

Sustaining our economic growth for a better society



Abu Afsarul Haider is an entrepreneur.

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While most economies around the world today are suffering from an economic crisis due to the Covid-19 pandemic, Bangladesh's gross domestic product (GDP) is expected to grow by 6.4 percent in the 2021-22 fiscal year (FY), according to the World Bank. Prior to the outbreak, the economy was growing rapidly, recording an annual expansion in the range of 8 percent. A large part of this growth is being driven by export earnings, especially from the ready-made garments (RMG) industry, remittances sent by migrant workers, and growth in the agricultural sector. Today, Bangladesh has grown into the 41st largest economy (by GDP) in the world and the second-largest in South Asia. It is projected to be the 25th largest by 2035.

The role of domestic and foreign direct investment

The Bangladesh government wants to achieve the status of the Upper Middle-Income Country (UMIC) by 2030 and the status of the High Income Country (HIC) by 2041. Research suggests that to transform Bangladesh into a high-income country, Bangladesh would need to raise its Investment-GDP ratio between the range of 40-44 percent of GDP. Currently the investment to GDP ratio in Bangladesh is hovering around 30 percent. Experts say achieving the status of an advanced economy by 2041 is possible, but for that the country will need massive domestic and foreign investment in infrastructure development, health and education, etc. Unfortunately, while public investment



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has increased to some extent, private investment has been stagnating at around 22-23 percent of GDP. We are also lagging behind in attracting foreign direct investment (FDI). The rate of FDI inflow in Bangladesh is only around 1 percent of GDP, one of the lowest in Asia.

The low inflow of FDI in Bangladesh indicates that we have failed to gain investors' confidence. Although Bangladesh advanced eight notches in the World Bank's ease of doing business 2020 ranking to 168 out of 190 countries, there are still significant bottlenecks in doing business. Industry experts say, the deterrents that discourage foreign investors include time-consuming bureaucracy,

poor socio-economic and physical infrastructure, unreliable energy supply, corruption, absence of good governance, low labour productivity, undeveloped money and capital markets, complicated tax system, frequent changes in policies on import duties for raw materials, machinery and equipment, delays in decision-making, etc.

At present, more than 68 percent of our population is of working age, between 15 and 64 and every year around 2 million people are adding up to our existing workforce. Furthermore, it is reported that a significant number of migrant workers who have been contributing to the country's economic development while also providing better

lives for themselves and their families have been sent back to Bangladesh due to Covid-19. Therefore, to create jobs on a large scale to absorb a growing labour force, including the migrant workers, the government should immediately remove the impediments that are responsible for the high cost of investment.

Inclusive and equitable quality education

While Bangladesh has made remarkable progress in expanding primary and secondary education, especially in terms of enrolment and gender parity, there are serious concerns surrounding the quality of education. Also, there is a gap between the education provided in cities and the education provided in rural areas and as a result, in rural areas many parents are reluctant to send their children to schools because they consider education to be non-beneficial as neither the textbooks nor the curriculum is relevant to their life situation, while hours spent at workplace generate income and support the family.

At present, the primary and secondary educational system is a victim of a corrupt mindset that is devoting all its energy on securing higher pass rates through an apparent policy of easy marking, while showing less concern with the actual learning outcomes. At the tertiary level, we have failed miserably. No Bangladeshi university found a proper place in the QS World University Ranking 2022-Dhaka University and Buet were placed in the 801-1000 range, while our best private universities ranked even lower.

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আধুনিক, দ্রুত ও নিরাপদ ব্যাংকিং সেবা পেতে মিদল্যান্ড ব্যাংক-এর ডিজিটাল ব্যাংকিং সেবা গ্রহণ করুন



একটি মিনিটের মধ্যে
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সেবা গ্রহণ করুন



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The Daily Star-র ৩৯তম প্রতিষ্ঠা বার্ষিকীতে
মিদল্যান্ড ব্যাংক-এর পক্ষ থেকে শুভেচ্ছা ও অভিনন্দন।


