

## **Post-Covid-19 Impact on Economy of Bangladesh**

There are evidences and indications that economy of the developing countries like Bangladesh, might have to face remarkable instability in the forthcoming months due to COVID-19 pandemic.

The banking sector will face liquidity pressure as deposit growth and loan recovery also declines. Private sector credit growth might go down during the rest of the year.

As we all know that, 85 percent of the country's' foreign currency comes through the RMG sector. According to the forecast released by the Economist Intelligence Unit, the global economy is expected to contract by 2.2 per cent in 2020, which is expected to be more exposed in major G20 economies, the Middle East and North Africa region that are major markets for Bangladesh's most vital tradable good: readymade garments. In the coming months, undoubtedly there will be a decrease in remittances and these second-degree impacts will also be felt in the economy of the country.

Nearly 10 million Bangladeshis are working in foreign countries, mostly in the Gulf countries. Now the depressed oil prices affecting the Gulf states and lockdowns imposed in Europe since April are already causing serious economic slowdown in these countries having a negative impact on expatriate Bangladeshi workers abroad.

Bangladesh is now categorized as a least developed country (LDC). But significant achievement of economic growth and poverty reduction in the last three decades has propelled Bangladesh to be eligible to become a developing country by 2021. Now the economic downturn caused by the Covid-19 pandemic is likely to put that aspiration on hold.

Bangladesh is now faced with battling both the pandemic and its economic fallout. In such a situation economic risks are not only limited to short term, but also extends to major future productivity losses both through labor and capital. The economic crisis is likely to trigger a series of corporate and household debt defaults turning into a financial crisis as well.

Cement and Steel producers in Bangladesh made aggressive expansion with the aim of supplying to the government for its megaprojects, meeting the rising consumer demand and exporting to neighboring countries. Now, with the advent of the Covid-19 pandemic construction industry players are likely to find it impossible to survive without government assistance.

Despite challenges, there are extraordinary opportunities for addressing longstanding inequalities in the areas of access to health and basic services, financial products and digital economy, as well as social security for the informal workers. The post-pandemic solutions of unique problems may lay the foundation for many business ideas and can shape the future of our e-commerce industry in the coming years.

What is required now is a new deal that guarantees social protection against negative economic consequences of the pandemic, and that builds a stronger social safety net framework for the future.

It is high time for the government as well as business enterprises to create opportunities among the economy by the way of monetary & fiscal policies as well as tax structure to face the catastrophic situation.

However, in this critical situation, crisis preparedness would be a key to bring stability. A watch group should be formed for data assessing and strategies need to be proclaimed clearly so that all workforces ensure preparing themselves as effective as well as efficient at this stage for damage-control.