

Preface

The flagship publication of Economic Relations Division (ERD) - “**Flow of External Resources into Bangladesh**” has reached the age of forty. It is a rare achievement, not only for the number of issues published, but also for its enriched contents and analysis. Over the years, the publication has earned the credibility to serve as ‘one-stop’ reference book on the share of external resources and debt to economy of Bangladesh. Continuous effort has been made to improve its thematic presentation, graphics and analytics to meet the expectations and needs of the readers compared to earlier issues of the publication.

2. According to the 7th Five Year Plan (FYP), an average gross investment of 32% (public sector 7.3%) of the GDP will be required to attain 7.4% average annual growth of GDP over the period from 2016 to 2020. Of the total public sector investment, 12% will be financed from external resources. On the other hand, General Economic Division of Planning Commission has estimated an additional cost amounting to USD 928 billion for achieving Sustainable Development Goals (SDGs) on top of the resources needed for Business As Usual (BAU) cost for the period 2017-2030. Of the total estimated additional costs for implementation of SDGs, an amount of USD 36 billion is likely to be arranged from foreign assistance over BAU cost which is 3.8 per cent of the total additional costs. Actually, mobilization of concessional credit is becoming more and more challenging in the context of the upgraded status of the country as a lower middle income country. However, ERD recorded highest ever commitment of development support amounting to USD 17.96 billion in 2017. ERD’s Performance in mobilization of foreign assistance shows hope in bridging the resource gap. From FY 2012-13 to FY 2016-17, a yearly average US\$ 8.39 billion had been committed. The average commitment during FY 2007-08 to 2011-12 was US\$ 3.8 billion. On the other hand, disbursement of foreign assistance reached US\$ 3.68 billion in 2017 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 rate has fallen to 12.8% in 2017 compared to 13.2% in 2016.

3. 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. Lastly, I acclaim ERD and specially officers and staff of Foreign Aid Budget and Accounts (FABA) Wing of ERD for their hard work in compiling huge data meticulously and presenting it in coherent sequence and analysis with eye-catching colorful graphs. I wish 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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