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The rapid growth of Bangladesh's economy, and what comes after

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Growth has been the constant in the journey of the Bangladesh economy over the last two decades. Starting from 2004, excluding the outlier year of 2020 when the world economy was severely affected by the Covid-19 pandemic, Bangladesh has maintained a growth rate of over five percent or more. Since 2011, this rate has stayed above six percent as well (excluding 2020), indicating rapid growth that puts Bangladesh in the category of one of the fastest

growing economies in the world.

So, what has primarily driven this growth?

The story of economic growth in Bangladesh has two main characters—ready-made garments (RMG) and remittance. Their contribution to the GDP in fiscal year 2023–10.35 percent by the RMG sector and 4.76 percent by remittance—shows that these sectors are vital cogs for the economy. But the picture of their pivotal role is better painted when these sectors' contribution as



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foreign exchange earners is considered. RMG makes up an overwhelming 84.58 percent of Bangladesh's total exports in FY23. Remittances made up 41.29 percent of export earnings and also contributed to 31.10 percent of import payments, indicating a net gain.

In the background is the steady contribution of the agricultural sector, which has made up 11.20 percent of the GDP in the most recently concluded fiscal year. Historically, especially in the last 20 years when Bangladesh

has seen sustained growth, this contribution has slowly declined. This indicates a growth pattern in the economy that has slowly shifted towards industries over agriculture, and the data supports it as well, with contribution of industry (including construction) to GDP rising steadily during this time.

Bangladesh's sustained economic growth makes it one of the fastest growing economies in the region. The Asian Development Bank, in its Asian Development Outlook for 2019, said that Bangladesh

achieved the fastest growth among economies in the Asia-Pacific during that fiscal year. In late 2023, according to the annual economic outlook of Mastercard Economics Institute (MEI), Bangladesh was predicted to be the second fastest growing economy among 46 countries, second only behind neighbouring India.

But growth is only part of the picture. The fact that the Bangladesh economy has shown notable prowess in

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