth (%)**



Source: Bangladesh Bureau of Statistics (2021-22)

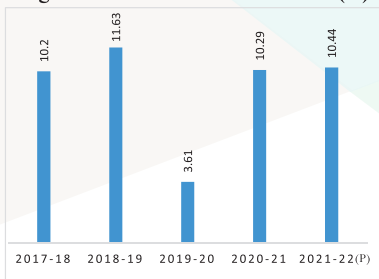
## 1.2 Industry

The industrial sector managed to grow by 10.44 percent in FY2021-22 from 10.29 percent growth in the previous year. The industry share of GDP increased to 37.07 percent in FY2021-22 which was 36.01 percent in the previous FY2020-21. The manufacturing industry share of GDP increased to 24.45 percent in FY2021-22 which was 23.36 percent in FY2020-21. Electricity, gas, steam and air conditioning showed 5.96 percent growth which was 9.54 percent in FY2020-21.

<sup>6</sup>Bangladesh Economic Review 2022



**Figure 3: Industrial Sector Growth (%)**



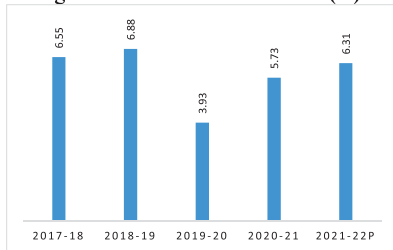
Source: Bangladesh Bureau of Statistics (2021-22)

### 1.3 Service Sector

The service sector grew by 6.31 percent in FY2021-22 while it was 5.73 percent in the previous fiscal year. In FY2021-22, the growth of Wholesale and Retail Trade; Repair of motor vehicle, Transport and Storage, Accommodation & Food Service, were respectively 8.72 percent, 5.70 percent and 5.59 percent in place of 7.64 percent, 4.04 percent and 4.53 percent in FY2020-21<sup>7</sup>.

It is noteworthy that the sub-sectoral contribution like wholesale and retail trade, repair of motor vehicles activity in the service sector is on the rise. BBS data forecasts that these sectors may contribute 15.26 percent to GDP in FY2021-22 which was incremental since FY2017-18.

**Figure 4: Service Sector Growth (%)**



Source: Bangladesh Bureau of Statistics (2021-22)

<sup>7</sup>GDP, BBS data FY2021-22

## 1.4 Investment & Savings

In FY2021-22(p)<sup>8</sup>, the private investment reached 24.06 percent of total GDP which was 23.70 percent of GDP in FY2020-21<sup>9</sup>, indicating a higher trend in private investment. Meanwhile, the public sector investment increased to 7.62 percent from 7.32 percent. Hereby, overall investment increased to 31.68 percent of GDP in FY2021-22 from 31.02 percent of GDP in FY2020-21<sup>10</sup>. BBS recorded that the Gross National Saving in FY2021-22 was 25.45 percent while it was 30.79 percent in FY2020-21<sup>11</sup>. In FY 2020-21, the investment proposal for 1095 private projects registered with BIDA were of Tk. 65,566 crore. On the other hand, in the first eight months of FY 2021-22 (till February 2022), the value of local investment proposal stood at Tk. 1,08,022 crore for 763 projects. Private investment proposals registered with BIDA are shown in the following table:

**Table 4: Private investment proposals registered with BIDA**

Fiscal Year	Local Investment Proposals Registered		Foreign investment Proposals registered		Total Investment Proposals Registered		Growth in Project Value%
	Projects	Project Value (Crore Taka)	Projects	Project Value (Crore Taka)	Projects	Project Value (Crore Taka)	
2011-12	1,735	53,476	221	34,416	1,956	87,893	(-)10.00
2012-13	1,457	44,615	219	22,072	1,676	66,687	(-)24.00
2013-14	1,308	49,759	124	18,531	1,432	68,290	(+)2.40
2014-15	1,309	91,273	120	8,061	1,429	99,334	(+)45.46
2015-16	1,511	94,585	151	15,576	1,662	1,10,161	(+)9.86
2016-17	1,578	99,672	167	85,589	1,745	1,85,261	(+)68.17
2018-19	1198	70,696	170	43,399	1368	1,14,095	(-)44.96
2019-20	739	63,993	166	41,233	905	1,05,226	(-)11.84
2020-21	986	56591	109	8975	1095	65,566	(-)37.69
2021-22*	703	100008	60	8014	763	1,08,022	N/A

Source: Monthly Report (2021-22), Policy Advocacy BIDA

\*up to February 2022

<sup>8</sup> 'p' denotes provisional

<sup>9</sup> Bangladesh Economic Review 2022, Page 268

<sup>10,11</sup> Bangladesh Economic Review 2022, Chapter 2-GDP, Savings and Investment, Page 18

## 2 External Sector

Bangladesh's foreign trade has started to return to a positive trend confronting the adverse effect of the COVID-19 pandemic. In FY 2019-20, total export earnings decreased by 15.46 percent to US\$39.76 billion compared to the previous FY2018-19 earning amounting to US\$ 47.03 billion. Export earnings stood at US\$45.37 billion during FY2020-21, which was 14.12 percent higher than the export earnings in the same period of FY2019-20. Likewise, the previous fiscal year, the incremental growth rate of the export of goods and services reaches US\$60.97 billion in FY2021-22 which is 34.40 percent higher than that of the previous year.

### 2.1 Export

Total merchandise export in FY2021-22 increased by 34.38 percent to US\$52.08 billion in contrast to US\$38.76 billion in FY2020-21. Service export increased by 34.49 percent and reached US\$8.89 billion in FY2021-22 which was US\$6.61 billion in FY2020-21.

**Table 5: Export of Goods & Services**

(Value in Million US\$)

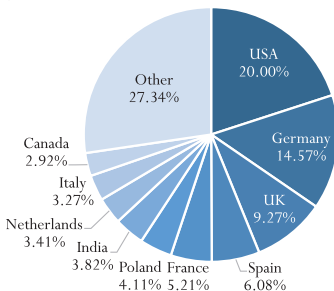
FY	Export Earnings		Total	Growth%
	Export of Goods	Export of Services		
2012-13	27,027.36	2,936.30	29,963.66	-
2013-14	30,186.62	3,243.88	33,430.50	11.57
2014-15	31,208.94	3,210.85	34,419.79	2.96
2015-16	34,257.18	3,494.90	37,752.08	9.68
2016-17	34,846.84	3,653.71	38,500.55	1.98
2017-18	36,668.17	4,586.31	41,254.48	7.15
2018-19	40,535.04	6,492.68	47,027.72	13.99
2019-20	33,674.09	6,081.18	39,755.27	-15.46
2020-21	38,758.31	6,608.88	45,367.19	14.12
2021-22	52,082.66	8888.60	60971.26	34.40

Source: Pocket Export Statistics FY2020-21, EPB; Growth is calculated by BFTI

In FY2021-22, RMG export experienced 35.47 percent growth compared to the previous fiscal year. Export of Home textile, Leather & Leather products, Agricultural Products, Engineering Products and Chemical Products (including Pharmaceuticals) increased by 43.28 percent, 32.23 percent, 13.04 percent, 50.40 percent and 29.76 (for pharmaceuticals 11.69%) percent respectively. However, the export of Jute and Jute goods decreased by 2.91 percent<sup>12</sup>.

The Major Export Destinations of goods in FY2021-22 are shown in the following Chart:

**Figure 5: Major Export Destinations in FY 2021-22**



Source: Export Promotion Bureau (EPB) FY2021-22

## 2.2 Import

The total merchandise Import Payments of Bangladesh during FY2021-2022 and FY2020-2021 amounted to US\$82.49 billion<sup>13</sup> and US\$54.40 billion respectively, reflecting a 51.64 percent increase in dollar terms<sup>14</sup>. In FY2019-20, total merchandise Import Payments of Bangladesh was US\$48.70 billion which was 11.71% lower than that of the FY2020-21<sup>15</sup>.

<sup>12</sup>Monthly Summary Sheet, FY2021-22 (July-June), EPB

<sup>13</sup>Selected Economic Indicators, 25 August 2022, Bangladesh Bank

<sup>14</sup>Yearly Import Payment of Goods, Bangladesh Bank Data 2020-21

<sup>15</sup>Yearly Import Payment Goods, Bangladesh Bank Data 2019-20

Year-wise import of goods and services is shown below:

**Table 6: Import Payment of Goods and Service**

(Value in Million US\$)

<b>FY</b>	<b>Import goods</b>	<b>Import services</b>	<b>Total</b>	<b>Growth (%)</b>
<b>2012-13</b>	34,083.6	1,705.8	35,789.5	N/A
<b>2013-14</b>	40,731.9	2,133.6	42,865.6	19.77
<b>2014-15</b>	40,579.3	3,956.9	44,536.2	3.90
<b>2015-16</b>	40,097.5	4,075.0	44,172.5	-0.82
<b>2016-17</b>	43,663.0	4,549.0	48,212.0	9.14
<b>2017-18</b>	52,939.6	6,086.6	59,026.2	22.43
<b>2018-19</b>	56,060.8	6,823.2	62,884.0	6.54
<b>2019-20</b>	48,699.9	6,935.0	55,634.9	-11.53
<b>2020-21</b>	54,402.6	7,206.5	61,609.1	10.74
<b>2021-22</b>	*82,495.0	Not Available	-	-

Source: Bangladesh Bank (Import Data) FY2021-22, Pocket Export Statistics FY2020-21, EPB  
Growth is calculated by BFTI

\* Selected Economic Indicators, 25 August 2022, Bangladesh Bank

The major trading partners of Bangladesh and respective amount of trade are shown in the table below:

**Table 7: Major Trading Partners (Top 10)**

(Value in Million US\$)

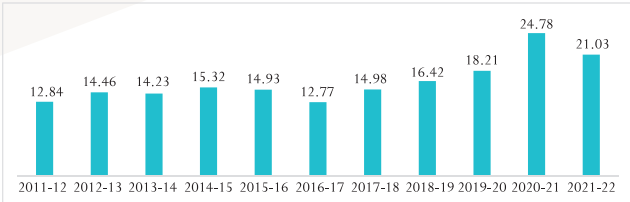
Country	FY 2019-20			FY 2020-21			FY 2021-22		
	Exports	Imports	Total	Exports	Imports	Total	Exports	Imports	Total
China	600.11	11,489.89	12,090.00	680.66	12,925.24	13,605.90	683.43		
India	1,096.38	5,793.57	6,889.95	1,279.67	8,593.54	9,873.21	1,991.39		
USA	5,832.39	2,126.10	7,958.49	6,974.01	2,268.16	9,242.17	10,417.72		
Germany	5,099.19	860.08	5,959.27	5,953.51	795.86	6,749.37	7,590.97		
UK	3,453.88	411.06	3,864.94	3,751.27	359.89	4,111.16	4,828.08		
Japan	1,200.78	1,720.66	2,921.44	1,183.64	2,001.19	3,184.83	1,353.85		
Singapore	95.10	1,716.21	1,811.31	116.57	2,467.99	2,584.57	127.12		
Spain	2,189.03	177.98	2,367.01	2,343.99	163.24	2,507.23	3,166.37		
Canada	1,000.49	943.25	1,943.74	1,164.01	998.83	2,162.84	1,522.96		
France	1,703.58	208.51	1,912.09	1,962.14	193.78	2,155.92	2,711.06		

Source: Export Promotion Bureau & Bangladesh Bank

## 2.3 Remittance

Remittance is a pivotal source of bagging foreign exchange earnings for Bangladesh. The remittance inflow reached a record level of US\$24.78 billion with 36 percent increase in FY2020-21 over FY2019-20. In FY2021-22, remittance inflow reached US\$21.03 billion.

**Figure 6: Remittance Earning in Past Decade in Billion US\$**

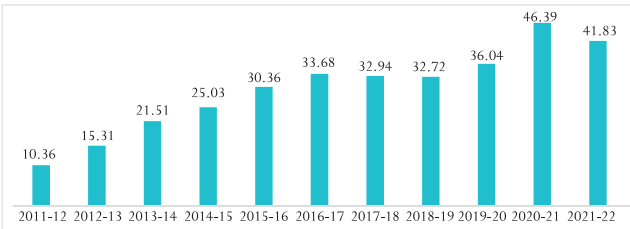


Source: Bangladesh Bank

## 2.4 Foreign Exchange Reserve

Foreign currency reserve of Bangladesh Bank moderated to US\$41.83 billion in June, FY2021-22 while it was US\$46.39 billion in previous year. With the current fiscal year's reserve, it is possible to bear the expenditure of 4.7 months' import of goods and services.

**Figure 7: Foreign Exchange Reserve in Billion US\$**

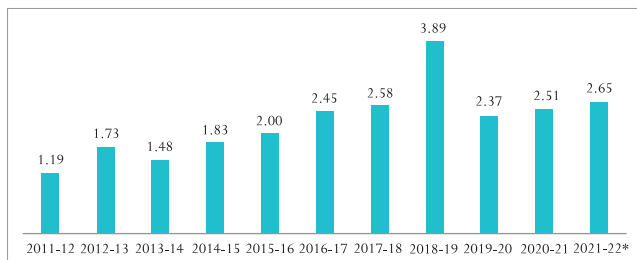


Source: Accounts & Budgeting Department, Bangladesh Bank

## 2.5 Foreign Direct Investment (FDI)

The COVID-19 pandemic caused an unprecedented disruption to world trade, as production and consumption were scaled back across the countries. Global Foreign Direct Investment flow in 2021 was US\$1.58 trillion, which was 64 percent higher from exceptionally low level of FDI in 2020 due to COVID-19. Foreign direct investment (FDI) flows to developing Asia, despite successive waves of COVID-19<sup>16</sup>, rose to an all-time high for the third consecutive year, reaching US\$619 billion reflecting rebound amid global FDI expansion, according to UNCTAD's World Investment Report 2022. In Bangladesh, net FDI inflow in FY2020-21 was US\$2.51 billion which was US\$2.37 billion in previous year, recording 5.8 percent positive growth. In FY2021-22 (July-March), the FDI net inflow was US\$2.65 billion, implying higher growth in FDI.

**Figure 8: Net FDI Inflow in Billion US\$**



Source: Bangladesh Bank

## 2.6 Balance of Payment

The trade deficit in FY2020-21 was US\$23.78 billion which was higher than the trade deficit of US\$18.57 billion in the previous fiscal year. However, provisional data of Bangladesh Bank shows that negative trade balance will reach US\$33.25 billion in FY2021-22 in place of US\$ 23.78 billion in the corresponding

<sup>16</sup>UNCTAD's World Investment Report 2022

\*Bangladesh Bank, 2021-22 (July-March)



period of the previous year, though the recent years' income deficit was largely moderated by US\$21.03 billion of remittances. The current account deficit may increase to US\$18.697 billion in FY2021-22 while it was US\$4.58 billion in FY2020-21. The financial account, however, is expected to reach 13.67 billion during FY2021-22 which was US\$14.07 billion in the same period of FY2020-21. The BoP data revealed that the net flow of FDI increased to US\$2.18 billion in FY2021-22 from US\$1.355 billion in FY2020-21. However, strong growth in export earnings coupled with a rebound in remittances in FY2021-22 has been able to ease the situation by this time.

**Table 8: Balance of Payment**

(Value in Million US\$)

Items	2020-21 <sup>R</sup>	2021-22 <sup>RP</sup>	2021-22 <sup>P</sup>
	July-June	July-May	July-June
<b>Trade balance</b>	<b>-23,778</b>	<b>-30,820</b>	<b>-33,249</b>
Export f.o.b. (including EPZ)	36,903	44,582	49,246
Of which: Readymade garments	31,457	38,521	42,613
Import f.o.b. (including EPZ)	60,681	75,402	82,495
<b>Services</b>	<b>-3,020</b>	<b>-3,398</b>	<b>-3870</b>
Credit	7,439	8,945	9,982
Of which: Government services	2,674	2,288	2,659
Debit	10,459	12,343	13,852
<b>Primary income</b>	<b>-3,172</b>	<b>-2,880</b>	<b>-3,299</b>
Credit	217	324	350
Debit	3,389	3,204	3,649
Of which: Official interest payments	909	819	943
<b>Secondary income</b>	<b>25,395</b>	<b>19,812</b>	<b>21,721</b>
Official transfers	51	16	16
Private transfers (net)	25,344	19,796	21,705
Of which: Workers' remittances inflows	24,778	19,194	21,032
<b>Current Account Balance</b>	<b>-4575</b>	<b>-17,286</b>	<b>-18,697</b>
<b>Capital account</b>	<b>458</b>	<b>173</b>	<b>181</b>
Capital transfers	458	173	181

period of the previous year, though the recent years' income deficit was largely moderated by US\$21.03 billion of remittances. The current account deficit may increase to US\$18.697 billion in FY2021-22 while it was US\$4.58 billion in FY2020-21. The financial account, however, is expected to reach 13.67 billion during FY2021-22 which was US\$14.07 billion in the same period of FY2020-21. The BoP data revealed that the net flow of FDI increased to US\$2.18 billion in FY2021-22 from US\$1.355 billion in FY2020-21. However, strong growth in export earnings coupled with a rebound in remittances in FY2021-22 has been able to ease the situation by this time.

**Table 8: Balance of Payment**

(Value in Million US\$)

Items	2020-21 <sup>R</sup> July- June	2021-22 <sup>RP</sup> July- May	2021-22 <sup>P</sup> July-June
<b>Trade balance</b>	<b>-23,778</b>	<b>-30,820</b>	<b>-33,249</b>
Export f.o.b. (including EPZ)	36,903	44,582	49,246
Of which: Readymade garments	31,457	38,521	42,613
Import f.o.b. (including EPZ)	60,681	75,402	82,495
<b>Services</b>	<b>-3,020</b>	<b>-3,398</b>	<b>-3870</b>
Credit	7,439	8,945	9,982
Of which: Government services	2,674	2,288	2,659
Debit	10,459	12,343	13,852
<b>Primary income</b>	<b>-3,172</b>	<b>-2,880</b>	<b>-3,299</b>
Credit	217	324	350
Debit	3,389	3,204	3,649
Of which: Official interest payments	909	819	943
<b>Secondary income</b>	<b>25,395</b>	<b>19,812</b>	<b>21,721</b>
Official transfers	51	16	16
Private transfers (net)	25,344	19,796	21,705
Of which: Workers' remittances inflows	24,778	19,194	21,032
<b>Current Account Balance</b>	<b>-4575</b>	<b>-17,286</b>	<b>-18,697</b>
<b>Capital account</b>	<b>458</b>	<b>173</b>	<b>181</b>
Capital transfers	458	173	181

## Balance of Payment (Continued)

Items	2020-21 <sup>R</sup>	2021-22 <sup>RP</sup>	2021-22 <sup>P</sup>
	July- June	July- May	July-June
<b>Financial account</b>	<b>14,067</b>	<b>13,300</b>	<b>13,666</b>
Foreign direct investment (gross inflows)	3,387	4,316	4,708
Of which: Net FDI flow	1,355	1,998	2,179
Portfolio investment (net)	-269	-135	-158
Of which: Investment by NRBs	209	102	114
Other investment (net)	12,981	11,437	11,645
Net aid flows	6,032	6,803	8,284
Medium and Long Term (MLT) loans	7,449	8,227	9,811
MLT amortization payments	1,417	1,424	1,527
Other long-term loans (net)	1,684	1,174	1,404
Other short-term loans (net)	2,064	2,990	2,333
Trade credit (net)	3,749	-1,110	-1,561
DMBs and NBDCs (net)	-548	1,580	1,185
Assets	391	289	791
Liabilities	-157	1,869	1,976
<b>Errors and omissions</b>	<b>-676</b>	<b>-487</b>	<b>-530</b>
<b>Overall balance</b>	<b>9,274</b>	<b>-4,300</b>	<b>-5380</b>
<b>Reserve Assets</b>	<b>-9,274</b>	<b>4,300</b>	<b>5,380</b>
<b>Bangladesh Bank (net)</b>	<b>-9,274</b>	<b>4,300</b>	<b>5,380</b>
Assets	9,924	-3,599	-3,711
Liabilities	650	701	1,669
<b>Memorandum Items: Gross reserves (before valuation adjustments)</b>	<b>45,961</b>	<b>42,793</b>	<b>42,681</b>
Valuation adjustment during the period	430	-591	-854
Gross reserves (after valuation adjustments)	46,391	42,202	41827
In months of imports of goods and services (prospective)	5.8	4.8	4.7
In months of imports of goods (c.i.f.) (prospective)	6.2	5.2	5.1

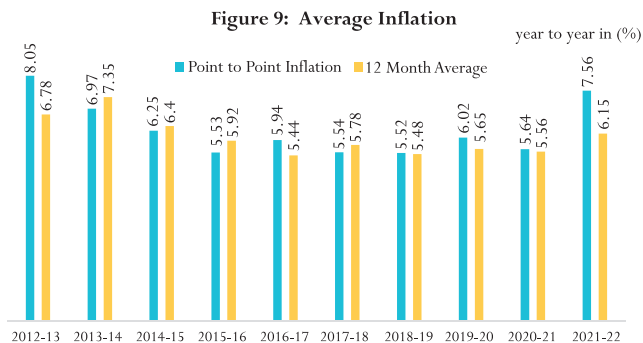
Source: Foreign Direct Investment, Balance of Payment Bangladesh, R=Revised, P= Provisional, RP=Revised but still Provisional

### 3 Monetary Sector

Monetary Policy Statement (MPS) has been announced for FY2022-23 to manage the monetary and credit system of the country with a view to stabilizing domestic monetary value and maintaining a competitive external par value of Taka towards fostering growth and development of country's productive resources. The monetary and credit programs for FY22 were designed with the assumption of a 7.20 percent real GDP growth and a 5.30 percent general inflation ceiling, as declared in the national budget<sup>17</sup>.

#### 3.1 Inflation

Lingering supply shocks and surging global energy as well as commodity prices have resulted in higher inflation in many economies, including Bangladesh's. The CPI-based average twelve month inflation in Bangladesh stood at 5.99 percent in May 2022<sup>18</sup>. The point-to-point inflation stood at 7.56 percent and the monthly average (twelve month) inflation stood at 6.15 percent in June 2022<sup>19</sup>.



Source: Monthly Economic Trends (August 2022), Bangladesh Bank

<sup>17</sup>Monetary Policy Statement FY2022-23, Page-3

<sup>18</sup>Monetary Policy Statement FY2022-23, Page-4

<sup>19</sup>Monetary and Financial Statistics, June 2022, Bangladesh Bank

The inflation was attributed to a significant increase in both food and non-food prices mainly because of the pass-through of elevated global commodity prices in the face of supply shocks, higher shipping costs, and the knock-on effect of an upward adjustment of fuel (diesel and kerosene) price in the domestic market. Bangladesh Bank has taken several measures to combat inflation, including issuing BB bills and tightening policy rates.

### 3.2 Monetary Policy

Bangladesh Bank cautiously designed an accommodative monetary policy stance in FY2022-23 to support the continuing efforts for economic recovery from COVID-19 pandemic-induced adversities and maintain appropriate cautions for overall price and financial stability. As a result, the public and the private sector credit growth are projected to be 32.3 percent and 13.6 percent in December, 2022 respectively while it would have been expected to increase by 36.3 percent and 14.1 percent in June 2023. The projection of public sector credit growth is made based on the Government's expected borrowing needs from banks, as envisaged in the national budget FY2022-23.

**Table 9: Monetary Programs**

Key Items	year to year growth in (%)						
	Actual Jun21	Program Dec21 Jun22		Actual Dec21 Jun22 <sup>e</sup>		Program Dec22 Jun23	
Net Foreign Assets *	27.7	13.0	10.4	2.8	-12.5	-10.7	-2.1
Net Domestic Assets	9.3	14.1	16.5	12.0	16.9	16.7	16.0
Domestic credit	10.4	14.1	17.8	12.4	15.6	16.7	18.2
Credit to the public sector @	21.7	30.6	32.6	21.9	27.9	32.3	36.3
Credit to the private sector	8.3	11.0	14.8	10.7	13.1	13.6	14.1
Broad Money	13.6	13.8	15.0	9.6	9.1	10.0	12.1
Reserve Money	22.4	14.0	10.0	6.5	0	9.0	9.0
Money Multiplier	4.5	4.86	4.69	5.01	4.9	5.06	5.04

Source: Monetary Policy Statement FY2021-22 & FY2022-23, Bangladesh Bank

\*Calculated using the constant exchange rate of 27 June 2022. <sup>e</sup>=estimated. @-Amount of net credit to government in FY 21 and FY 2022 were Tk. 420 billion and Tk. 600 billion (estimate) respectively, and for FY 2023, it is assumed to be Tk. 1063 billion as per the national budget.

### 3.3 Financial Inclusion

The depth of the financial sector has increased substantially during the FY2010-21 period as the Broad Money-GDP ratio, an indicator of the financial depth of an economy, rose to 0.5 percent at the end of FY2020-21 from 0.37 in FY2005-06<sup>20</sup>.

- Deposits of scheduled banks, as a percentage of GDP, increased to 44.33 percent in FY2020-21 from 35 percent in FY2005-06. As a result, the lending capacity of the bank has also increased<sup>21</sup>.
- Compared to FY2005-06, agricultural and industrial loans increased around 1.29 and 2.7 times respectively in FY2019-20. Agricultural and industrial loans were BDT 153.8 billion and BDT 273.8 billion respectively at the end of FY2005-06 whereas credit balances for agricultural loan increased to BDT 199.80 billion at the end of FY2020-21 and credit balances for industrial loan increased to BDT 493.34 billion at the end of March FY2020-21<sup>22</sup>. Side by side, credit balance in the private sector rose to 39.48 percent of GDP in FY2020-21 from 27.4 percent of GDP in FY2005-06<sup>23</sup>.

### 3.4 Mobile Banking & Agent Banking

The growth of the number of agent-based banking outlets and the subscribers is remarkable from 18 and 3,117 in FY2013-14 to 14,300 and 1,60,73,962 in FY2021-22 respectively. Mobile Financial Service (MFS) has become a key driver of financial inclusion through providing services for the unbanked population segment and in unblocking the advancement opportunities for the underserved section of the society. As of June, 2022, a total of 15,15,665 agents served 178.64 million registered customers (MFS total Account). The rural unbanked population has significantly benefitted from this service.

---

<sup>20</sup>Socio Economic Progress and Recent Macroeconomic Development in Bangladesh (September, 2021), Page-23, Finance Division, Ministry of Finance

<sup>21,22,23</sup>Socio Economic Progress and Recent Macroeconomic Development in Bangladesh (September, 2021), Page-24, Finance Division, Ministry of Finance

**Table 10: Mobile Banking & Agent Banking Updated Data**

Financial Year	Number of branches of schedule bank	Number of Agents of Mobile Banking services	Number of Mobile Banking Subscribers	Number of Agents for "Agent-based Banking"	Number of subscribers for agent-based banking	Number of ATMS
2013-14*	8,794	3,46,179	164,62,610	18	3,117	5,778
2014-15	9,131	5,47,407	28,625,074	100	37,052	6,346
2015-16	9,453	6,17,418	36,333,933	610	2,61,693	8,517
2016-17	9,720	7,58,570	53,702,690	2,891	8,45,699	9,246
2017-18	10,114	8,29,783	61,862,982	3,598	17,83,156	9,747
2018-19	10,396	1,024,772	73,778,610	5,462	34,14601	10,722
2019-20	10,588	1,160,121	1,07,475,632	8,812	73,57,471	11,047
2020-21	10,793	1,377,616	1,52,462,267	12,930	122,02,370	12,337
2021-22 (As of June)	10,963	1,515,665	1,78,639,642	14,300	16,073,962	13,036

Source: Bangladesh Bank Monthly Economic Trend August 2022

\*Socioeconomic Progress and Recent Macroeconomic Developments in Bangladesh (2021), Finance Division, Ministry of Finance

## 4 Fiscal Sector and Fiscal Policy Management

Ministry of Finance declared the total expenditure budget target for FY2022-23 setting at Tk. 6,78,064 crore (15.2 percent of GDP), which is 14.25 percent higher than the revised budget of FY2021-22. The revised ADP size for FY2021-22 stood at Tk. 2,09,977 crore (excluding autonomous agencies/corporations' own funded projects). Meanwhile, the ERD data envisaged that the flow of External Resources into Bangladesh in FY2020-2021 crossed the landmark of US\$7 billion for the second consecutive time and the total amount of disbursement was US\$7.96 billion which is also the highest since independence. Compared with FY 2019-20, the commitment of foreign assistance has decreased by 3.57 percent and disbursement has increased by 7.72 percent<sup>24</sup>. The government has allocated Tk. 1,87,679 crore<sup>25</sup> as stimulus packages declared by the Hon'ble Prime Minister aimed at addressing the COVID-19 impacts. The implementation progress of the stimulus packages is 71.55 percent till April 2022<sup>26</sup>.

The stagnation of global economic activity due to the COVID-19 pandemic and the Russia-Ukraine war has so far entailed adverse impact in fiscal management of the country. In FY2022-23 revenue mobilization target from National Board of Revenue (NBR) is set at Tk. 3,70,000 crore, which is 12.1 percent higher than the revised target of the previous fiscal year. The total revenue mobilization in FY2021-22 (till May) has increased by 14.9 percent<sup>27</sup> as compared to the same period of the previous fiscal year. The government is cautious to maintain the budget deficit within 5.5 percent of GDP by increasing efficiency in revenue management in FY2022-23 while in the revised budget, the deficit for FY2021-22 was 5.1 percent of GDP. Net inflow of foreign grants and loans has been expected to be increased in FY2022-23.

---

<sup>24</sup>Overview of Flow of External Resources into Bangladesh (As of 30 June 2021), Page-1, ERD

<sup>25</sup>Finance Division, National Budget Speech FY2022-23, page 192

<sup>26</sup>Finance Division, National Budget Speech FY2022-23, page 180

<sup>27</sup>Revenue Collection Statement for FY2021-22 (Up to May), retrieved from [https://nbr.gov.bd/uploads/publications/NBR\\_20220628\\_0001.pdf](https://nbr.gov.bd/uploads/publications/NBR_20220628_0001.pdf)



Table 11: Proposed Budget Structure for FY 2022-2023 (Crore Tk.)

Sector	Budget 2022-23	Revised 2021-22	Budget 2021-22	Actual 2020-21	Actual 2019-20
Total Tax Revenue	4,33,000	3,89,000	3,89,000	3,28,665	2,65,908
at GDP Percentage	9.7	9.8	11.3	9.3	9.5
<b>In which, NBR Tax</b>	<b>3,70,000</b>	<b>3,30,000</b>	<b>3,30,000</b>	<b>2,63,886</b>	<b>2,16,037</b>
<b>Non-NBR Tax</b>	<b>18,000</b>	<b>16,000</b>	<b>16,000</b>	<b>5,917</b>	<b>5,944</b>
<b>Non-Tax Receipt</b>	<b>45,000</b>	<b>43,000</b>	<b>43,000</b>	<b>58,862</b>	<b>43,927</b>
Total Expenditure	6,78,064	5,93,500	6,03,681	4,60,160	4,20,160
at GDP Percentage	15.2	14.9	17.5	13.0	15
Non-Development Revenue Expenditure	3,73,242	3,40,572	3,28,840	2,65,893	2,36,124
at GDP Percentage	8.4	8.6	9.5	7.5	8.4
Development Expenditure	2,59,617	2,21,948	2,37,078	1,69,491	1,61,797
at GDP Percentage	5.8	5.6	6.9	4.8	5.8
In which, Annual development Programme	2,46,066	2,09,977	2,25,324	1,60,495	1,55,380
at GDP Percentage	5.5	5.3	6.5	4.5	5.6
Other Expenditure	45,205	30,980	37,763	24,776	22,239
at GDP Percentage	1.0	0.8	1.1	0.7	0.8
<b>Budget Deficit</b>	<b>- 2,45,064</b>	<b>-2,04,500</b>	<b>-2,14,681</b>	<b>-1,31,495</b>	<b>-1,54,252</b>
at GDP Percentage	<b>(-5.5)</b>	<b>(-5.1)</b>	<b>(-6.2)</b>	<b>(-3.7)</b>	<b>(-5.5)</b>
<b>Financing</b>					
External source (including grants)	98,729	80,212	1,01,228	48,056	44,130
at GDP Percentage	2.2	2.0	2.9	1.4	1.6

Sector	Budget 2022-23	Revised 2021-22	Budget 2021-22	Actual 2020-21	Actual 2019-20
<b>Domestic source</b>	146,335	1,24,288	1,13,453	82,586	1,08,049
at GDP Percentage	3.3	3.1	3.3	2.3	3.9
In which, Banking source	106,334	87,287	76,452	32,673	79,268
at GDP Percentage	2.4	2.2	2.2	0.9	2.8
<b>GDP</b>	<b>44,49,959<sup>a</sup></b>	<b>39,76,462<sup>b</sup></b>	<b>34,56,040<sup>a</sup></b>	<b>35,30,185</b>	<b>27,96,378</b>

Source: Finance Division; a = Projected Nominal GDP at the time of budget preparation; b = Provisional estimate of nominal GDP

#### 4.1 Fiscal Incentives

To boost economic growth and ensure sustainable development, fiscal incentives are generally provided to priority sectors, e.g. agriculture, export oriented industries and small scale industries. Being the economy's driving force, agriculture and exports are getting special attention every year.

Table 12: Fiscal Incentives in Billion Taka

Sector	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual						Revised
<b>Agriculture</b>	64.3	36.1	52	73.36	72.5	76.32	120
<b>Export</b>	35.01	40	40	40	60.44	58.46	78.25
<b>Jute Goods</b>	0	3.95	4.81	4.81	50	8	12
<b>Remittances</b>	-	-	-	-	30.6	39.78	50
<b>Total fiscal Incentives</b>	99.31	80.05	96.81	118.17	213.54	182.56	260.25
<b>(As % of Total Govt. Exp.)</b>	4.14	2.98	3.01	3.02	5.16	3.97	4.39
<b>% of GDP</b>	0.48	0.34	0.37	0.40	0.67	0.52	0.65

Source: Medium Term Macroeconomic Policy Statement 2022-23 to 2024-25, Page 53

## Various Socio-Economic Indicators

Table 13: Major Economic Indicators

Indicators	2017-18	2018-19	2019-20	2020-21	2021-22 (P)
Population (Million)	163.7	165.6	167.43	169.11	170.79
GDP (Million US\$)	321,464	351,251	373,959	416,264	464,981
GDP Growth (%)	7.32	7.88	3.45	6.94	7.25
Per Capita GDP (US\$)	1,964	2,122	2,234	2,462	2,723
GNI (Million US\$)	334,319	365,638	389,438	438,175	482,242
Per capita GNI (US\$)	2,043	2,209	2,326	2,591	2,824
<b>GDP by Sector</b>					
<b>A. Agriculture Forestry &amp; Fishing</b>					
Share in GDP (%)	13.14	12.56	12.52	12.07	11.50
Growth rate (%)	3.54	3.26	3.42	3.17	2.20
<b>B. Industry</b>					
Share in GDP (%)	33.85	34.99	34.94	36.01	37.07
Growth rate (%)	10.20	11.63	3.61	10.29	10.44
<b>Mining and quarrying</b>					
Share in GDP (%)	1.87	1.93	1.91	1.91	1.74
Growth rate (%)	9.55	11.31	3.16	6.49	-1.94
<b>Manufacturing</b>					
Share in GDP (%)	21.98	22.86	22.40	23.36	24.45
Growth rate (%)	10.45	12.33	1.68	11.59	12.31
<b>Electricity, Gas and Air Conditioning Supply</b>					
Share in GDP (%)	1.25	1.26	1.22	1.25	1.23
Growth rate (%)	8.27	8.24	0.67	9.54	5.96

## Major Economic Indicators (Continued)

Indicators	2017-18	2018-19	2019-20	2020-21	2021-22 (P)
Water supply; sewerage, waste management					
Share in GDP (%)	0.10	0.10	0.10	0.10	0.10
Growth rate (%)	2.96	6.31	2.18	6.65	7.43
Construction					
Share in GDP (%)	8.65	8.85	9.31	9.40	9.55
Growth rate (%)	10.06	10.47	9.13	8.08	8.94
<b>C. Service Sector</b>					
Share in GDP (%)	53.01	52.45	52.54	51.92	51.44
Growth rate (%)	6.55	6.88	3.93	5.73	6.31
Wholesale and Retail Trade; Repair of Motor Vehicle					
Share in GDP (%)	14.94	15.05	14.97	15.06	15.26
Growth rate (%)	8.74	8.85	3.21	7.64	8.72
Transport & Storage					
Share in GDP (%)	7.88	7.80	7.65	7.44	7.33
Growth rate (%)	6.74	7.01	1.73	4.04	5.70
Accommodation and food service activities					
Share in GDP (%)	1.17	1.14	1.12	1.09	1.08
Growth rate (%)	5.52	5.64	1.69	4.53	5.59
Information and communication					
Share in GDP (%)	1.26	1.26	1.29	1.29	1.28
Growth rate (%)	6.77	7.36	6.57	7.11	6.15

## Major Economic Indicators (Continued)

Indicators	2017-18	2018-19	2019-20	2020-21	2021-22 (P)
<b>Financial and insurance activities</b>					
Share in GDP (%)	3.22	3.23	3.26	3.22	3.23
Growth rate (%)	6.94	8.25	4.72	5.82	7.60
<b>Real Estate Activities</b>					
Share in GDP (%)	9.06	8.69	8.68	8.39	8.10
Growth rate (%)	3.48	3.61	3.68	3.42	3.66
<b>Professional, scientific and technical activities</b>					
Share in GDP (%)	0.19	0.18	0.18	0.18	0.17
Growth rate (%)	4.08	4.17	3.38	5.09	4.25
<b>Administrative and support service activities</b>					
Share in GDP (%)	0.72	0.72	0.74	0.73	0.72
Growth rate (%)	7.74	8.17	6.33	6.02	5.48
<b>Public administration and defence; compulsory</b>					
Share in GDP (%)	3.55	3.50	3.56	3.52	3.42
Growth rate (%)	8.67	6.49	5.49	6.05	4.02
<b>Education</b>					
Share in GDP (%)	2.69	2.67	2.71	2.68	2.65
Growth rate (%)	5.89	7.06	5.33	5.81	6.23
<b>Human Health And Social Works</b>					
Share in GDP (%)	2.89	3.01	3.21	3.32	3.39
Growth rate (%)	9.20	12.20	10.70	10.60	9.78

## Major Economic Indicators (Continued)

Indicators	2017-18	2018-19	2019-20	2020-21	2021-22 (P)
Arts, entertainment and recreation					
Share in GDP (%)	0.15	0.14	0.15	0.14	0.14
Growth rate (%)	5.24	5.48	5.43	5.76	6.07
Others Service Activities					
Share in GDP (%)	5.30	5.07	5.03	4.85	4.66
Growth rate (%)	3.22	3.27	3.06	3.08	3.19
Trade Balance (Million US\$)					
Trade balance	-17772	-15856	-15880	-16242	N/A
Export	41,254	47,028	39,755	45,367	60,971
Import	59,026	62,884	55,635	61,609	82,495 <sup>1</sup>
Savings & Investment as % of GDP					
Total Investment	31.82	32.21	31.31	31.02	31.68
Private Investment	24.94	25.25	24.02	23.70	24.06
Public Investment	6.88	6.96	7.29	7.32	7.62
Gross Domestic saving	26.45	26.88	27.08	25.34	21.56
Gross National saving	30.61	31.14	31.42	30.79	25.45
Rate of Inflation (Average)	5.78	5.48	5.65	5.56	6.15
Exchange Rate (Taka/US\$)	82.10	84.03	84.78	84.81	85.52
Public Finance (Billion US\$)					
Total Revenue	26.38	26.89	31.36	38.75	31.65 (Up to March 2022) <sup>29</sup>
Tax Revenue	24.64	26.59	25.76	31.11	29.57 (Until May 2022) <sup>30</sup>
ADP Expenditure	18.06	19.90	19.08	20.26	23.83 <sup>31</sup>

Sources: Bangladesh Economic Review 2022, Bangladesh Bureau of Statistics (BBS), Bangladesh Bank (BB), NBR.

<sup>28</sup>Provisional Import Payment (Goods) from Selected Economic Indicators, 25 August 2022, Bangladesh Bank<sup>29</sup>National Budget Speech 2022-23, page -195<sup>30</sup>Up to 11-month Collection, NBR Statistics of Revenue collection 2021-22 May<sup>31</sup>IMED ADP Implementation Report 2022

Table 14: Comparative Picture of Social Sector Progress

Year	Life Expectancy at birth (years)	Population Growth Rate*(%)	Poor (%)	Extreme Poor (%)	Literacy Rate (7+Population) (%)	Maternal Mortality Rate (per 1000 live births)	Infant Mortality Rate (per 1000 live births)
2011	69.0	1.37	29.9	15.7	56.1	2.09	35.0
2012	69.4	1.37	28.5	15.4	56.3	2.03	33.0
2013	70.4	1.37	27.2	14.6	57.2	1.97	31.0
2014	70.7	1.37	26.0	13.8	58.6	1.93	30.0
2015	70.9	1.37	24.8	12.9	63.6	1.81	29.0
2016	71.6	1.37	24.3	12.9	71.0	1.78	28.0
2017	72.0	1.37	23.1	12.1	72.3	1.72	24.0
2018	72.3	1.37	21.8**	11.3**	73.2	1.69	22.0
2019	72.6	1.37	20.5	10.5**	74.4	1.65	21
2020	72.8	1.37			75.5	1.63	21

Note: \*Based on the population census of 2001 and 2011 \*\*Estimated by BBS.

Source: Socioeconomic Progress and Recent Macroeconomic Developments in Bangladesh, September 2021, Page-32.

**Table 15: GDP Growth at Constant Market Price Since Independence**

(in percent)

<b>FY</b>	<b>GDP Growth at Constant Market Price</b>
1973-74	9.6
1974-75	-4.1
1975-76	5.7
1976-77	2.7
1977-78	7.1
1978-79	4.8
1979-80	0.8
1980-81	3.4
1981-82	1.2
1982-83	4.9
1983-84	5.4
1984-85	3.0
1985-86	4.3
1986-87	4.2
1987-88	2.9
1988-89	2.5
1989-90	6.6
1990-91	3.4
1991-92	4.2
1992-93	4.5
1993-94	4.2
1994-95	4.4
1995-96	4.62
1996-97	5.39
1997-98	5.23
1998-99	4.87
1999-00	5.94
2000-01	5.27
2001-02	4.42
2002-03	5.26
2003-04	6.27
2004-05	5.96
2005-06	6.67
2006-07	7.06
2007-08	6.01
2008-09	5.05
2009-10	5.57
2010-11	6.46
2011-12	6.52
2012-13	6.01



GDP Growth at Constant Market Price Since Independence (Continued)

FY	GDP Growth at Constant Market Price
2013-14	6.06
2014-15	6.55
2015-16	7.11
2016-17	6.59
2017-18	7.32
2018-19	7.88
2019-20	3.45
2020-21	6.94
2021-22 e	7.25
2022-23 p*	7.50

e=estimated, p=provisional \* National Budget Speech 2022-23

Source: GDP Growth Data sourced from Bangladesh Economic Review 1996, 2006, and 2022.

**Table 16: National Budget Since Independence**

(in Crore Taka)

FY	Total size of the budget	Size of ADP
1972-73	786	501
1973-74	995	525
1974-75	1,084	525
1975-76	1,549	950
1976-77	1,989	1006
1977-78	2,184	1203
1978-79	2,499	1603
1979-80	3,317	2330
1980-81	4,108	2369
1981-82	4,677	2715
1982-83	4,738	3126
1983-84	5,896	3585
1984-85	6,699	3498
1985-86	7,138	4096
1986-87	8,504	4513
1987-88	8,527	4651
1988-89	10,565	4596
1989-90	12,703	5103
1990-91	12,960	6126
1991-92	15,584	7150
1992-93	17,607	8121
1993-94	19,050	9600
1994-95	22,013	11150

## National Budget Since Independence (Continued)

FY	Total size of the budget	Size of ADP
1995-96	23,165	10447
1996-97	24,082	11700
1997-98	25,859	12200
1998-99	29,779	14000
1999-00	34,464	16500
2000-01	37,399	18,200
2001-02	40,758	16,000
2002-03	42,075	17,100
2003-04	47,184	19,000
2004-05	53,903	20,500
2005-06	59,031	21,500
2006-07	64,022	21,600
2007-08	93,608	22,500
2008-09	94,140	23,000
2009-10	110,523	28,500
2010-11	128,268	35,880
2011-12	161,213	41,080
2012-13	189,326	52,366
2013-14	216,222	60,000
2014-15	239,668	77,836
2015-16	264,565	93,905
2016-17	267,938	119,296
2017-18	371,495	157,594
2018-19	442,541	167,000
2019-20	501,577	192,921
2020-21	538,983	197,643
2021-22	593,500	209,977
2022-23	678,064	246,066

Source: Budget from 1972-73 to 1979-80 sourced from Bangladesh Sangbad Sangstha (BSS). Budget from FY1980-81 to FY2020-21 and ADP Data from FY1972-73 to FY2020-21 sourced from Bangladesh Economic Review 1993, 2006, 2012 & 2022. Budget & ADP Data from FY2020-21 to 2022-23 sourced from Finance Division Budget (Archive).

**Table 17: Trade Data Since Independence**

(In Million US\$)

FY	Export of Goods	Export of Services	Total	Import of Goods	Import of Service	Total
1972-73	348.42	Not Available	348.42	Not Available	Not Available	Not Available
1973-74	371.76	"	371.76	793		793
1974-75	382.68	"	382.68	1,036		1036
1975-76	380.47	"	380.47	1,141		1141
1976-77	417.01	"	417.01	727		727
1977-78	493.74	"	493.74	1,265		1265
1978-79	618.82	"	618.82	1,466		1466
1979-80	749.44	"	749.44	2,160		2160
1980-81	709.85	"	709.85	2,326		2326
1981-82	625.89	"	625.89	2,339		2339
1982-83	686.60	"	686.60	2,080		2080
1983-84	810.99	"	810.99	2,115		2115
1984-85	934.43	"	934.43	2,374		2374
1985-86	819.21	"	819.21	2,126		2126
1986-87	1,073.77	"	1,073.77	2,364		2364
1987-88	1,231.20	"	1,231.20	2,687		2687
1988-89	1,291.56	"	1,291.56	3,375		3,375
1989-90	1,523.71	"	1,523.71	3,759		3,759
1990-91	1,717.55	"	1,717.55	3,510		3,510
1991-92	1,993.92	"	1,993.92	3,526		3,526
1992-93	2,382.89	"	2,382.89	4,071		4,071
1993-94	2,533.90	"	2,533.90	4,191		4,191

## Trade Data Since Independence (Continued)

FY	Export of Goods	Export of Services	Total	Import of Goods	Import of Service	Total
1994-95	3,472.57	"	3,472.57	5,834		5,834
1995-96	3,882.42	"	3,882.42	6,931		6,931
1996-97	4,418.28	"	4,418.28	7,152		7,152
1997-98	5,161.20	"	5,161.20	7,520		7,520
1998-99	5,312.86	"	5,312.86	8,006		8,006
1999-00	5,752.20	"	5,752.20	8,374		8,374
2000-01	6,467.30	"	6,467.30	9,335		9,335
2001-02	5,986.09	"	5,986.09	8,540		8,540
2002-03	6,548.44	"	6,548.44	9,658		9,658
2003-04	7,602.99	"	7,602.99	10,903		10,903
2004-05	8,654.52	"	8,654.52	13,147		13,147
2005-06	10,526.16	"	10,526.16	14,746		14,746
2006-07	12,177.86	"	12,177.86	17,157		17,157
2007-08	14,110.80	"	14,110.80	21,629		21,629
2008-09	15,565.19	"	15,565.19	22,507		22,507
2009-10	16,204.65	"	16,204.65	23,738		23,738
2010-11	22,928.22	"	22,928.22	33,658		33,658
2011-12	24,301.90	"	24,301.90	35,516		35,516
2012-13	27,027.36	2,936.30	29,963.66	34,084	1,706	35,790
2013-14	30,186.62	3,243.88	33,430.50	40,732	2,134	42,866
2014-15	31,208.94	3,210.85	34,419.79	40,579	3,957	44,536
2015-16	34,257.18	3,494.90	37,752.08	40,098	4,075	44,173

FY	Export of Goods	Export of Services	Total	Import of Goods	Import of Service	Total
2016-17	34,846.84	3,653.71	38,500.55	43,541	4,549	48,090
2017-18	36,668.17	4,586.31	41,254.48	52,940	6,087	59,027
2018-19	40,535.04	6,492.68	47,027.72	56,061	6,823	62,884
2019-20	33,674.09	6,081.18	39,755.27	48,700	6,935	55,635
2020-21	38,758.31	6,608.88	45,367.19	54,403	7,207	61,610
2021-22	52,082.66	8,888.60	60,971.26	82,495*	-	-

Sources: Export data during FY1972-73 to FY2021-22 sourced from EPB. Import data from FY1973-74 to FY1987-88 is collected from Bangladesh Bank and calculated by BFTI. Import data from FY1988-89 to FY2021-22 is collected from Bangladesh Bank.

\*Provisional Import Payment Data (Goods), Bangladesh Bank FY2021-22

**Table 18: Debt Profile from FY 2011-12 to FY 2020-21**

Fiscal year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total Debt	3,704	4,167	4,708	5,039	5,420	6,123	7,186	8,536	10,062	11,443
% of GDP	36.2	35.9	36.2	34.3	26.1	26.3	27.2	28.9	31.7	32.4
Domestic	1,842	2,176	2,607	2,955	3,361	3,881	4,435	5,338	6,314	7,239
% of GDP	18.0	18.7	20.0	20.1	16.2	16.7	16.8	18.1	19.9	20.5
External	1,862	1,991	2,101	2,083	2,059	2,242	2,751	3,198	3,748	4,204
% of GDP	18.2	17.1	16.1	14.2	9.9	9.6	10.4	10.8	11.8	11.9

(In Billion Taka)

Source: Medium Term Macroeconomic Policy Statement FY2022-23 to FY2024-25