

## Preface

The year 2018 marks the milestones of achieving all three criteria of United Nations for Bangladesh to graduate to Developing Country from Least Developed country as graduated to Lower Middle Income Country (LMIC) from Lower Income Country (LIC) according to the World Bank's rankings. Over the years, the challenges we faced and the results we achieved are recognized by the world community. Bangladesh has been experiencing excellent macroeconomic performances since last decade. However, a faster pace of economic growth is required to reach at the level of developed country by 2041. This reinforces utmost focus on investments from public and private sectors of domestic and external investors.

In this context, I am indeed, delighted to be informed that the 41<sup>st</sup> issue of the flagship publication - "**Flow of External Resources into Bangladesh**" of Economic Relations Division (ERD) is being published. The publication has been maintaining remarkable efforts in presenting and analyzing information related to external resources and debt. The time series data and graphical presentation have made it creditworthy to serve as "one stop" reference book. I am sure that this publication will be useful to the policymakers, researchers, academics, students and other readers in their respective work.

Since independence, external resources amounting to USD 132 billion has been mobilized to finance development projects and programs. To support implementation of the 7<sup>th</sup> Five Year Plan, ERD mobilized USD 32.8 billion during FY 2016-17 and 2017-18. Similarly, disbursement of external resources has been improving over the years. In FY 2017-18, disbursement crossed the landmark of USD 6 billion for the first time. During the last two financial years, a total amount of USD 10 billion was disbursed. 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 ratio is 13.9% in 2018 which is well below the threshold level of 40%. Despite some exceptions, most of the mobilized loans are concessional in nature with long tenor with generous grace period.

Information on resource flows from multilateral and bilateral development partners and external debt servicing of government are presented in this publication. A summarized 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 of 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, Bangladesh Bank and other corporate bodies. Some figures shown in the reports may need to be revised, based on the feedback from the development partners and other concerned.

Finally, I would like to acknowledge the contribution and hard work of the ERD officials, especially the officers and staffs of Foreign Aid Budget and Accounts (FABA) wing for compiling huge data meticulously and presenting those in coherent sequences with professional analysis. In order to make this publication accessible to all, an electronic version of the publication is being made available at ERD's website ([www.erd.gov.bd](http://www.erd.gov.bd)). I wish that ERD would continue publishing this document in future and make every effort to improve its scope, analysis and presentation of data.

**Date:**

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