

BD to see 3.6pc GDP growth in 2021: WB

A Monitor Report

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Dhaka : The World Bank has forecast that Bangladesh's economy will grow by 3.6 per cent this fiscal year, revising its earlier forecast of 1.6 per cent.

The development lender, in its flagship publication 'Global Economic Prospects', also said Bangladesh's economic growth will be 5.1 per cent in the fiscal year (FY) 2021-22, higher than the earlier growth forecast of 3.4 per cent.

Private consumption is the main engine of growth which is supported by normalising activity, moderate inflation, and rising ready-made garment exports.

While there is uncertainty regarding the stability of private consumption, Bangladesh's growth is expected to experience a gradual recovery.

"Recoveries in Bangladesh and Pakistan face new headwinds from a recent rise in Covid-19 cases accompanied by rising restrictions to stamp out the new surge," stated the report.

The report also highlighted the poor performance of vaccine administration in Bangladesh with only a small fraction of people having been vaccinated.

The World Bank's forecast for Bangladesh's GDP growth is less than those projected by others.

ADB and IMF projected 6.8 per cent and 5 per cent growth for the country in the current fiscal year.

ADB and IMF's growth projection for FY22 is 7.2 per cent and 7.5 per cent, which is also higher than that of WB's growth projection in the next fiscal year.

In the Budget FY22, government's GDP growth target is 7.2 per cent. The 8th five-year plan also targeted 7.7 per cent GDP growth in FY22.

South Asian economies are bouncing back as economic growth is set to increase by 6.8 per cent this year after contracting an estimated 5.4 per cent in 2020.

But the recovery remains fragile as amid this Covid-19 pandemic, the region is expected to see tens of millions more extreme poor -- those living below USD 1.90 per day -- by the end of this year and to have more than half of the new global poor created by Covid-19.