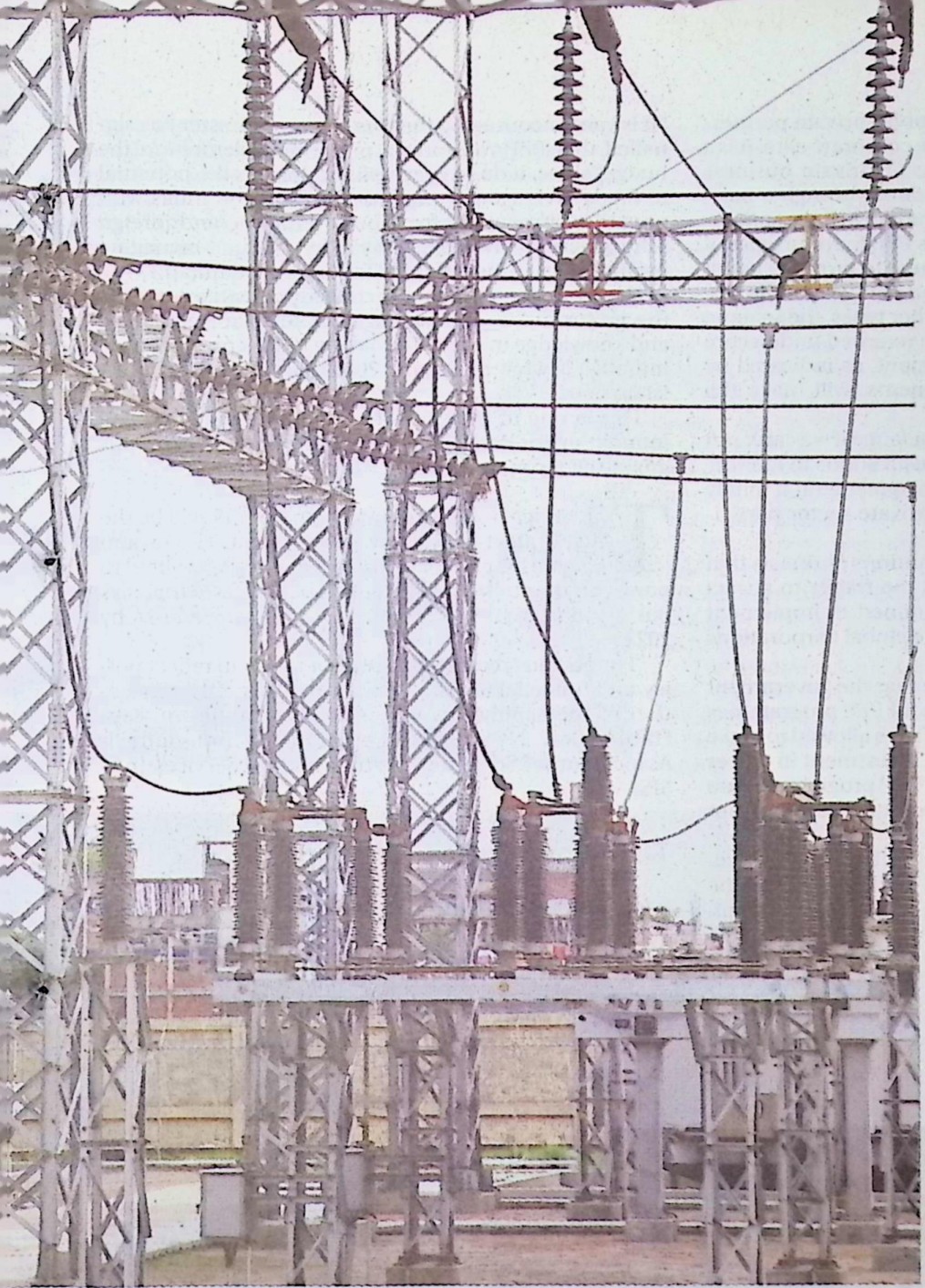


Public-private partnerships are crucial for the energy sector.

Signs of a slowdown are palpable in economic activity. Exports are on the downward curve. Domestic demand is relatively low. Investment is in freefall. Gloom thickens on the horizon. In its latest economic review, the Metropolitan Chamber of Commerce and Industry (MCCI) says: "Most of the major economic indicators showed signs of weakness during the (January-March) quarter."

A slowdown in private consumption is reflected in the slowing growth of governments VAT collections, which grew by just 10.1 percent in the third quarter, compared to the 30.5 percent growth in the same period a year earlier. The slowdown in private consumption is also indicated by the reduced imports of consumer goods, which declined by 26.3 per cent in the third quarter. Private investment also fell markedly as indicated by lower investment in machinery and reduced imports of capital goods in the third quarter compared to the same period of the previous fiscal year, according to MCCI.

The upcoming budget is a high-stakes budget. Economists have suggested that the government will have to take quick steps to prop up domestic demand. Analysts point to slowing imports of industrial raw materials that contracted by 1.4 percent in the third quarter, down from the year-ago-period. A declining trend in investment was in line with weak business sentiment caused by the decline in both domestic and external demand. This is part of the reason Mamun Rashid, a banker and economic analyst, suggests that the government put a brake on falling investment.

"Primarily, the budget should prioritise employment generation, investment augmentation and infrastructure development," Rashid says.

He also stresses the need to strengthen local government and improve the "bench strength" of civil bureaucracy, which is a "must for driving reforms and budget implementation." Rashid says the government should allocate more money and design appropriate programmes for the Public Service Commission, Bangladesh Public Administration Training Centre (BPATC), municipalities and local government institutions. "We should also be able to chart a definitive role for 'development partners' and 'foreign investors' in the entire process," says Rashid.