*University of Barishal*



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**Recent Macroeconomics Changes in Bangladesh**

**The Recent Macroeconomic Trends of Bangladesh:**

Bangladesh is supposed to commemorate 50 years of his birth in 2021. Everyone is looking forward to that golden day. Especially in the last two decades, Bangladesh's economic growth rate of 6.5 percent on average was not only trending upward, but also durable. In the last few years, the growth rate has crossed 7.5 percent, which has garnered a lot of praise worldwide. And the role of macroeconomic stability was strong behind this impressive achievement. There is no doubt that books on various branches of economics are easily available in the market. But the supply of quality books on macroeconomic or macroeconomic issues in the market is very less, which is called scarcity. However, the number of those who study regularly on this subject is not unlimited. In such a situation, finding any book written or edited on the macroeconomic trends of Bangladesh, even if it is published by a foreign publishing house, is like gold.

Bangladesh Institute of Development Research (BIDS) Senior Research Fellow Manjur Hossain is a very talented economist. In fact, it would not be wrong to say that this generation of macroeconomists is genius. After talented macro economists such as respected Mirza Azizul Islam, Mohammad Farasuddin, Wahiduddin Mahmud, Salehuddin Ahmed, MK Mujeri etc., the torch is in the hands of Manjur.

His recently edited book Bangladesh's Macroeconomic Policy - Trends, Determinants and Impact (2020) has already received a response in the conscious circles. The book is very important to me for three main reasons. First, I have found it very useful in my students' macroeconomics class in East West University's MBA program, and I think it probably has utility at all university levels; Secondly, there is no doubt that the book will help to meet the needs of policy makers and researchers by filling the existing shortage of macroeconomic policy books. The famous economist Siddiqur Rahman Osmani says in this context, "For the first time, a thoughtful analytical work on macroeconomic issues existing in the country has filled a gap." And Palgrave Macmillan is the publisher of about 502 pages of books and it is a recognized book in the international arena. It is hoped that the book can be useful in analyzing the situation not only in Bangladesh but also in other developing countries. Some accomplished economists of Bangladesh have presented 16 articles in the book divided into four parts. In 13 of these writings, Manjur Hossain has been involved as the first or one of the writers and has shown his talent and thinking.

Each chapter contains excellent data-driven discussions. However, due to lack of time and opportunity, it is not possible to tell them in detail. The first essay is a good overview of macroeconomic policy, economic growth and poverty reduction. As there are stories of transformation from bottomless basket to development puzzle in social and development metrics, there are also skeptics. Such as risks to there the second essay discusses inflation and household welfare. A study on the Philippines says that a 10 percent increase in food prices in that country would result in 2.73 million additional poor, an increase in the income inequality index or Gini coefficient of 0.54, and a 4.18 percent drop in the average standard of living. The book shows the impact of inflation on different groups day laborers and those with fixed incomes. These include the poor, lower middle income, upper middle income and upper income groups; The impact of food inflation on total inflation is strong; The price of course and medium rice in particular acts as an important regulator of food inflation. International market rice and commodity prices contribute to inflation in Bangladesh. The difference in rural and urban food inflation is mainly due to the rice market. Venue sector and rising income inequality. In essence, high growth requires complementarity of monetary and fiscal policies, integrated financing strategies, institutional reforms and revenue mobilization. Trade liberalization has contributed to brilliant trade achievements. Trade capacity has increased especially in the face of falling foreign aid. Greater import capacity has increased not only for exports, but also for remittance-driven domestic demand, driven by government spending on infrastructure and remittances from overseas migrants. However, the lack of versatility in the export basket is still evident.

**The Expected Role of Recent Megaprojects (Padma Bridge,** **Metro Rail,** **Karnaphuli Tunnel, Rooppur Nuclear Power Plant etc.) on the Economic Growth of Bangladesh:**

**Padma Bridge:**

Despite being rejected for a loan from the world's financial donor organizations, Prime Minister Sheikh Hasina's strong spirit and her unwavering desire for the development of the country reflected the dream Padma Bridge built with the money of the country's people, not only an incredible achievement for Bangladesh but also a unique precedent for the third world. Despite many discussions-criticisms and various obstacles during the construction, the dream Padma Bridge was inaugurated on June 25, 2022 for vehicular traffic on the river Padma. This multipurpose road and rail bridge built over the Padma river is the longest bridge in Bangladesh. The bridge connects Mawa, Lauhjong in Munshiganj with the Jajira end of Shariatpur, which connects the south-west end of the country with the nor theast. A total of 30 thousand 193 crore 40 lakh taka has been spent on the construction of this 6.15 km bridge. According to the news published in various media recently, the amount of toll collection from this bridge has exceeded 1005 crores in just a little more than a year. This sum of money reflects the importance of this bridge and also reminds us of the immense potential this bridge has opened by connecting the north and south of the country. Recently, the railway has been operated experimentally over this bridge. If the operation of this bridge is started in full swing along with the railway, this bridge will undoubtedly be considered as an important addition to the economic growth and socio-economic progress of the country along with radical changes in the communication system with the southwestern region of the country. From the second day of operation of Padma Setu, the vehicular crossing toll collection is much higher than the initial estimate. Daily toll collection is 3 to 4 crore rupees. From June 25, 2022 to June 20, 2023, a total of 56 lakh 93 thousand 829 vehicles crossed and 787 crore 18 lakh 18 thousand 900 taka were collected. Bangladesh Bridge Authority has previously paid a debt of Tk 319 crore to the Ministry of Finance. On June 19, the second and third installments of another Tk 317 crore were repaid. The estimated traffic volume in the tenth year of operation of the bridge has almost doubled in the first year of operation. It is expected that within the next 20-25 years, the money received from the toll will cover the entire cost of the bridge.

As a result of the construction of this bridge, the integrated communication system of the country has greatly improved. Direct communication with capital Dhaka has been established with 21 districts of southern region. Vehicle travel time has been reduced by 2 to 3 hours. Rail and road connectivity is being established from Dhaka to Mawa-Bhanga-Jesore-Khulna and Greater Barisal. It is expected that the railway will run over the bridge by December this year or March next year. Economic corridors will be established from Dhaka to Madaripur, Faridpur, Jessore, Khulna, Mongla, Barisal, Payra, Kuakata. The southern part of the country will be connected with Trans Asian Highway (N-8) and Trans Asian Railway. Direct communication with India, Bhutan and Nepal will facilitate trade expansion and passenger transport. Special economic zones, hi-tech parks and new industrial areas centered around improved roads and railways will attract local and foreign investment.

**Metro rail:**

In 2013, the current government formulated a strategic transport plan to reduce the increasing traffic problems and the painful traffic congestion in the highly populated Dhaka metropolis, under which the first metro rail was planned in Dhaka. A total of six Metrorail routes were proposed at that time, which were MRT Lines 1, 2, 4, 5 (Northern and Southern), and 6. Its construction was inaugurated on June 26, 2016. On December 28 last year, the Diabari to Agargaon section of MRT Line 6 was partially inaugurated by Prime Minister Sheikh Hasina. The initial plan was to build 20.12 km from Uttara to Motijheel, but later it was revised and the metro rail route was extended by another 1.17 km to Kamalapur. Although it will take some more time for the entire project, this partial line of the metro rail has already started to play a significant role in reducing traffic congestion in Dhaka. Needless to say, this addition will play an important role in the country's GDP growth.

**Karnaphuli Tunnel:**

Bangabandhu Tunnel has been built at a cost of Tk 10,373 crore to improve and facilitate the communication system of South Chittagong and Cox's Bazar with Chittagong city. The tunnel was built with 'G-to-G' financing by the governments of Bangladesh and China. Out of this, the Bangladesh government is bearing Tk 4,462 crore and the remaining Tk 5,913 crore is being supported by the Chinese government. On October 14, 2016, Prime Minister Sheikh Hasina and Chinese President Xi Jinping jointly laid the foundation stone of the dream tunnel under the Karnaphuli river. According to a survey report made before the construction of this tunnel, after the opening of the tunnel, 63 lakh vehicles will be able to move through it annually. This tunnel will connect Patenga of Chittagong city with Anwara through Karnaphuli river, which will reduce the distance between Chittagong city and other industries under construction and established in the south, including KEPZ of Anwara, and will play an important role in improving the quality of life of the people of the region. It is expected. Apart from this, this tunnel will also play a role in reducing traffic congestion in Chittagong city.

In the long journey of the past 14 years, various developmental activities of the current government have played a significant role in socio-economic progress including increasing the standard of living of the people, increasing the education rate, expansion of medical and civic facilities, increase in per capita income. In a report recently published by the UK-based research institute Economist Intelligence Unit, the prediction that Bangladesh will be included in the top 21 economies by 2041 supports the justification of this claim. The Sheikh Hasina government is the only alternative to the Sheikh Hasina government to continue this trend of development for the past fifteen years everywhere in Bangladesh. If this strong trend of infrastructural development continues, the socio-economic development of the country will accelerate on the one hand, and on the other hand it will be possible to attract foreign direct investment (FDI) to a large extent in addition to domestic investment. Therefore, it is necessary to maintain the continuity of this government in the national interest.

**Rooppur Nuclear Power Plant:**

In October 2013, Prime Minister Sheikh Hasina officially inaugurated the first phase of construction of Rooppur Nuclear Power Plant. The problem of power supply shortage is a long-standing problem in our country, but no sincere initiative to address this problem has been seen before. In order to solve this problem, a framework agreement was signed between the Government of Bangladesh and the Government of the Russian Federation in 2010. In November of that year, the National Parliament passed a decision proposal for the construction of Rooppur Nuclear Power Plant. This power plant with a power generation capacity of 2400 MW is being set up at Rooppur in Iswardi Upazila of Pabna District. This Rs 1 lakh 14 thousand 93 crore plant has 3 units, each of which has a power generation capacity of 1 thousand 201 MW. The first unit will be ready for commercial operation in December 2023 and the second in July 2024. If the production starts in full swing, Bangladesh will go a long way in realizing the dream of becoming a developed country by the year 2041. Along with this, the dependence on the import of foreign energy for electricity will be reduced to a large extent.

**My Opinion on the Impacts of Padma Bridge regarding the Socio-economic Development in Barishal Division are Described Below:**

A new horizon has been opened in the communication system of Barisal, including Bhola, due to the inauguration of Padma Bridge. 21 districts including Barisal are waiting for the fulfillment of dreams. A number of public and private experts said that with the inauguration of the expected dream Padma Bridge, new horizons will come in the communication system. Along with this, the multifaceted economic door of the marginalized people of the region will be opened. The overall look will change. Employment will be created, unemployment problem will be reduced. New horizons will change the fate of the common people of the 21 districts of the South-Western region. The capital Dhaka will come within the reach of the people of the entire southern region. That's why the tide of happiness is now flowing across the largest southern region. Political, social and public-private people are happy with the success of the Padma Bridge. Eagerly waiting to cross this bridge from dream to reality. Prime Minister Sheikh Hasina will inaugurate the dream Padma Bridge on the morning of June 25. It will then be opened for public vehicular traffic.

General Secretary of Barisal District Bus Owners Group, Kishore Kumar De told Buses that due to the implementation of Padma Bridge, the capital Dhaka can be reached by road from Barisal in 3 hours. The fate of the people of the districts on the south bank of Padma will change. As a result of the implementation of one bridge construction project after another by the current Awami League government, there is currently no ferry on the Dhaka-Kuakata road except the Padma bridge. The coveted Padma Bridge is also going to be inaugurated in a few days. When the bridge is inaugurated, it will take only 4 hours to travel from Dhaka to Kuakata.

Tapankar Chakraborty, former principal, researcher and organizer of Barisal Amrita Lal De Mahavidyalaya, said that if the Padma Bridge is opened, the economic prosperity of the greater southern region will open the door to the immense potential of the tourism industry.

Former commander of the Bhola District Freedom Fighters Command Council. Dost Mahmud and journalist Achint Majumdar said that the people of Barisal and Bhola district will benefit the most if the Padma bridge is inaugurated. Because there are several tourist centers and gas fields in the island district of Bhola. New employment will be created, unemployment problem will decrease. New horizons will be opened in the supply of agricultural products.

In this context, Kritisanta of Bhola district, one of the members of Bangladesh Awami League's advisory council, Advocate Yusuf Hossain Humayun told BASS that the economic and social development of Bhola along with Barisal will take a step forward if the dream Padma bridge is inaugurated. The communication between the capital and the southern region will be easier. As a result, the economy of the region will turn and employment will increase. Dwip District Bhola will be one of the strongest economic districts of the country. Besides, tourism industry will also bring immense potential.

He said that the way the current Prime Minister Sheikh Hasina has implemented the Padma Bridge construction project will be a bright example for future generations.

In this regard, President of Barisal Chamber of Commerce and Industries and Sadar Upazila Chairman Saidur Rahman Rintu said that if the expected Padma bridge is inaugurated, the working and marginalized people of the largest Barisal area will get employment opportunities and the business and commerce of the district will increase. The importance of Payra Port will increase with the inauguration of Padma Bridge.

He said that if the Padma Bridge is inaugurated, Barishal's income from all types of exportable products including frozen fish, raw vegetables will increase. Besides, the cost of transportation of goods will be reduced.

Barisal University Vice-Chancellor Professor Dr. Md. Chadekul Arefin said, the construction of this Padma Bridge with own funding by facing all the adversities and challenges has been possible due to the solitary efforts, foresight and strong leadership of the current Prime Minister. The dream Padma Bridge is a milestone of development which will be a source of new inspiration to the people of the country including future generations. At the same time, as long as this bridge remains, Prime Minister Sheikh Hasina's immortal achievements will bear glory. If this bridge is inaugurated, the image of Bangladesh will also brighten up the world.

**I Think Climate Change will Pose Risk Achieving SDGs in Bangladesh:**

The speakers emphasized on taking concrete steps to address the challenges related to climate change and accelerating efforts to achieve the Sustainable Development Goals (SDGs). They called for increased financing, technology transfer and international cooperation to deliver on the $100 billion funding commitment. The speakers made this call at the seminar titled 'Sustainable Development Goals Summit-2023' at the Ministry of Foreign Affairs Foreign Service Academy on Saturday (July 1) before the United Nations organizes the SDG summit in September this year. Foreign Minister said as the chief guest. AK Abdul Momen and special guest was UN Deputy Secretary General Amina J Mohammed. The Deputy Secretary-General called for an urgent 'global recommitment' to the Paris Agreement of the SDGs and international solidarity on increased financing, technology exchange and a fair transition to renewable energy.

Minister Momen said that 6.6 million Bangladeshis are displaced and lose their jobs every year due to salinity intrusion and waterlogging. "They are facing this reality because of the fault of rich countries that emit huge amounts of greenhouse gases and cause global warming," he said. Bangladesh's contribution to carbon emissions is only 0.47 percent, which is the lowest in the world. So like other affected countries, Bangladesh also wants rich countries to share the burden. According to the 17 goals of the SDGs, developed countries will provide finance and technology to achieve the SDGs.

Developed countries have pledged to give 0.7 percent of their GDP to climate-affected countries, but only six countries have kept their pledges. Momen said, without finance and technology, it is not possible to achieve the SDGs at all. Amina said conflicts and refugee crises in different parts of the world have given a big blow to the SDGs. Bangladesh has set a good example through improving food systems and technological development for food security, but climate change and lack of international support remain major challenges. He emphasized on huge investments in quality education, health transition from fossil fuels to green technologies. Foreign Secretary Masoud bin Momen expressed hope that the Deputy Secretary-General will take forward the seminar's collective messages as part of his advocacy work around the world. "We are counting on you to mobilize international public opinion to unlock the resources and technologies needed to achieve the SDGs," he said.

The Foreign Secretary said that countries like Bangladesh have proved that they can fulfill their commitments and go further through an enabling environment for international cooperation and dialogue. Akhtar Hossain, Chief SDG Coordinator of Prime Minister's Office, Aroma Dutta MP, Bangladesh Open University Pro-Vice Chancellor Professor Mahbooba Nasreen, Unilever Bangladesh Director (Corporate Affairs, Partnership and Communications) Shamima Akhtar and ActionAid Bangladesh Country Director Farah Kabir spoke on the occasion.