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## WB jacks up GDP growth estimate

STAR BUSINESS REPORT

The World Bank has revised upwards Bangladesh's economic growth prospects for the current fiscal year to 7 percent thanks to a bustling economy.

The latest revision by the Washington-based lender is 30 basis points higher than its last projection -- which was made in June last year -- but lower than the government's expectation of a 7.8 percent growth.

Bangladesh's economy expanded by 7.9 percent last fiscal year thanks to strong private consumption and strong remittance inflows.

"In Bangladesh, robust economic activity is expected to be sustained," said the WB's January 2019 Global Economic Prospects report, which was released on Tuesday.

Strong private consumption and investment on the back of infrastructure projects will fuel the growth momentum in fiscal 2018-19.

Net exports are projected to contribute negatively to GDP growth as imports out-

pace exports in response to strong domestic demand.

Global economic growth is projected to soften from a downwardly revised 3 percent in 2018 to 2.9 percent in 2019 amid rising downside risks to the outlook, said the WB report.

International trade and manufacturing activities have softened, trade tensions remain elevated, and some large emerging markets have experienced substantial financial market pressures.

Growth among advanced economies is forecast to drop to 2 percent this year.

Slowing external demand, rising borrowing costs and persistent policy uncertainties are expected to weigh on the outlook for emerging market and developing economies.

Growth for this group is anticipated to hold steady at weaker-than-expected 4.2 percent this year.

"At the beginning of 2018 the global economy was firing on all cylinders, but it lost speed during the year and the ride could get even bumpier in the year ahead," said World Bank Chief Executive Officer Kristalina Georgieva in a statement.

As economic and financial headwinds intensify for emerging and developing countries, the world's progress in reducing extreme poverty could be jeopardised.

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