

Press Release

December 28, 2013

Economic outlook 2014
**Bangladesh's GDP may
achieve minus growth**

Global Economist Forum (GEF) forecasts minus growth of Gross Domestic Product (GDP) for political unrest in its economic outlook 2014 published on December 28. The political deadlock could affect Bangladesh economy in the long run, as the major productive sectors are facing fund crisis that hinder fresh investment and productivity growth.

The ongoing political deadlock may create serious impact on the nation exchequer and government's loan dependency will be increased due to shortage of revenue collection. Implementation of the prevailing Annual Development Program (ADP) will be under challenge in one hand, on the other hand, size of ADP will be small for next year.

Point to point inflation will be increased and commodity price will be hiked in 2014. The monetary inflation could be widened as because the government will find easy and short term solution by increasing currency circulation through the central bank and finance ministry.

Exports, especially readymade garments (RMG) may lose GSP free access to the European Union, U.S.A and Canada because the diplomatic relationship between Bangladesh with the other parts of the world, excepting India, has cool down relating to the forthcoming general election. It is worth mentioning that no Bangladeshi market countries are agreed to monitor the polls.

Global Economist Forum is forecasting that if the country tries to prolong the one-party government, then economic embargo may be imposed on Bangladesh by United Nations and other donor agencies.

The service sector including banking will have to face intolerable non-performing loan (NPL) which may cause of provision and capital shortfall in Bangladesh. Government's borrowings from banking net will be increased in 2014.

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