

Preface

I am delighted to present the flagship publication of Economic Relations Division (ERD) - **“Flow of External Resources into Bangladesh”** for 2016. The thirty-ninth issue of the publication has been prepared incorporating updated data and information on external resources and debt. Compared to the earlier issues of the publication, its thematic presentation, graphics and analytics have been fine tuned further to better meet the expectations and needs of the stakeholders including the general readers.

2. 2016 is the year that marks the commencement of our journey to become an upper middle income country from lower middle income country. Globally, Sustainable Development Goals (SDGs) have been adopted providing a structural framework for development interventions and monitoring of results. Nationally, 7th Five Year Plan has already come into force. To achieve a 7.4% average annual growth of GDP over the period from 2016 to 2020, an average annual gross investment of 32% (public sector 7.3%) of the GDP will be required. Of the total public sector investment, 12% will be financed from external resources. ERD’s mobilization in the 1st year (2016) of the 7th five year plan hit a land mark by achieving US\$ 7 billion of commitment of development support. To put our recent performance in right perspective, it may be noted that from FY 2011-12 to FY 2015-16, yearly average commitments of aid had been US\$ 5.75 billion. The average commitment during FY2006-07 to 2010-11 was US\$ 3.30 billion. On the other hand, disbursement of foreign assistance reached US\$ 3.56 billion in 2016 which is the highest since independence. However, the long established policy of following a prudent borrowing strategy still remains the cornerstone of our external debt management. The external debt to GDP has fallen to 13.2% in 2016 compared to 13.6% in 2015.

3. I am pleased to report that in FY 2016 we have been largely successful in utilizing relatively larger amounts of foreign public resources. The Flow Book containing information on selected macro-economic indicators and analysis of resource flows and external debt portfolio with meaningful and attractive colored graphs provides useful information for different stakeholders. In addition, inclusions of an executive summary to this document offers greater understanding and clarity of the data presented. I am pretty sure that this publication will be useful to the policy makers, researchers, academics, students and other readership in their respective work. To make this publication accessible to all, an electronic version of the publication is being made available at ERD’s web site (www.erd.gov.bd).

4. Resource flows from multilateral and bilateral development partners and servicing of loan information of government is presented in this publication. A summary data on borrowings from International Monetary Fund (IMF), external debts of State Owned Enterprises (SOEs) and grants extended to the Non-Government Organizations (NGOs) are also recorded at aggregate levels in this book. Public debt relating to defense establishment and private sector debt remain outside the remit of the publication. The publication is put together on the basis of information available with ERD and supplemented, where necessary, by the reports of the development partners, project directors, the Bangladesh Bank and other corporate bodies. Some figures shown in the report may need to be revised, based on feedback from the development partners and other concerned.

5. Finally, I commend ERD and specially officers and staff of Foreign Aid Budget and Accounts (FABA) Wing of ERD for diligently compiling a large volume of data and providing cogent analysis. I hope that ERD would continue publishing this document in future and make every effort to improve its scope, analysis and presentation of data. Suggestions for further improvement of the publication are most welcome.

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Abul Maal A. Muhith
Minister for Finance