

Macroeconomic Stability and Economic Recovery

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Key takeaways

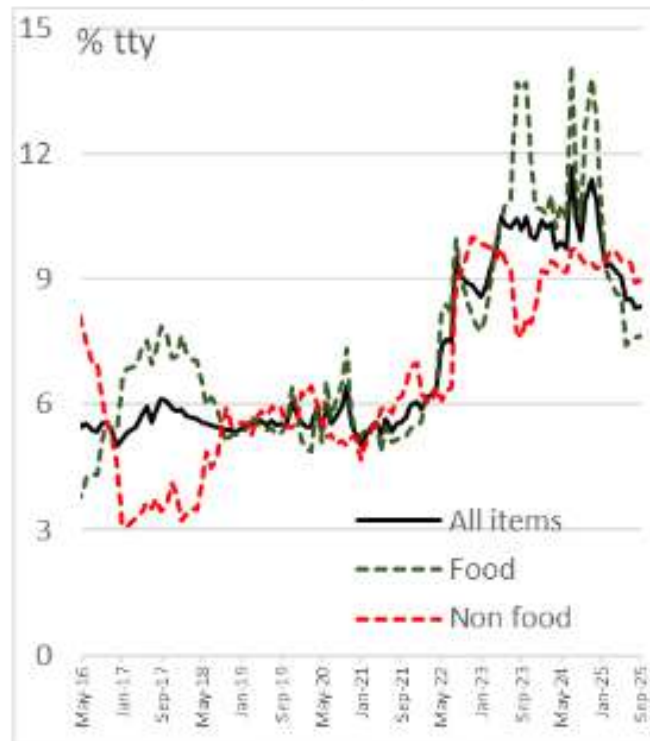
- Difficult policy trade offs needed to stabilize the economy
 - Limited room to ease monetary and fiscal policy
 - Credible institutions are vital
- We need a new growth model if we are to achieve our aspirations of a democratic economy
 - There are challenges, but also opportunities

Sticky inflation to challenge policymakers after election...

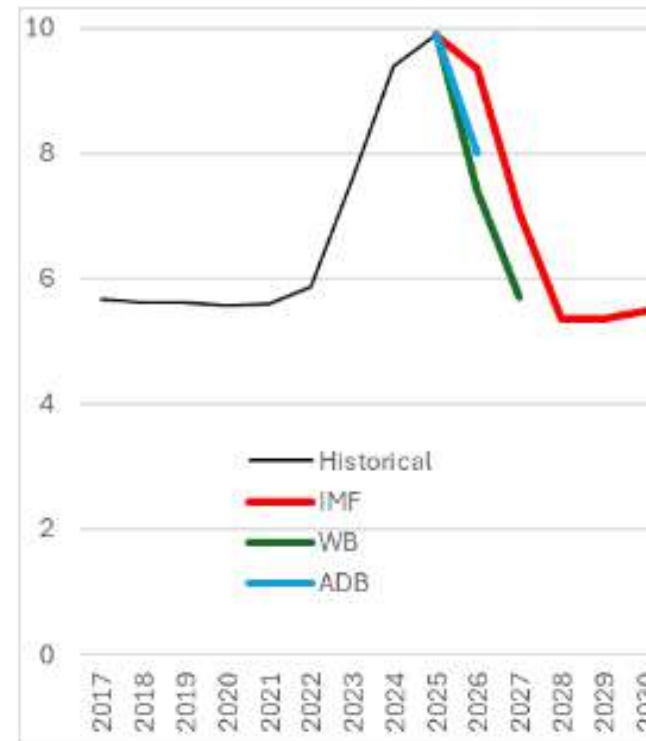
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a. CPI inflation, % through the year, 2016-25



b. CPI inflation, %, 2017-2030



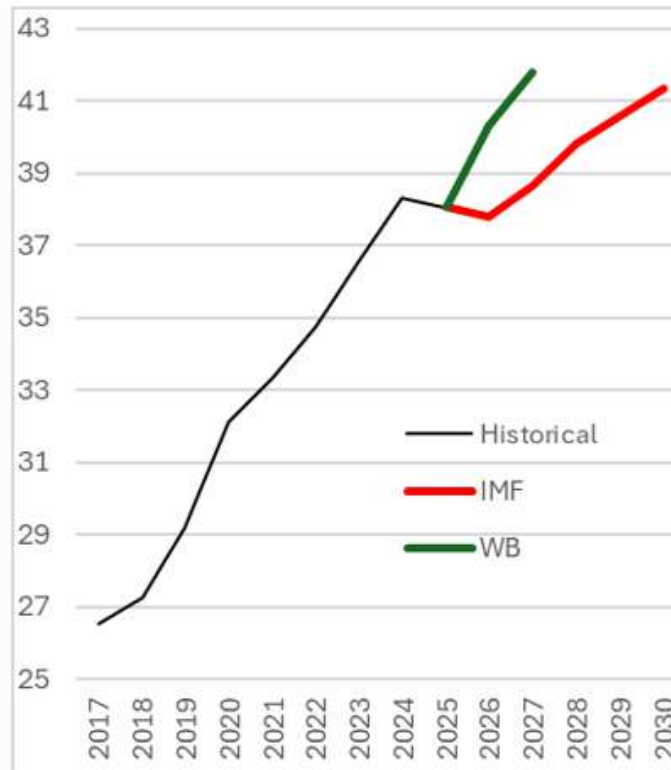
Source: Bangladesh Bureau of Statistics, IMF, World Bank, Asian Development Bank, author's calculations. Years are fiscal, ending on 30 June.

...fiscal space squeezed by the legacy of the fallen regime

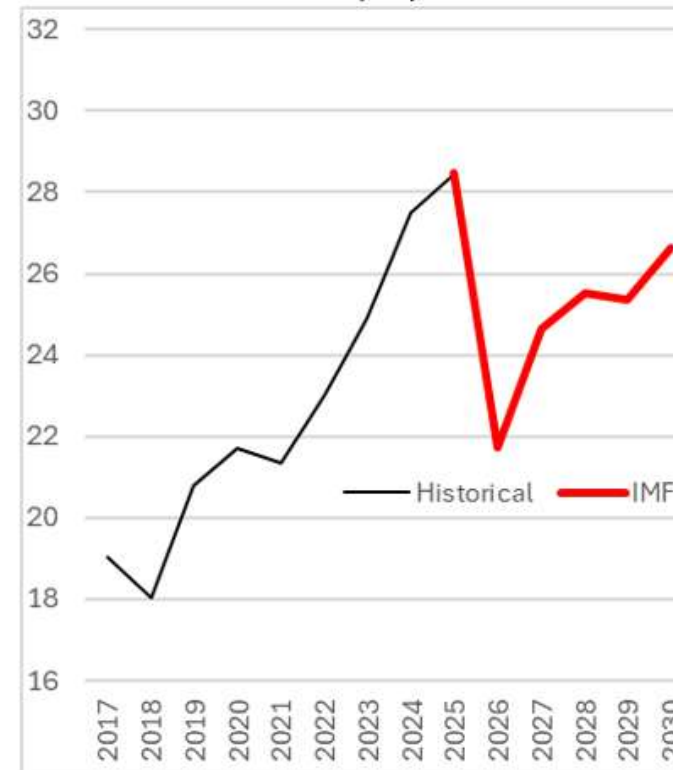
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a. Debt-GDP ratio, %, 2017-30



b. Interest-expenditure to revenue ratio, %, 2017-30



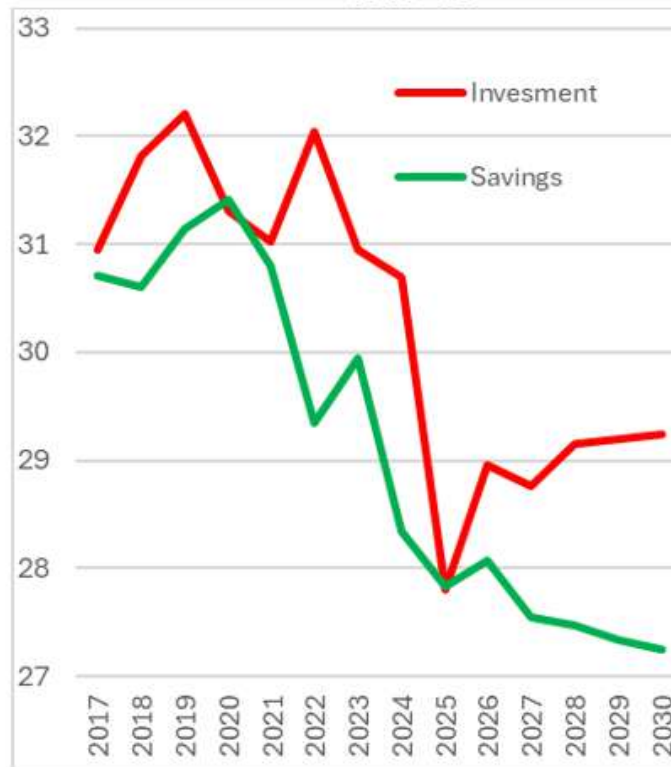
Source: IMF, World Bank. Fiscal year, ending on 30 June.

Savings constraint and capital import to pose further challenges

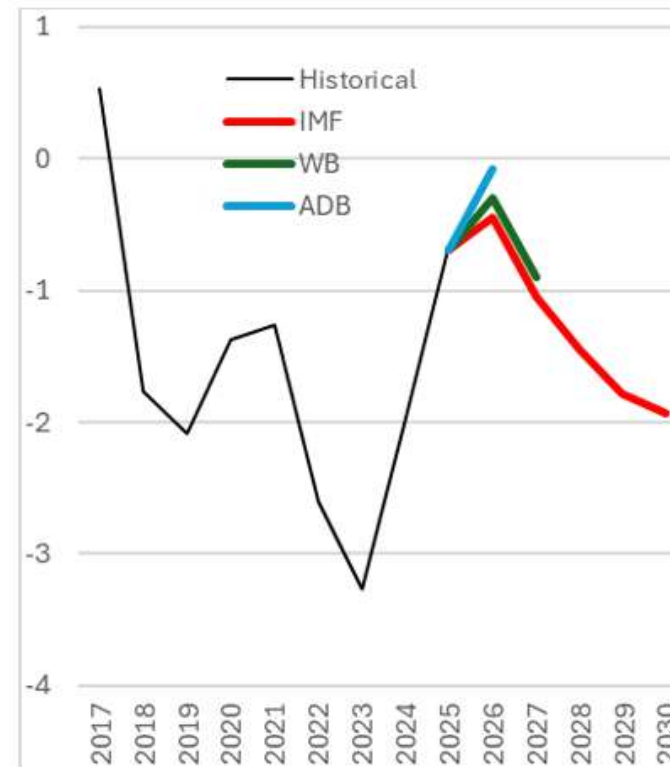
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a. Savings and Investment, % of GDP,
2017-30



b. Current account, % of GDP, 2017-30



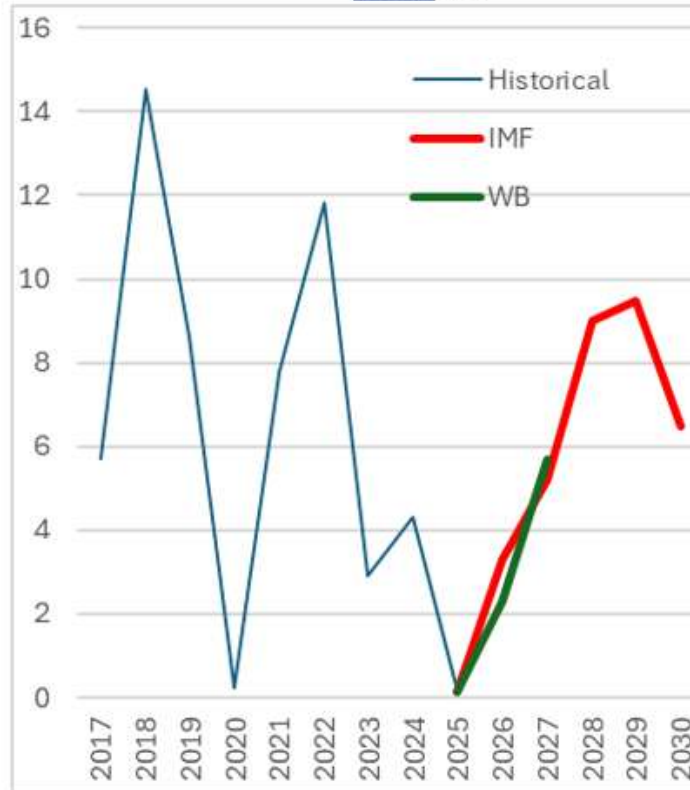
Source: IMF, World Bank, Asian Development Bank. Savings-investment ratios are calendar years. CAD in fiscal year, ending on 30 June.

Recovery may not be fast enough for our aspirations

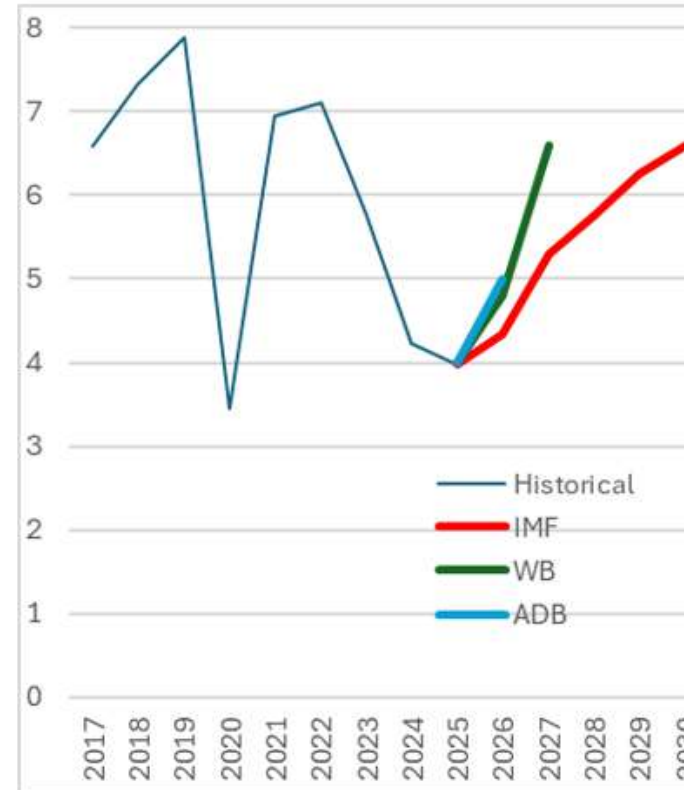
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a. Private investment growth, %, 2017-30



b. GDP growth, %, 2017-30



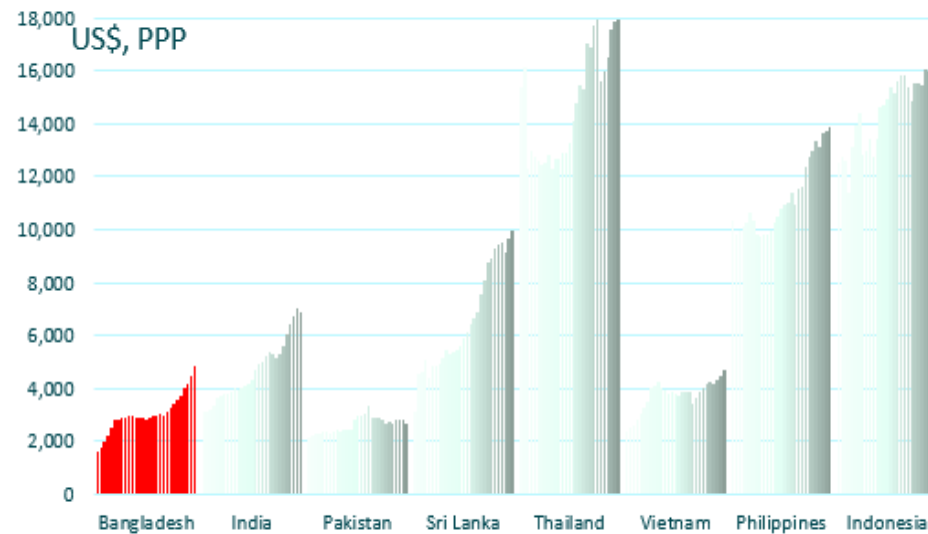
Source: Bangladesh Bureau of Statistics, IMF, World Bank, Asian Development Bank, author's calculations. Years are fiscal, ending on 30 June.

Boosting productivity is the key

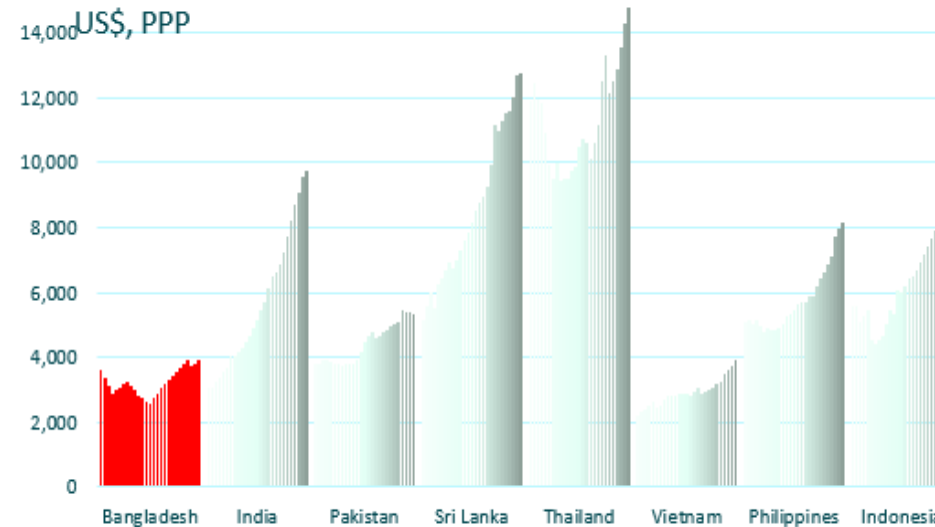
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Labour productivity in the industry sector, 1991-2019



Labour Productivity in the services sector, 1991-2019



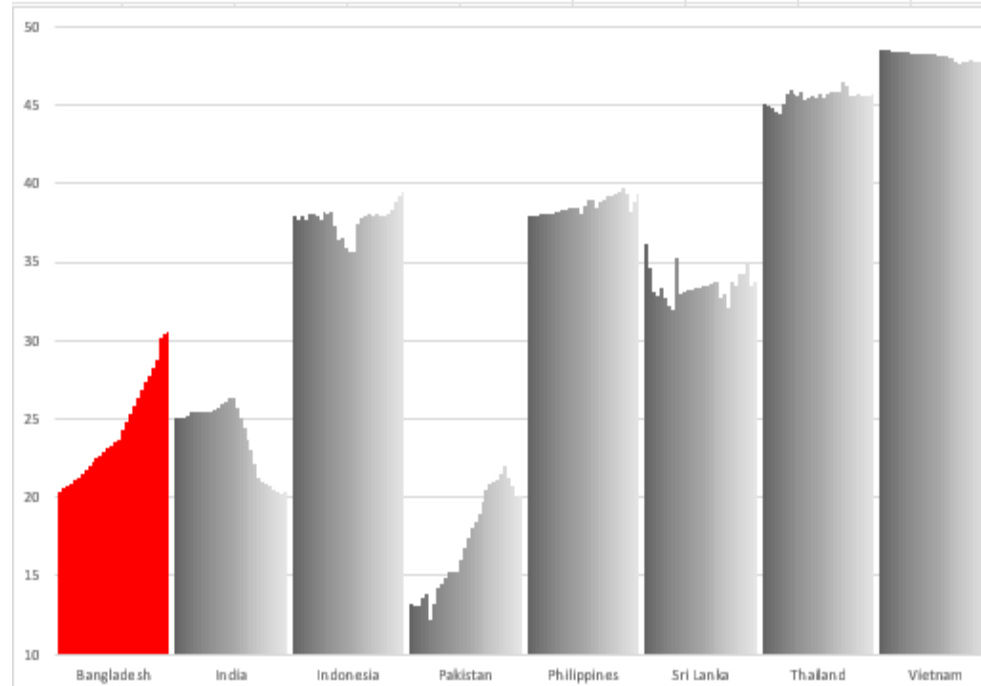
Source: World Bank World Development Indicator

Challenges and opportunities (1)

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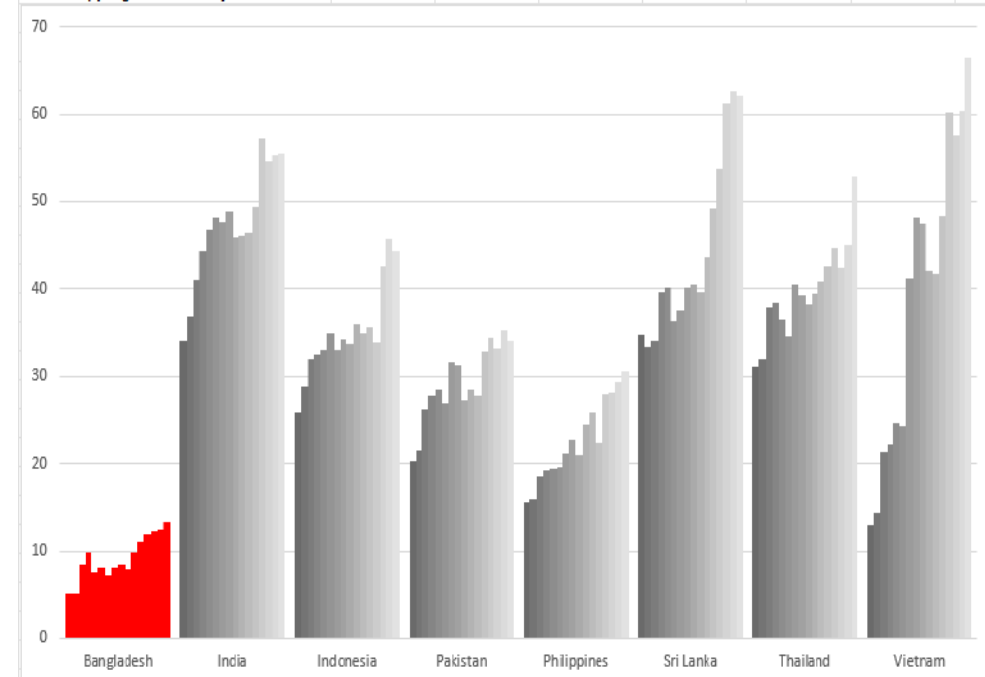
October 27 & 28

Female share of labour force (%), 1990–2019



Source: World Bank World Development Indicators.

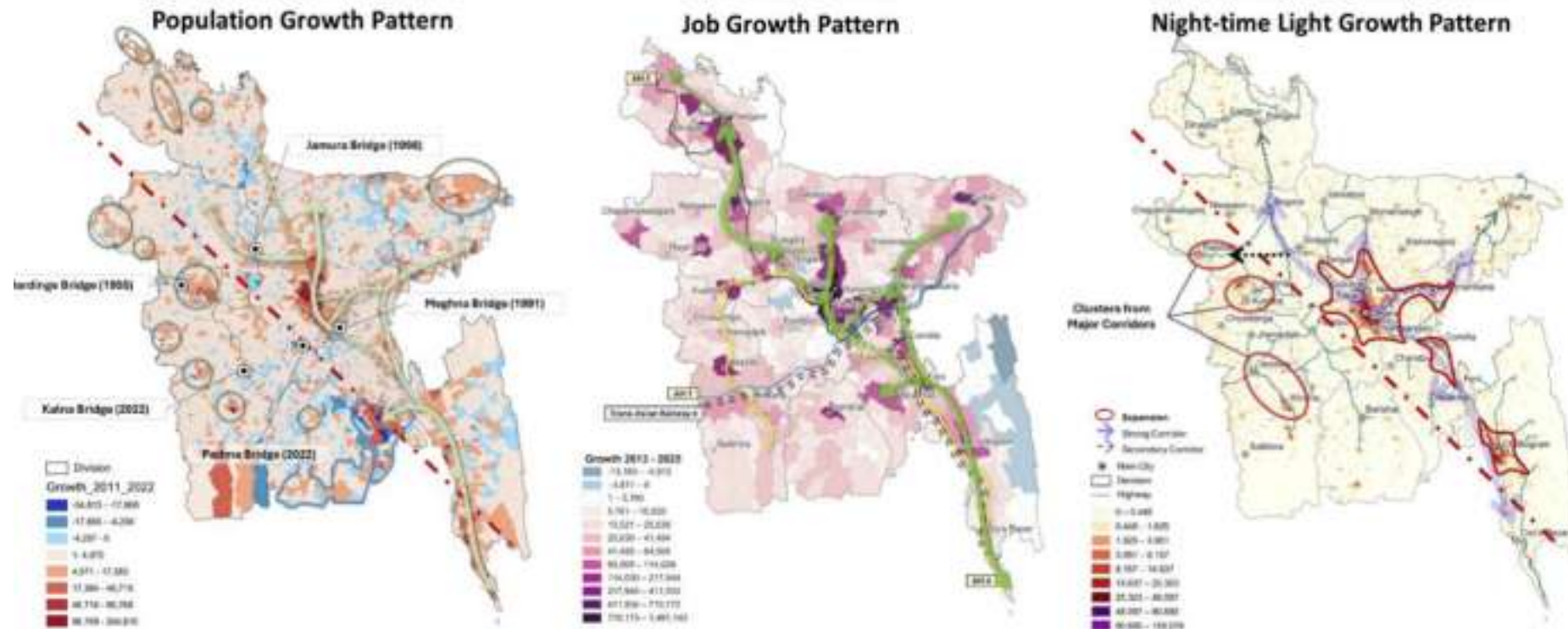
Liner shipping connectivity index



Source: World Bank World Development Indicator.

Challenges and opportunities (2)

Map 4: Distinct spatial growth pattern between more connected northeastern region and fragmented southwestern region



Source: Analysis of the Bangladesh 2001 and 2013 Economic Censuses; and machine-learning analysis simulation to 2025.

Source: World Bank, Bangladesh Development Update, October 2025.

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