

Bangladesh's GDP to treble by 2035: UK-based CEBR

A Monitor Report

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Dhaka: Bangladesh will become the 25th largest economy in the world by 2035, advancing from 41st place this year thanks to steady growth, a new report said.

According to the UK-based Centre for Economics and Business Research (CEBR), the size of the economy will nearly treble to USD 855 billion in 2035 from USD 301 billion in 2020 in US dollar constant prices.

In current terms, Bangladesh will become more than a trillion-dollar economy before the period, showed the latest edition of the World Economic League Table of the think-tank.

In its annual league table on the growth prospects of 193 countries, the consultancy group said that despite the Covid-19 pandemic, Bangladesh was able to escape a contraction in 2020.

The rate of gross domestic product (GDP) growth in Bangladesh is anticipated to have dipped to 3.8 percent in 2020. This compares to 8.2 percent GDP growth recorded in 2019.

Government debt as a share of GDP rose to 39.6 percent in 2020, which remains a low level. The government operated a fiscal deficit of 6.8 percent in 2020, facilitated in part by the low debt to GDP ratio.

"This will have bolstered the economy in the past months," the report said.

Between 2021 and 2025, the annual rate of GDP growth will accelerate to an average of 6.8 percent. However, over the remainder of the forecast horizon,

economic growth is expected to decline to an average of 6.5 percent per year. Bangladesh had a purchasing power parity-adjusted GDP per capita of USD 5,139 in 2020, making it a lower-middle-income country. Bangladesh came 168th in the World Bank's 2020 Ease of Doing Business rankings, suggesting that the regulatory environment is not conducive to a thriving private sector, the think-tank said. The CEBR said the economy enjoyed a strong rate of GDP growth in the years leading up to the Covid-19 pandemic, despite a modest rate of population growth, which averaged just 1 percent per year over the past five years.