

9th ISSUE



Economic  
Intelligence  
Bangladesh

A Research Initiative Of  
**TBS** & **dataSense**

***Bangladesh's  
Economic Outlook for 2025:  
A Survey of  
Economists' Opinions***



A Research Initiative Of

**TBS** & **dataSense**

#### EIB Editorial Team

- Inam Ahmed
- Ananya Raihan
- Sharier Khan
- Titu Datta Gupta
- Shakhawat Liton

#### Head of Research

- Mohsin Bhuiyan

#### Research & Analysis Team

- M. Samin Sajid Nahr
- Isra Tasneem
- Munzeleen Sarwar
- Sadiq Mahmood

#### Web Publication

- Yashab Osama Rahman

#### Graphics

- Duniya Jahan

#### Cover Illustration

- Mahtab

# CONTENTS

Forecasting the Overall Economic Outlook for 2025 .....	5
Forecast on Economic Growth and GDP .....	8
Forecast on Inflation .....	10
Forecast on Export Performance .....	12
Forecast on Banking Sector Performance .....	14
Forecast on Remittance Flows .....	16
Forecast on Investment .....	18
Forecast on Job Creation .....	21
Forecast on Government Revenue .....	22
National Budget FY2025-26 — Resource Mobilization & Expenditure .....	23
Forecast on Foreign Reserve .....	25



# Economist Survey: Bangladesh's 2025 Economic Outlook

Ananya Raihan and Munzeleen Sarwar

No other year can be compared to 2024 in terms of the political climate and economic upheaval in Bangladesh and across the globe. For 2025, it is no doubt that the nation's economic trajectory remains a subject of keen interest for everyone. To gain meaningful insights into the key economic trends and challenges that lie ahead, DataSense and The Business Standard, conducted a comprehensive survey of Bangladesh' leading as well as young economists. This survey aimed to capture the diverse perspectives on Bangladesh's economic prospects for 2025, delving into critical areas such as GDP

growth, inflation, banking sector health, LDC graduation, national budget, remittance flow, foreign direct investment, domestic investment, job creation trends and the overall macroeconomic climate. By engaging with the economic experts, we sought to understand their assessments of the potential challenges, opportunities and risks that may shape the nation's economic landscape in 2025.

Twenty leading as well young economists from a number of research institutions, think tanks, universities [e.g., Bangladesh Institute of Development Studies (BIDS), BRAC Institute of Governance and Development (BIGD), Centre for Policy Dialogue

(CPD), Brac University, Bangladesh University of Professionals (BUP), DataSense, East West University, Independent University, Bangladesh (IUB), Institute of Business Administration (IBA, DU), North South University (NSU), Research and Policy Integration for Development (RAPID), World Bank, University of Dhaka, and United Nations (UN)] have expressed their views on economic outlook for 2025 in our survey for Economic Intelligence Bangladesh's 9th Issue. The recurring themes across all opinions are the impact of the political situation and the need for reform.



## The highlights of the opinions are:



Inflation, tax management and poor macroeconomic policies amid geopolitical tensions are serious concerns for the economy in 2025.



GDP growth rate is expected by the economists to lie between 3% to 5%, with remittance flows and export earnings being the key drivers and reduced investor confidence, domestic inflation and supply chain disruptions as key challenges.



The economists think inflation rate may lie between 9-10% due to the increased costs for import, production and fuel costs.



Bangladesh's looming graduation from Least Developed Country (LDC) in 2026 is going to have a major impact on the export growth.



Non-Performing Loans (NPL) and management of loan defaulters with stricter rules and implementation will determine the banking sector's performance.



Labor migration will be highly affected by the demand to leave the country and the opposing factor to it- saturation of labor force in usual destination countries.



Foreign investment may moderately shrink in 2025 mainly due to political instability and geopolitical volatility.



The revenues are expected to be recovered partially by an increased tax and reduced evasion from tax.



The national budget is expected to remain the same according to most of the economists. The lack of confidence in revenue growth, development budget reduction, and increased foreign dependence have an impact.



The foreign reserve is expected to grow due to reduced import of luxury goods, increased remittance flow and timely export deposits according to experts, despite slower economic growth.



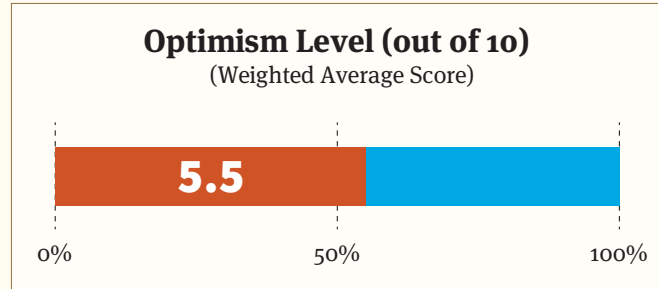


## Forecasting the Overall Economic Outlook for 2025



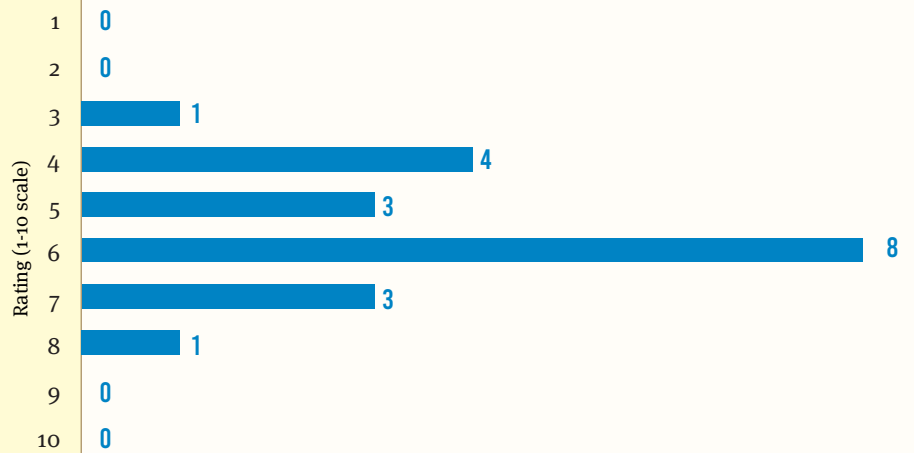
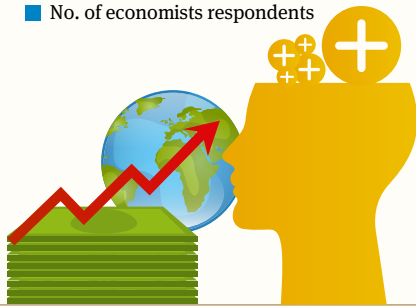
A 10-point scale was used to gauge Economists' mood about Bangladesh's aggregate economic prospects in 2025. A score of 1 indicated the lowest level of optimism, while 10 represented the highest. The majority of Economists (8/20) displayed an optimism level of 6.

**The weighted average score of optimism level is 5.5 on a scale of 10.**



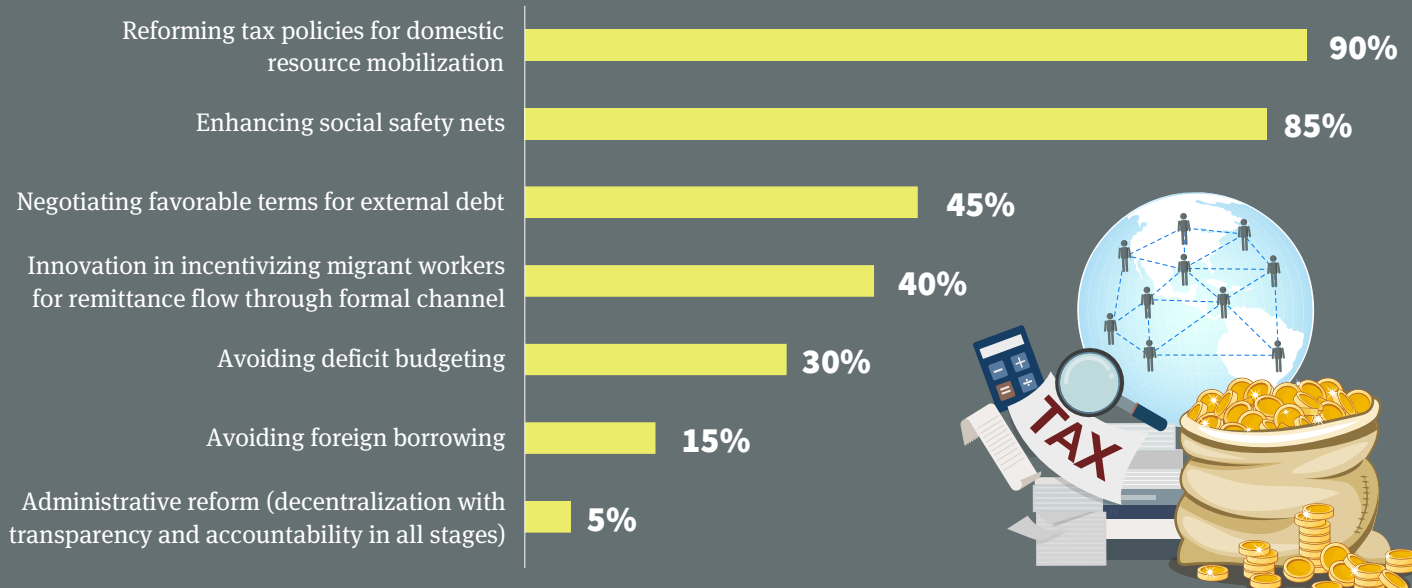
### Optimism Level on Aggregate Economic Prospects in 2025

■ No. of economists respondents

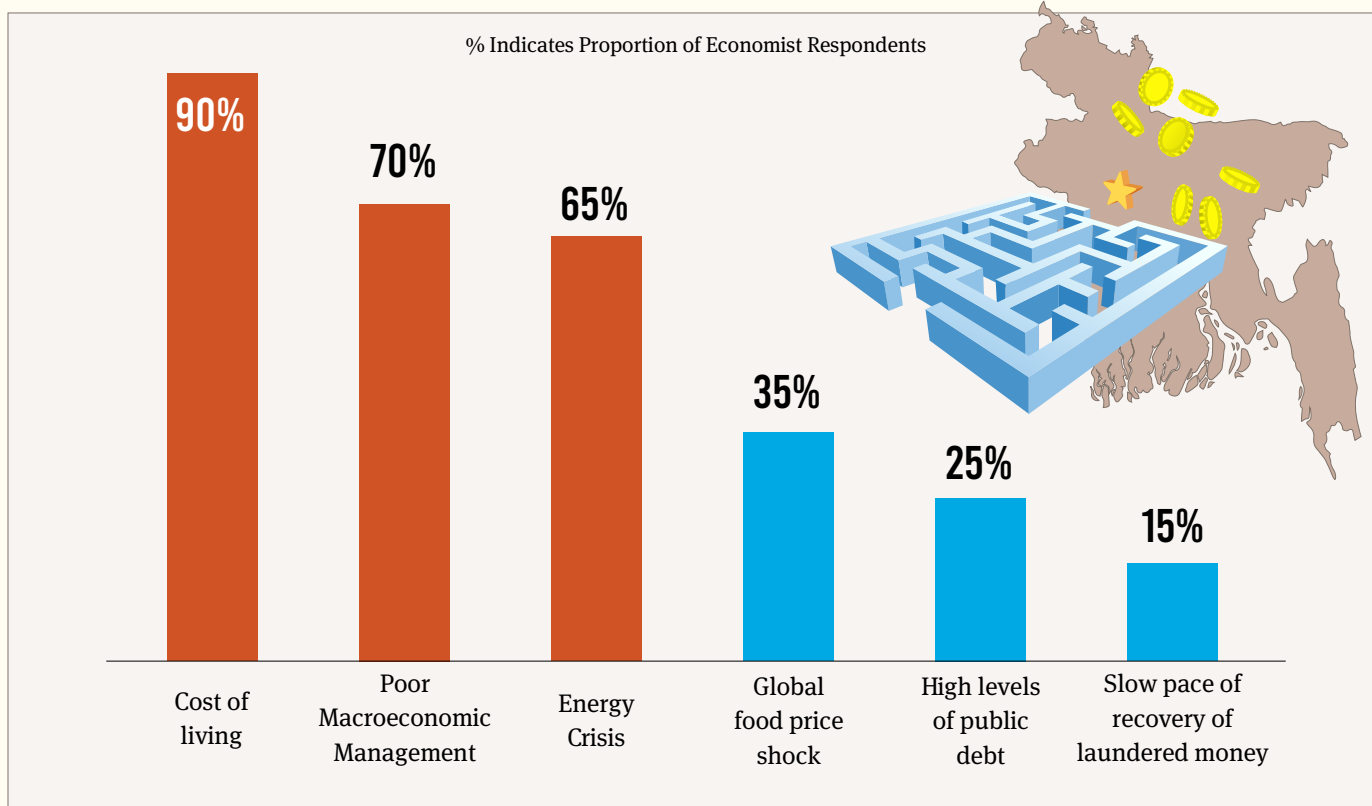


**Economists prioritized most critical policy areas for *maintaining economic stability* in 2025 from the *perspective of government action***

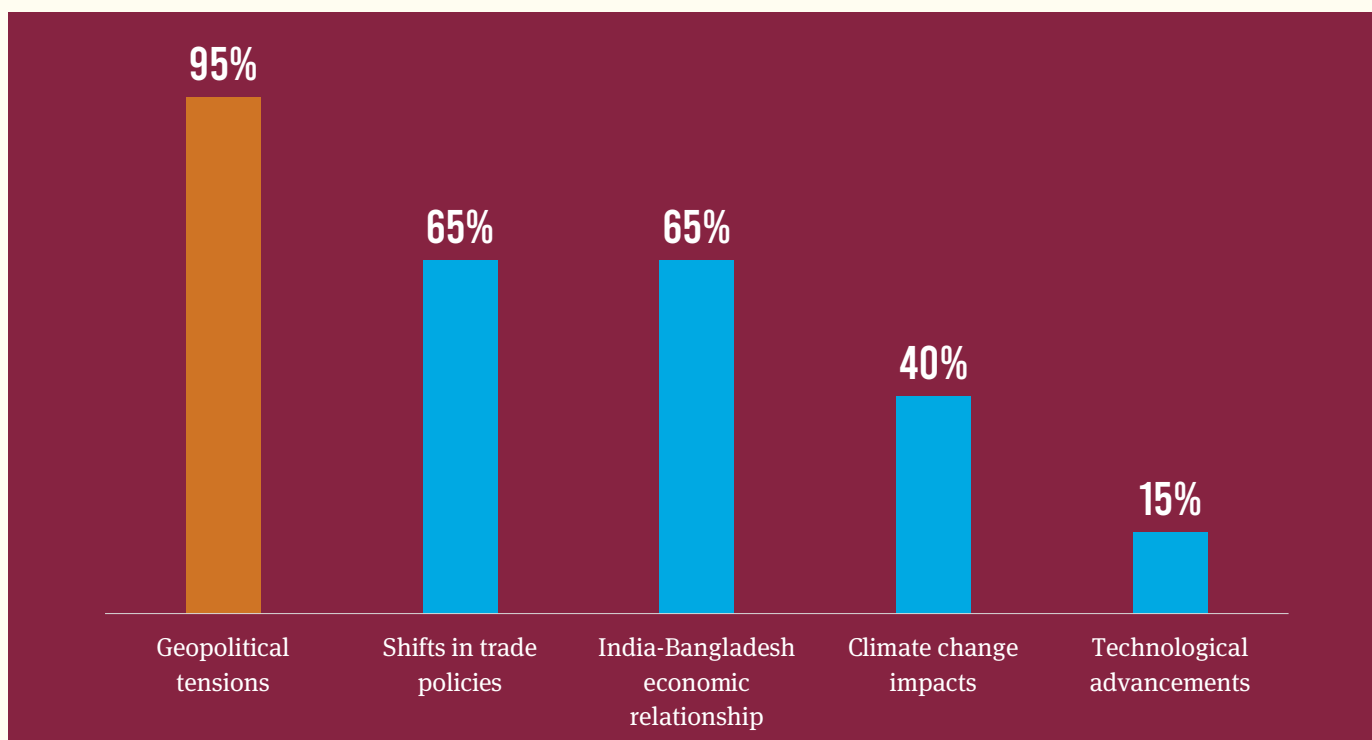
### What should be the Government's Policy Priorities for 2025?



## Areas of *primary challenges* that Bangladesh's economy will face in 2025



## Economists' outlook on the *top global trends* impacting Bangladesh's economy in 2025



*Geopolitical tensions* are seen as the most impactful trend, with **95%** of economists identifying it as a major influence. *Shifts in trade policies* and the *India-Bangladesh economic relationship* are perceived as major influences by **65%** of economists each.



## GREATEST CHALLENGE FACING BANGLADESH'S ECONOMY IN 2025

**40%** of economists identified ***inflation*** as the single greatest challenge facing the Bangladeshi economy in 2025, other responses included:

“Inflation control”

“Political instability, and law and order situation”

“Extremely small tax base, tax evasion, tax avoidance, corruption in tax collection”

“Economic stabilization (i.e., tackling inflation and boosting foreign reserves)”

“Slowdown in both domestic and foreign investment”

“Political stability”

“Restoring democracy as well as law and order”

“Macroeconomic management”

“Food and energy inflation”

“Cost of living crisis”

“Maintaining macroeconomic stability”

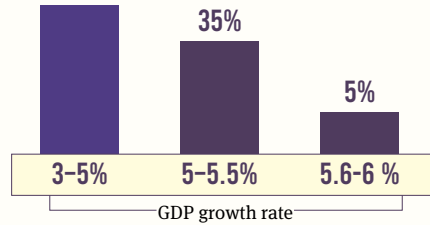
“Unemployment”



## Forecast on Economic Growth and GDP



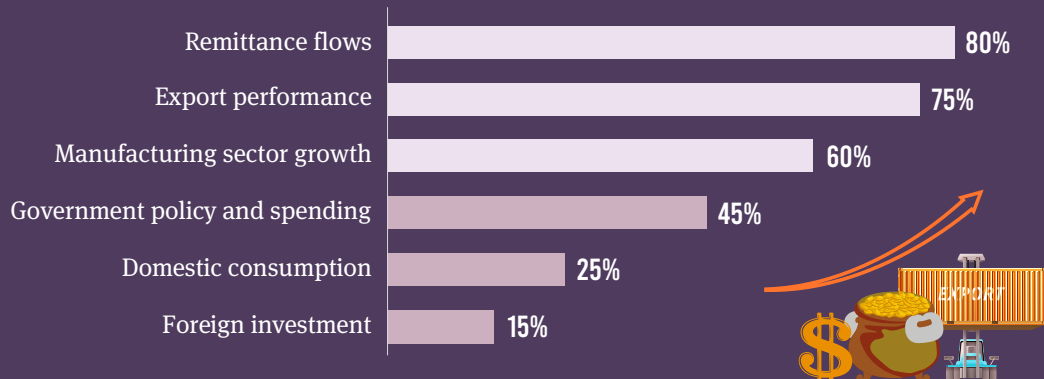
### Economists' forecasted GDP growth rate for 2025



According to economists, Bangladesh's GDP growth rate for 2025 is projected to be between **3% and 5%** by a majority (60%).

### Economists' outlook on the primary drivers of GDP growth for 2025

#### Primary Drivers of GDP growth

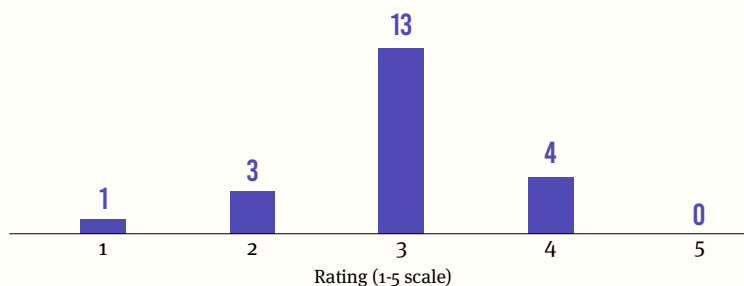


Remittance flows (80%), export performance (75%), and manufacturing sector growth (60%) were identified by economists as the main drivers of Bangladesh's GDP growth in 2025.

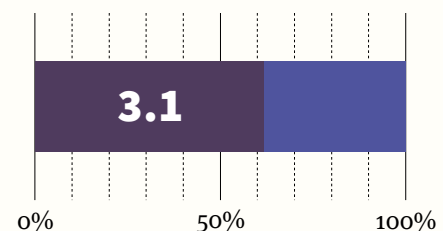
### Economists' Evaluation of Interim Government Initiatives to support GDP Growth in 2025 (1 = Highly Ineffective, 5 = Highly Effective)

#### Interim Government initiatives to support GDP growth, rated by Economists

■ No. of economists respondents



#### Evaluation of Interim Govt. Initiatives (out of 5) (Weighted Average Score)



On a 1-5 scale, where 1 represents 'highly ineffective' and 5 represents 'highly effective,' a majority of economists (13/20) assessed the interim government's initiatives to support GDP growth as 'moderately effective' (rating of 3). **The weighted average score of interim government initiative evaluations is 3.1 on a scale of 5.**

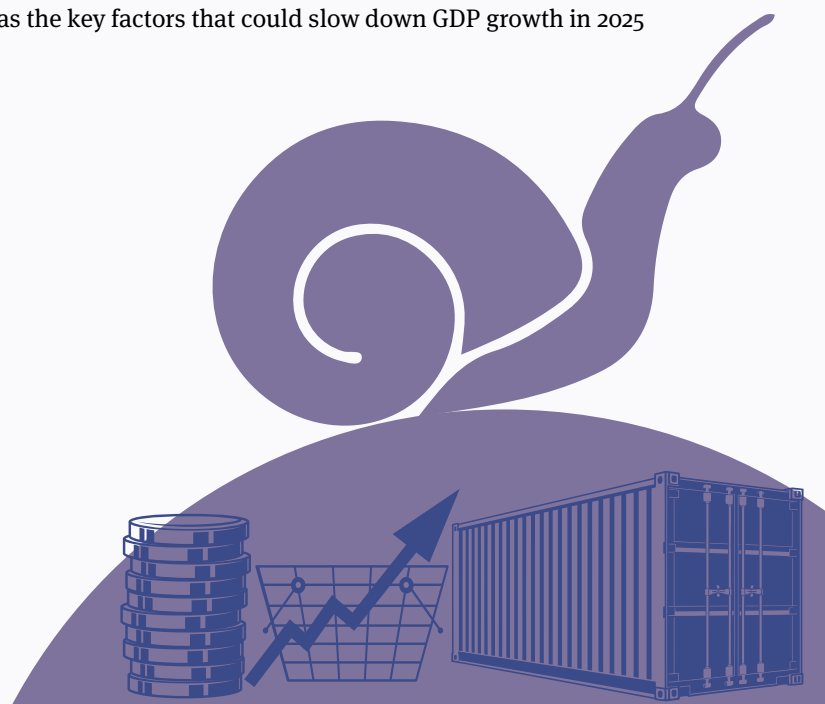


Economists' outlook on the *top factors* that could lead to a slower *GDP growth* in 2025

Factors that could lead to slower GDP growth in 2025



Economists identified political instability impacting investor confidence and business operations (90%), high domestic inflation (80%), and supply chain disruptions (55%) as the key factors that could slow down GDP growth in 2025

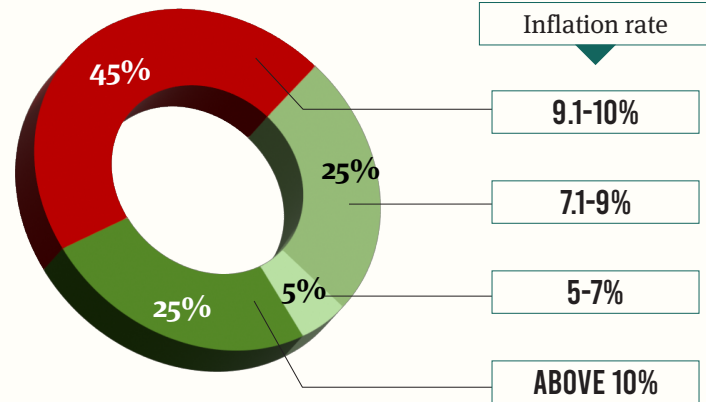




## Forecast on Inflation



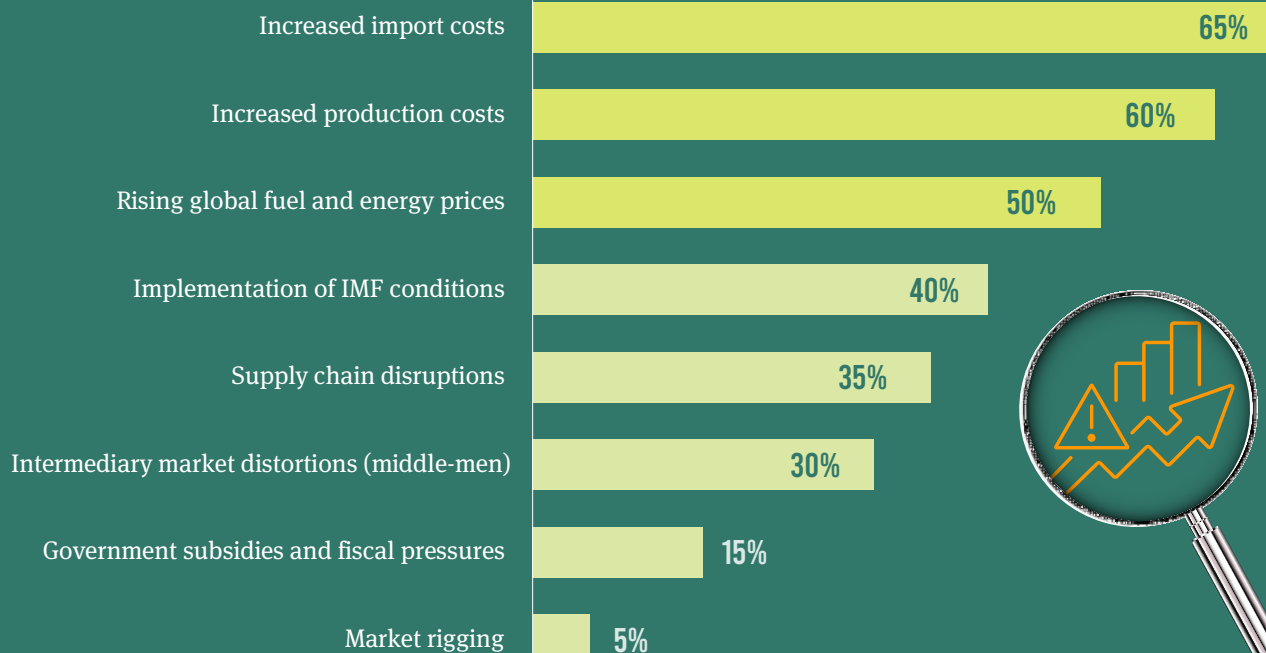
### Economists' forecasted Inflation rate for 2025



Most of the economists are not optimistic about taming inflation. Seventy percent of the responding economist think the inflation will remain above 10 %. A majority of economists (45%) projected an inflation rate between 9.1% and 10% for 2025, while 25% anticipated inflation to exceed 10% and another 25% predicted inflation to range between 7.1% and 9%.

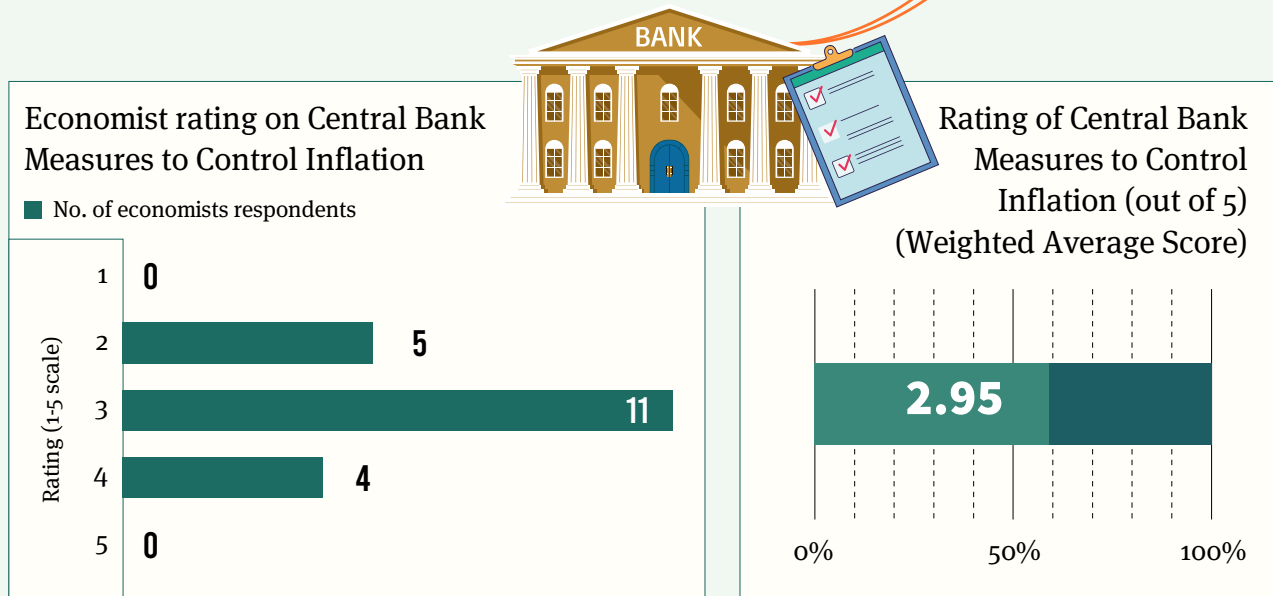
### Economists view these as the top inflationary pressures expected in 2025

% Indicates Proportion of Economist Respondents



## Economists' Assessment of the Central Bank's Measures to Control Inflation in 2025

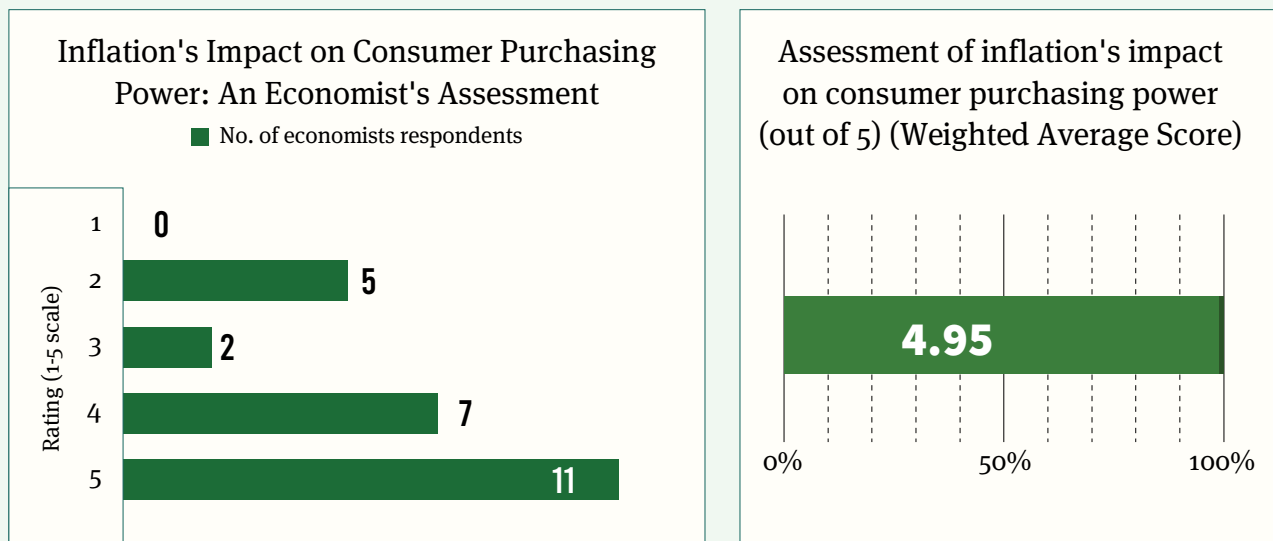
(1 = Minimal Impact, 5 = Severe Impact)



A majority of economists surveyed (11/20) assigned a rating of '3' to the central bank's inflation control measures on a scale of 1-5, suggesting that the central bank would have a moderate impact in controlling inflation in 2025. **The weighted average score of their rating on central bank measures to control inflation is 2.95 on a scale of 5.**

## Economists' outlook on the impact of inflation on consumer purchasing power in 2025

(1 = Minimal Impact, 5 = Severe Impact)



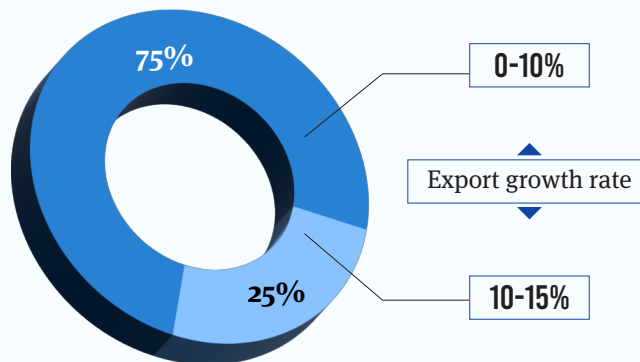
A majority of economists (11/20) assigned a severity rating of '5' to inflation's impact on consumer purchasing power, suggesting a significant negative impact on purchasing power in 2025. **The weighted average score of their assessment of inflation impact on consumer purchasing power is 4.95 on a scale of 5.**



## Forecast on Export Performance



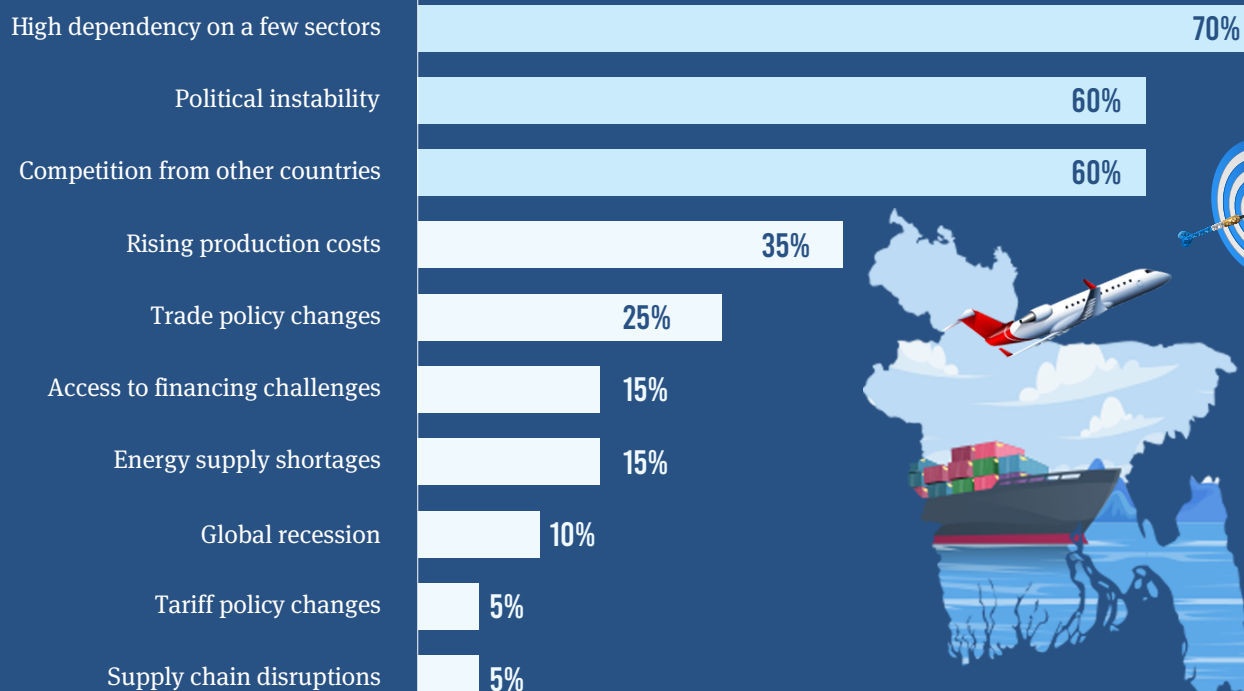
### Economists' forecasted export growth rate for 2025



A majority of economists (75%) projected the export growth rate to be conservative, between 0% and 10% for 2025, while 25% anticipated export growth rate to exceed and range between 10% and 15%.

### Economists view these as the top challenges facing Bangladesh's export performance in 2025

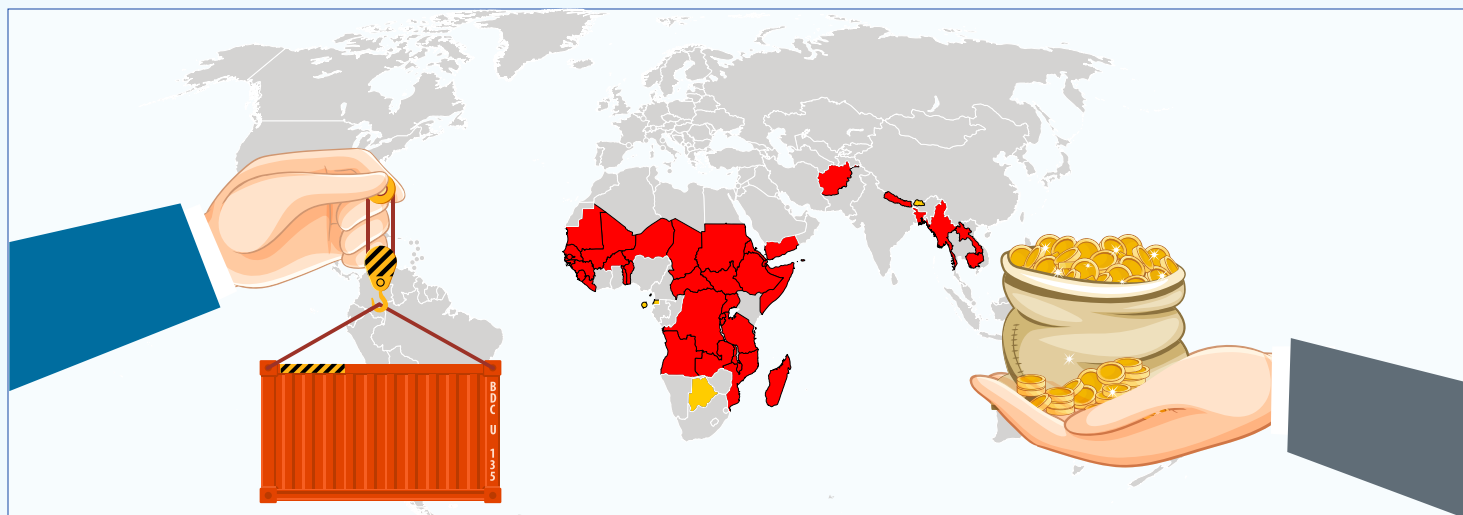
#### Economists' Perspective on the Key Challenges Facing Bangladesh's Export Performance in 2025



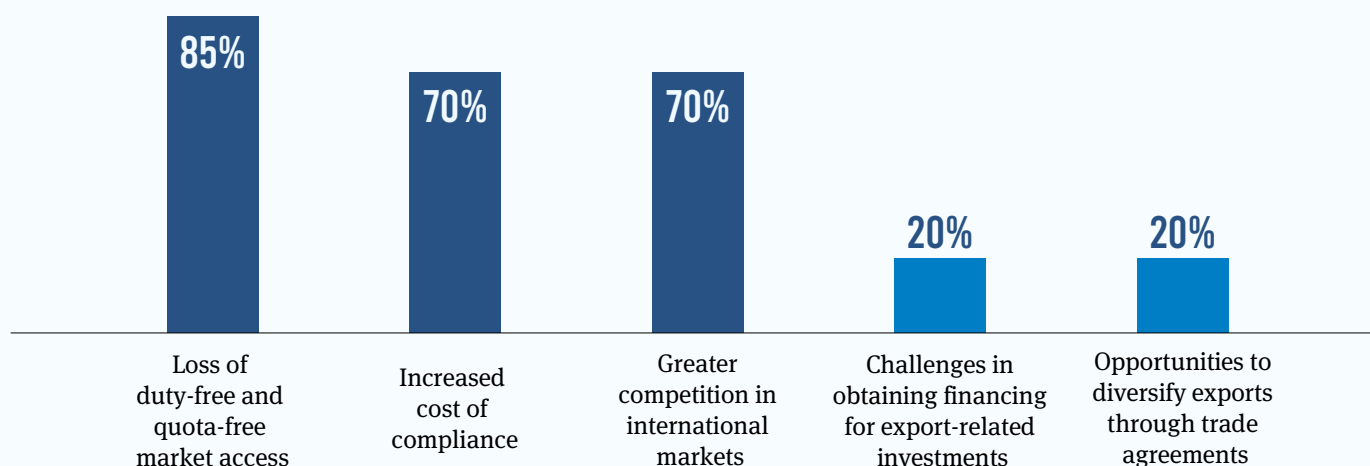
Economists identified high dependency on a few sectors (70%), political instability (60%), and competition from other countries (60%) as the key factors that could hinder Bangladesh's export performance in 2025.



## Preparing for LDC Graduation: Economists' Views on the Impact on Exports



Insights of economists on how Bangladesh's LDC graduation in 2026 is expected to shape its export performance in 2025. The analysis incorporates economists' views on how businesses are preparing for this transition and how these preparations are likely to impact export activities in the near term.



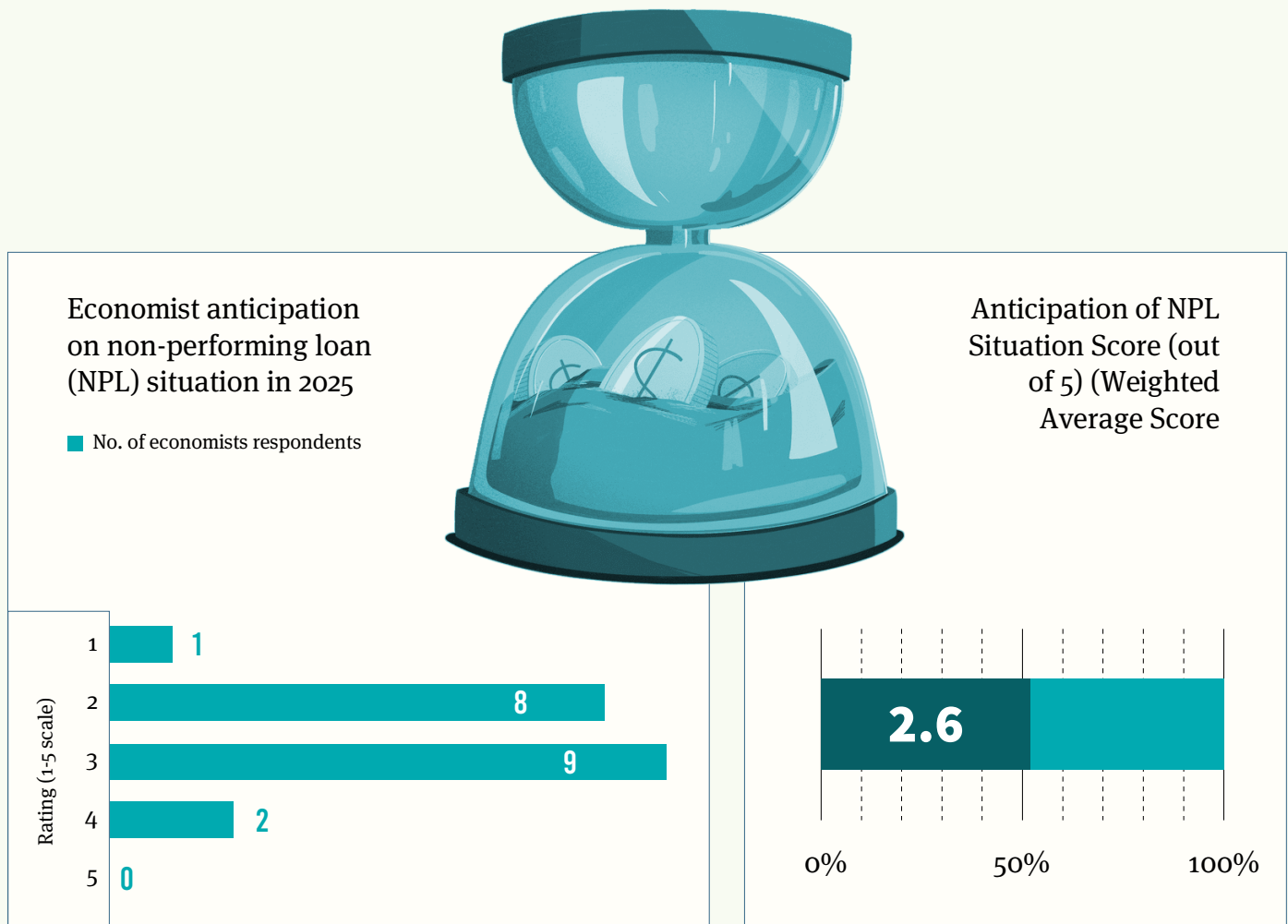
A majority of economists identified the loss of duty-free and quota-free market access (85%), increased costs of compliance (70%), and greater competition in international markets (70%) as key challenges to Bangladesh's export performance in 2025 due to the impending LDC graduation in 2026.



## Forecast on Banking Sector Performance



**Economists' anticipation of non-performing loan situation in 2025 on a scale of 1-5**  
(1= Very unstable, 5= Very stable)

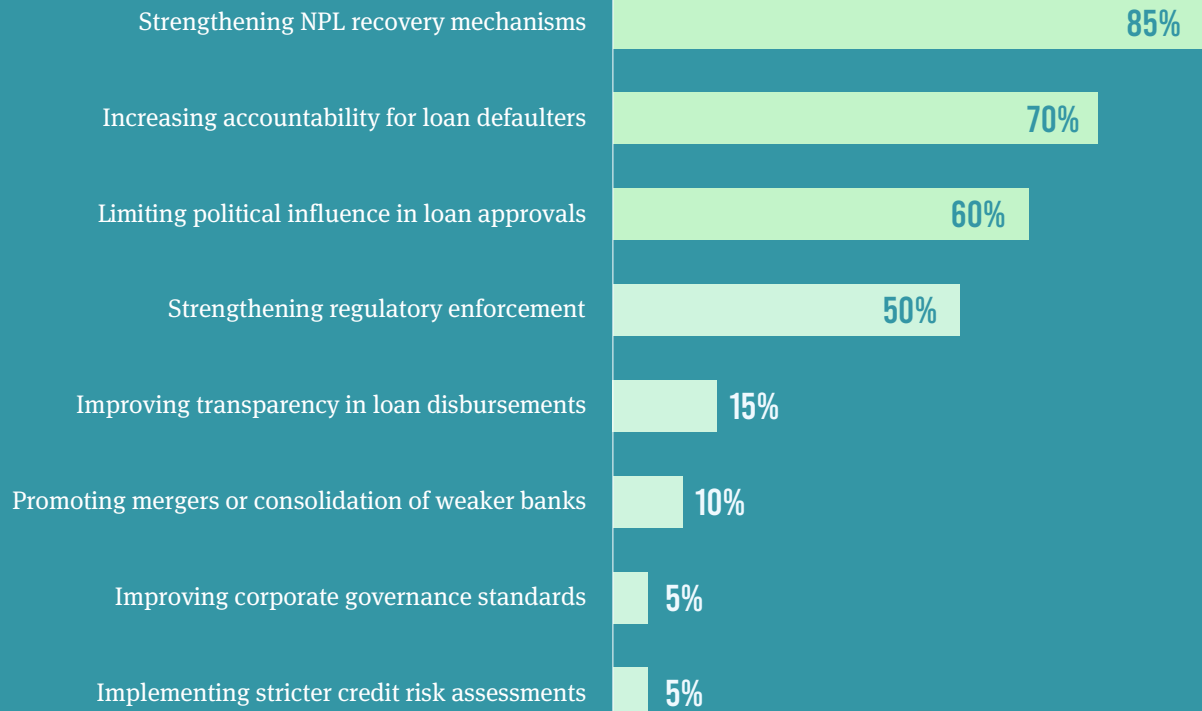


Majority of economists (9/20) have rated the non-performing loan situation in 2025 to be 3 out of 5 on a 1-5 scale with 8/20 economists rating it 2 out of 5, indicating a lack of confidence in the NPL situation. *The weighted average score of economists' anticipation of the NPL situation is 2.6 on a scale of 5.*

## Economists' priorities on reform in the banking sector

### Key Banking Sector Reforms Prioritized by Economists

% Indicates Proportion of Economist Respondents

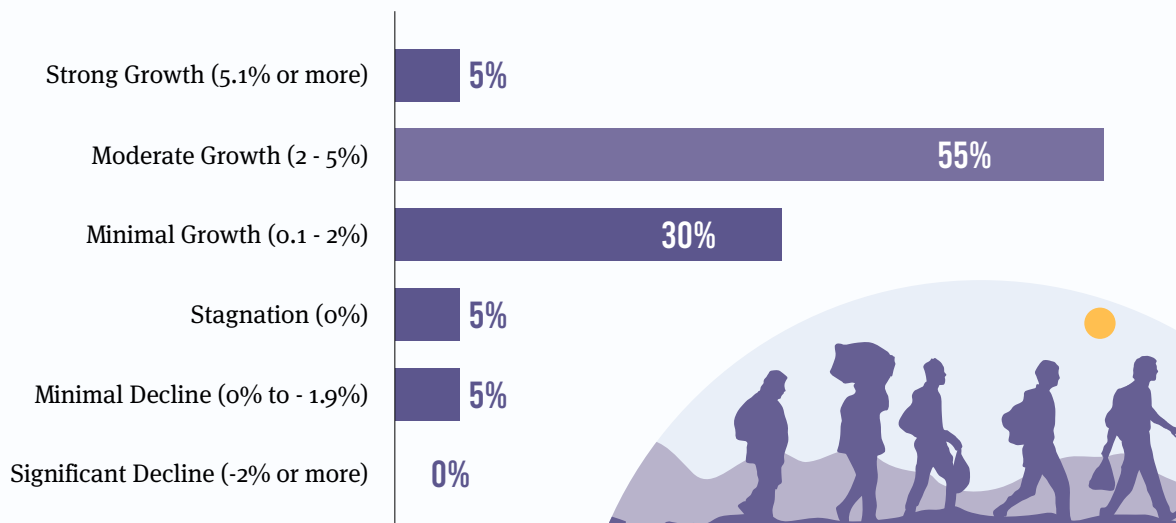




## Forecast on Remittance Flows



### Economists' forecasted aggregate level of labour migration for 2025



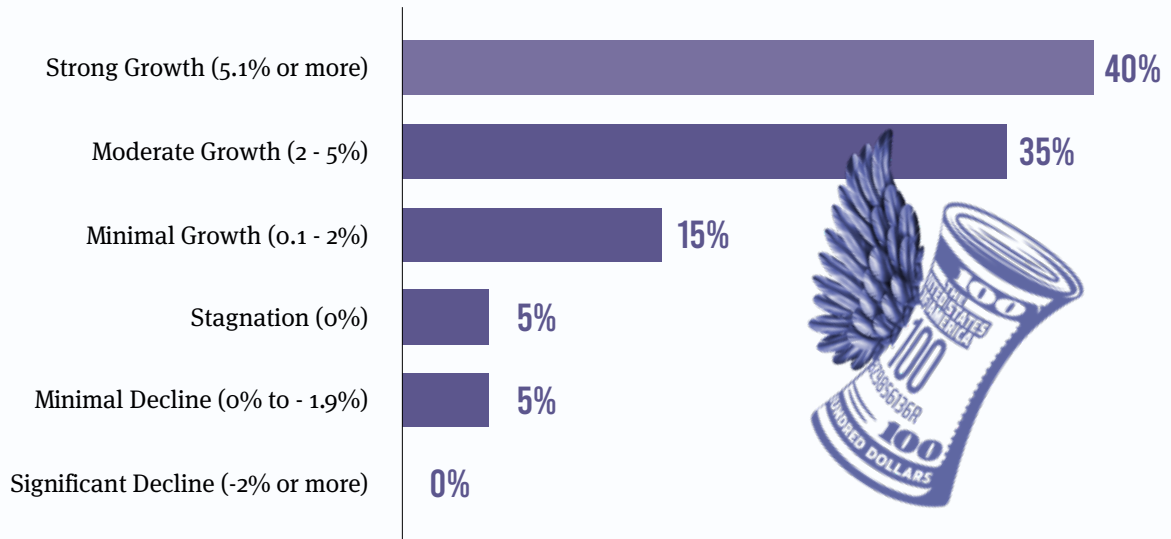
A majority of economists (55%) projected a moderate growth rate of 2-5% in aggregate labor migration for 2025.

### Economists' outlook on the top factors influencing labour migration in 2025

Desperate attempt to leave the country ▶ 85%	Labour market saturation in destination countries ▶ 70%
Positive economic outlook induced demand growth in destination countries ▶ 65%	Mass deportation due to policy shift in destination countries ▶ 35%
Bangladesh's focus on skilled migration is paying off ▶ 20%	Employers' concerns about the productivity and discipline of Bangladeshi migrants ▶ 15%
Successful state-level negotiations and diplomatic efforts ▶ 5%	Lack of adequate job domestically ▶ 5%

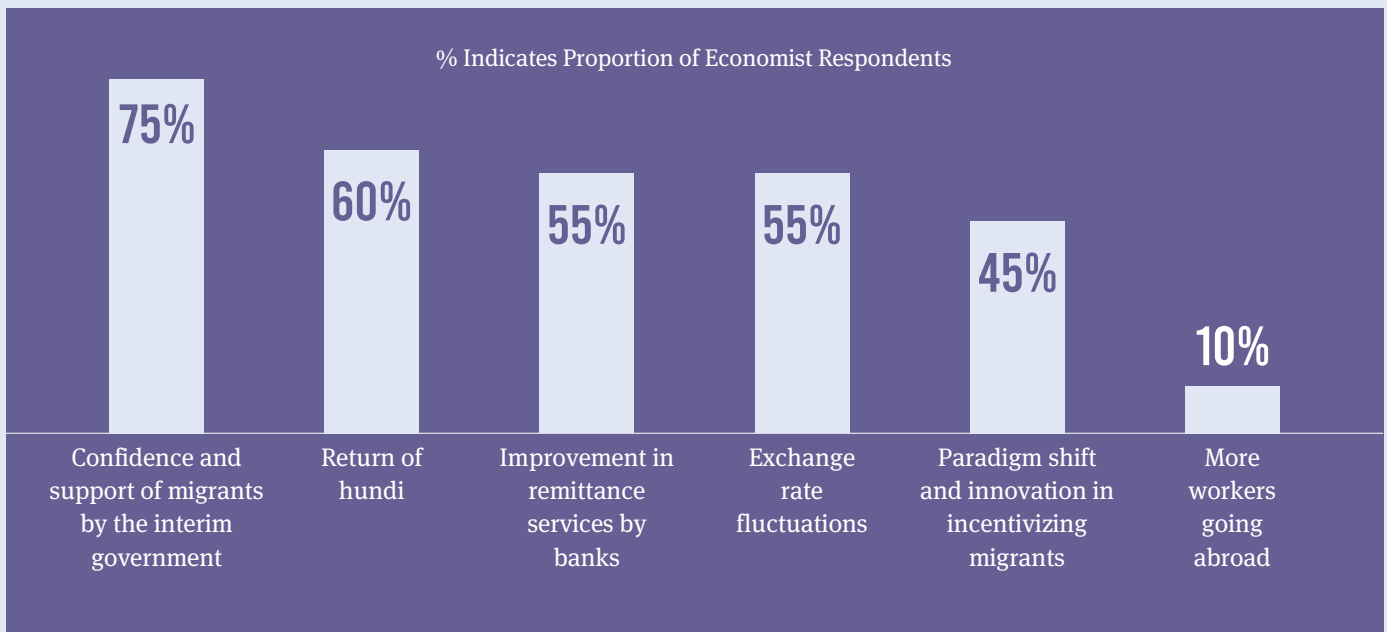


### Economists' forecasted remittance growth for 2025



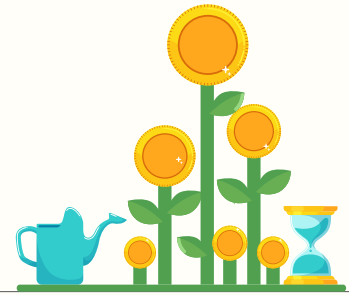
A majority of economists (40%) predicted a strong remittance growth rate of 5.1% or more in 2025, signaling a positive outlook for remittance inflows into Bangladesh.

### Economists' outlook on the key determinants of remittance inflows for 2025





## Forecast on Investment

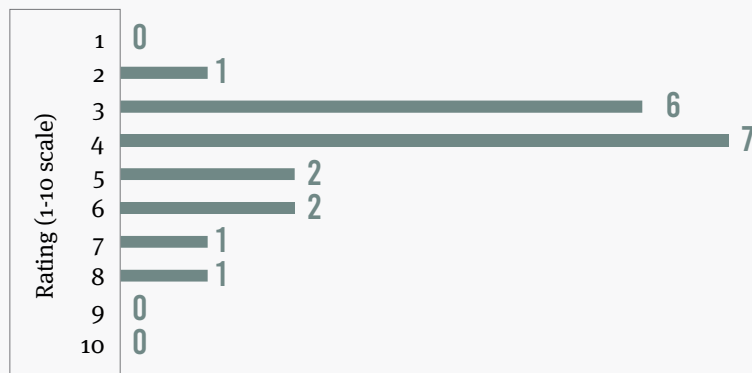


### Economists' optimism level on domestic investment for 2025

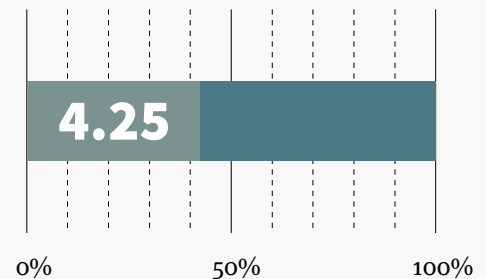


#### Economists' Optimism Level on Domestic Investment in 2025

■ No. of economists respondents

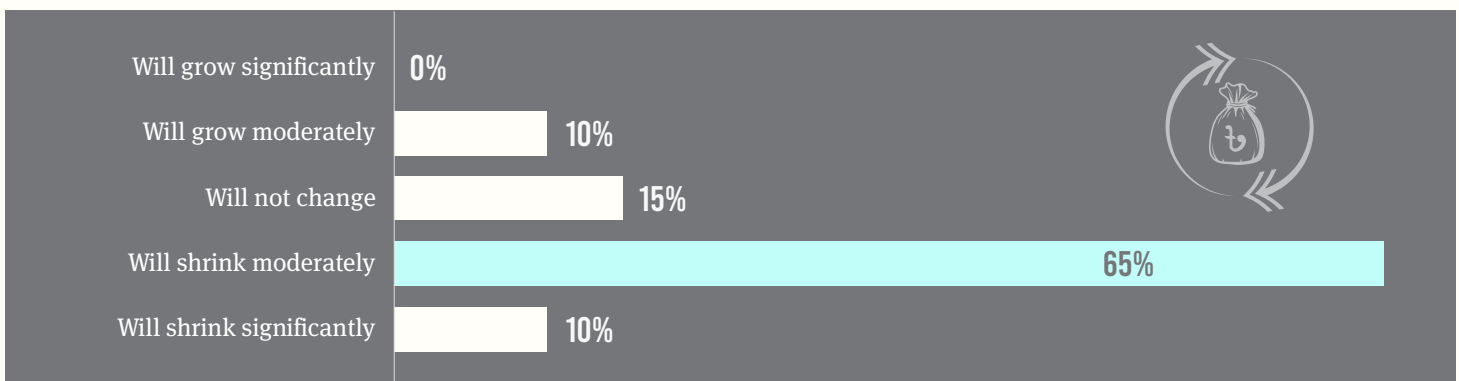


#### Optimism Level on Domestic Investment (out of 10) (Weighted Average Score)



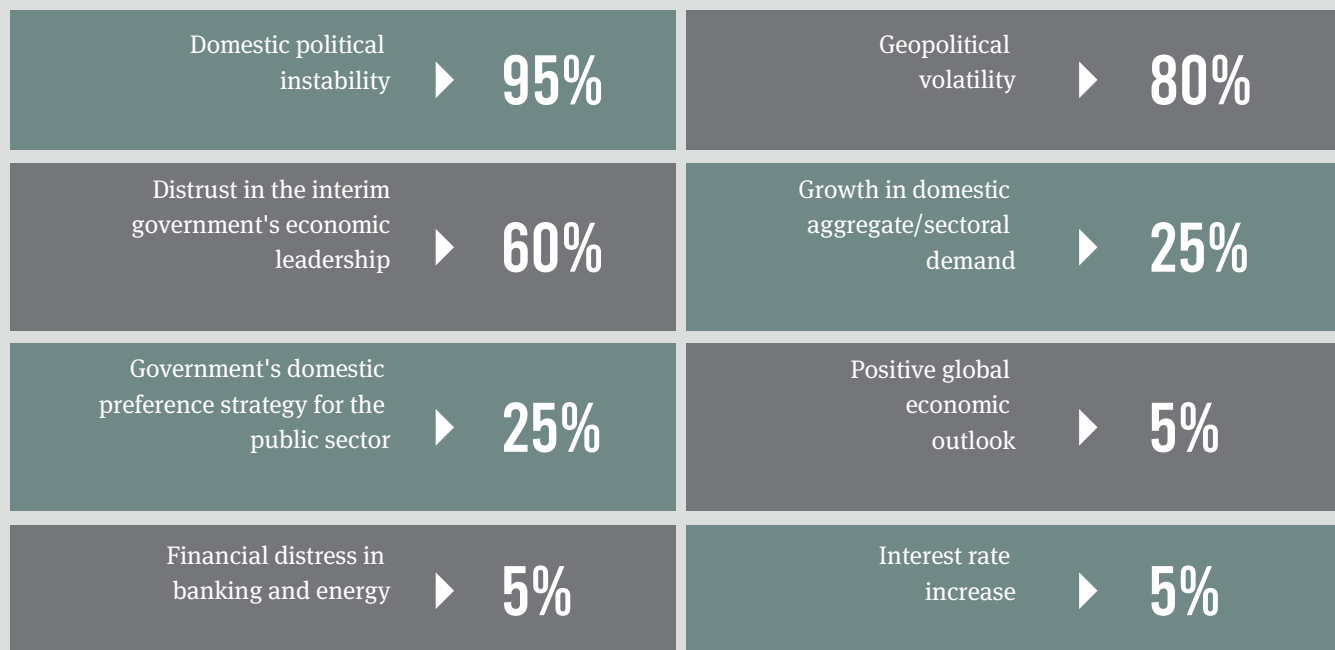
A majority of economists (7/20) reported an optimism level of only 4, and another (6/20) reported an optimism level of only 6, indicating low levels of confidence in the domestic investment scenario in Bangladesh. *The weighted average score of their optimism level on domestic investment is 4.25 on a scale of 10.*

### Economists' expectations of the changes in domestic investment

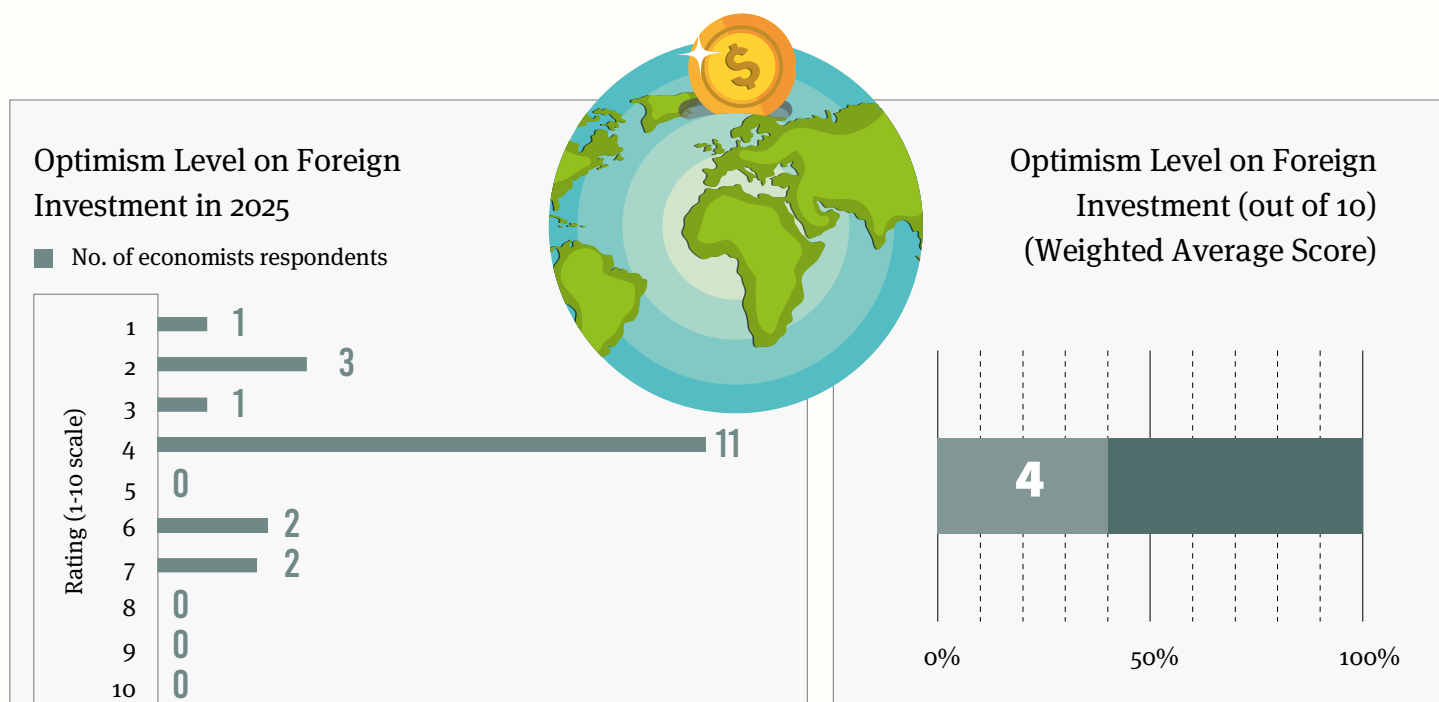


Majority of economists (65%) anticipate that the domestic investment in Bangladesh will shrink moderately in 2025.

### Economists' outlook on the top influential factors shaping domestic investment trends in 2025

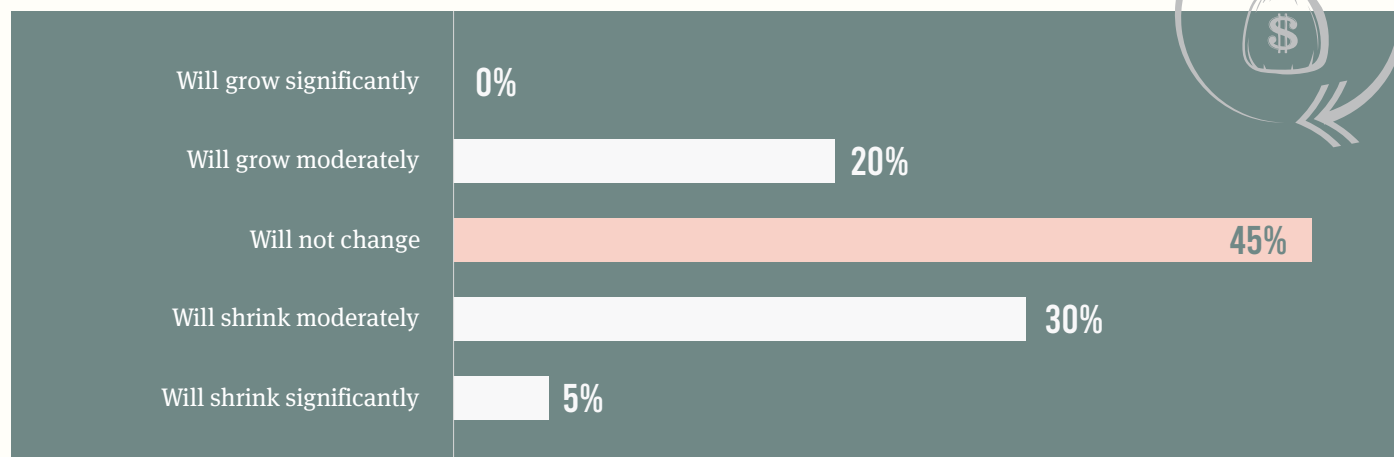


### Economists' optimism level on foreign investment for 2025



A majority of economists (11/20) reported an optimism level of only 4, indicating low levels of confidence in the foreign investment scenario in Bangladesh. *The weighted average score on their optimism level on foreign investment is 4 on a scale of 10.*

### Economists' expectations of the changes in foreign investment



Majority of economists (45%) anticipate that the foreign investment trend in Bangladesh will not change in 2025.

### Economists' outlook on the top influential factors shaping foreign investment trends in 2025

Domestic political instability ▶	90%	Geopolitical volatility ▶	75%
Distrust in the interim government's economic leadership ▶	55%	Confidence in new leadership in the investment space ▶	35%
Growth in domestic aggregate/sectoral demand ▶	15%	Government sector specific incentives ▶	15%
No tangible changes in domestic business environment ▶	5%	Governance ▶	5%

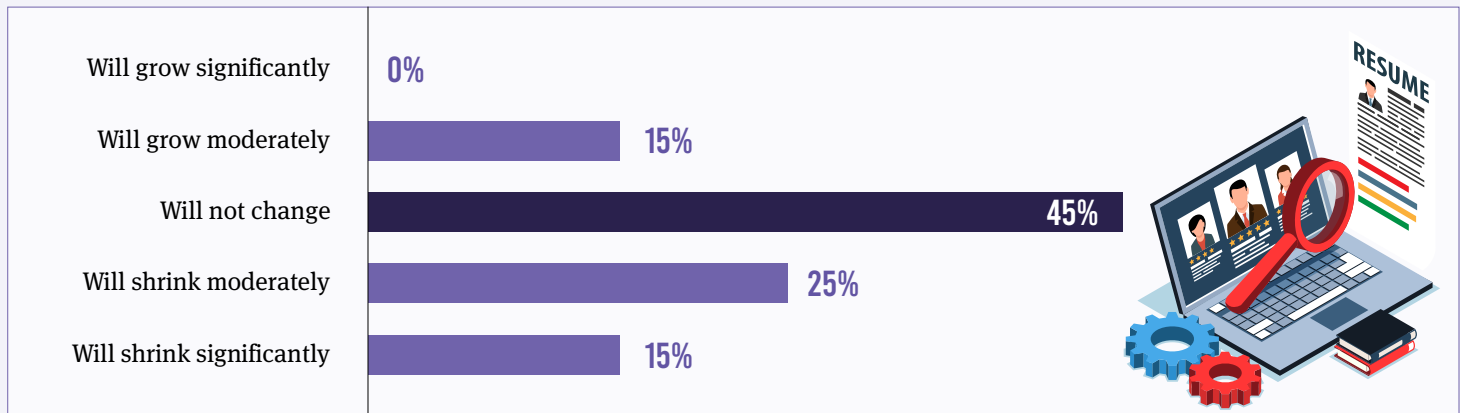




## Forecast on Job Creation

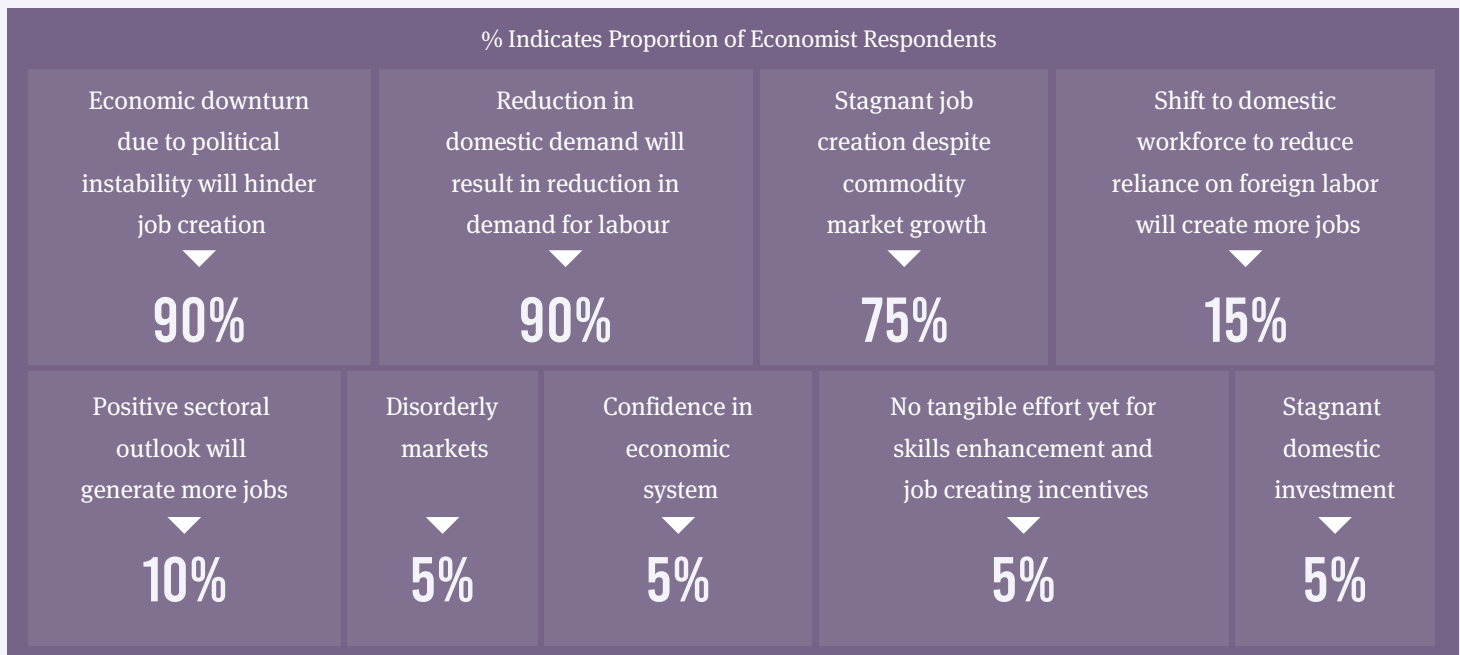


### Economists' prediction on job creation prospects for 2025



Majority of economists (45%) anticipate that the job creation prospects in Bangladesh will not change in 2025 with 25% anticipating that it may shrink moderately, indicating dull prospects for the employment scenario in Bangladesh.

### Economists' assessment of the top factors affecting job creation in 2025

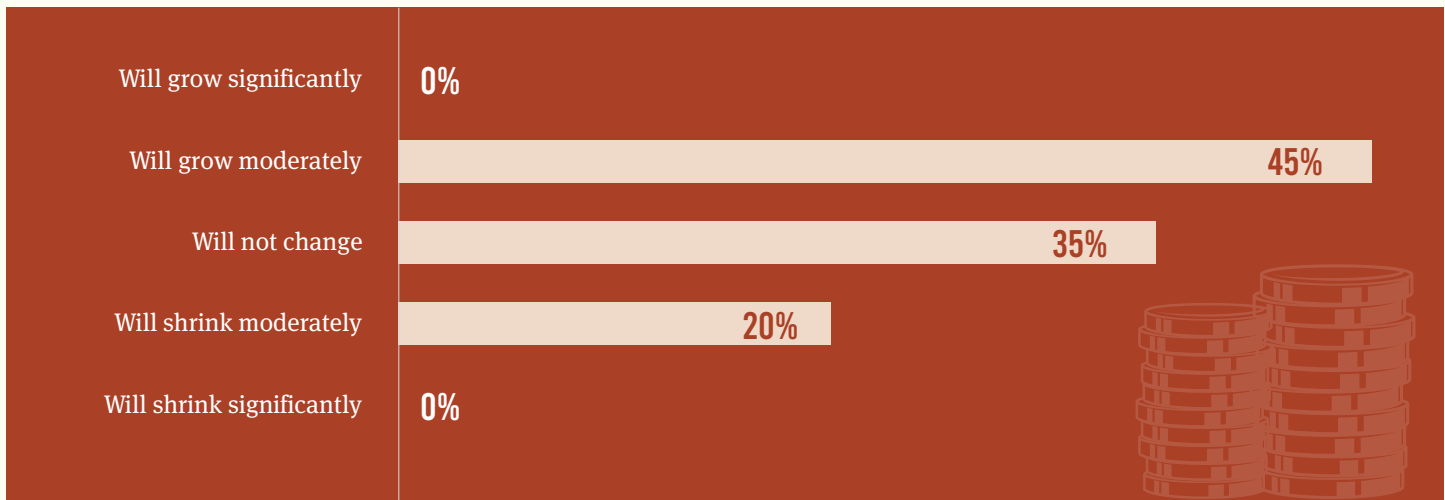




## Forecast on Government Revenue

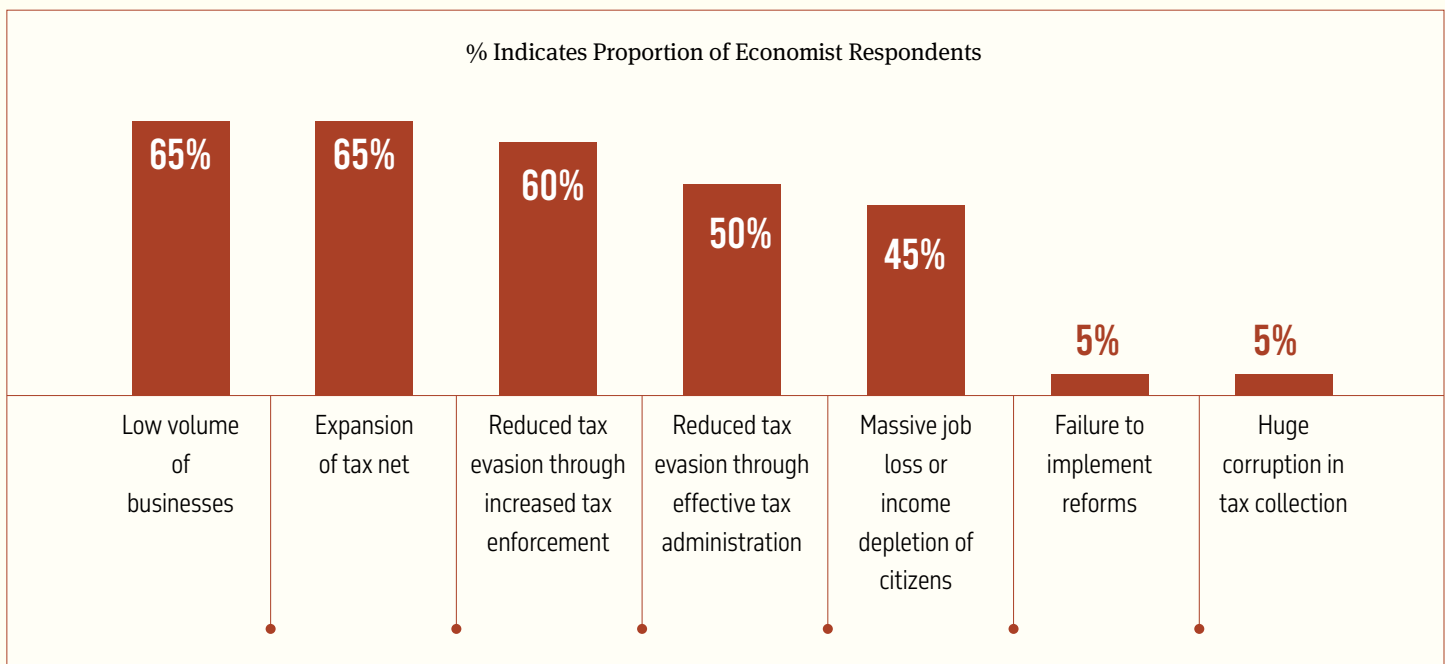


### Economists' prediction on the mobilization of domestic fiscal resources in 2025



Majority of economists (45%) anticipate that the mobilization of domestic fiscal resources will grow moderately in 2025.

### Economists' assessment of the top factors influencing domestic fiscal resources

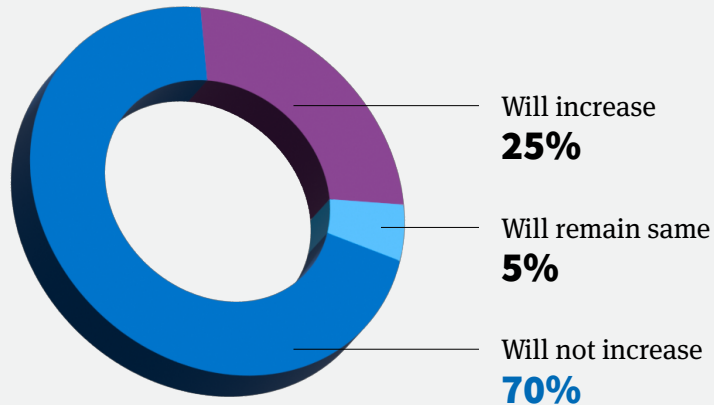




## National Budget FY2025-26 — Resource Mobilization & Expenditure

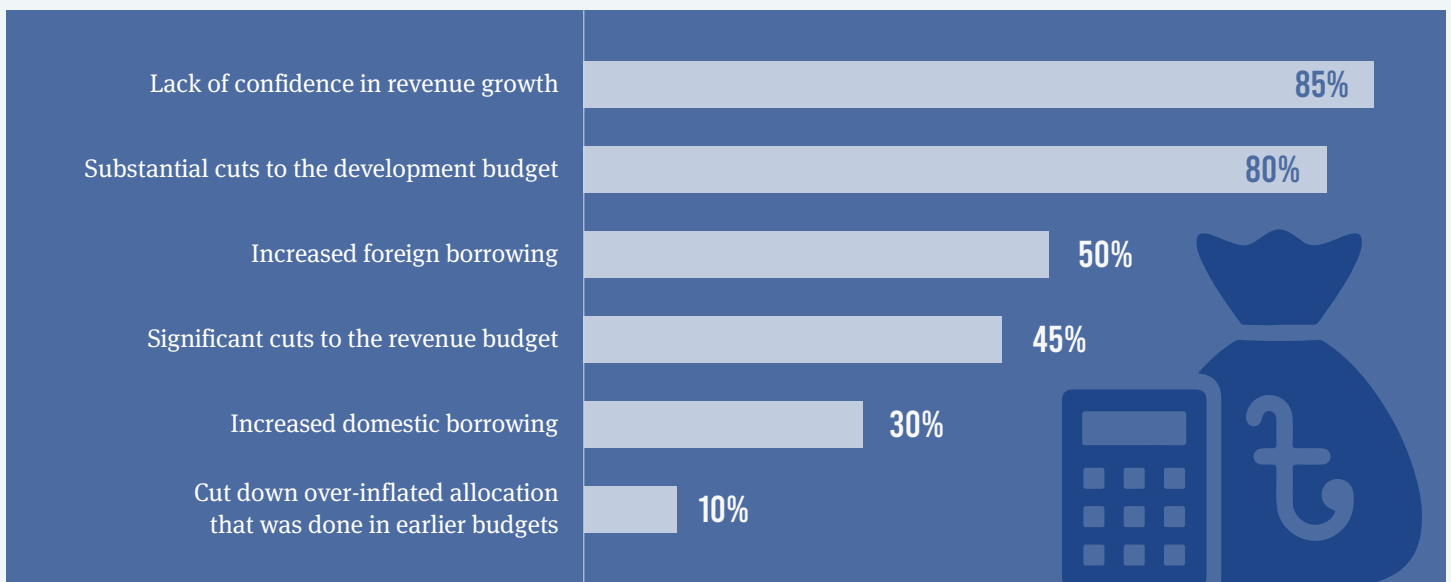


### Economists' expectations on the national budget size



Majority of economists (70%) have predicted that the national budget for FY 2025-26 will remain same, with 25% anticipating the national budget size to increase.

### Economists' assessment of factors affecting budget size for FY 2025 – 26



A majority of economists (85%) expressed a lack of confidence in revenue growth, while 80% cited substantial cuts to the development budget and 50% pointed to increased foreign borrowing as key factors influencing the size of the national budget.

## Structural reforms suggested by Economists to optimize government spending

% Indicates Proportion of Economist Respondents



Increased social  
safety net  
expenditures



**80%**



Enhanced  
education  
budget



**65%**



Tax policy reforms favouring  
low-income individuals and small  
businesses



**65%**



Prioritizing quality over  
quantity in development  
spending



**45%**



Reduced  
reliance on  
foreign aid



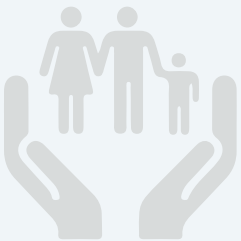
**35%**



Propose no  
deficit  
budgeting



**10%**

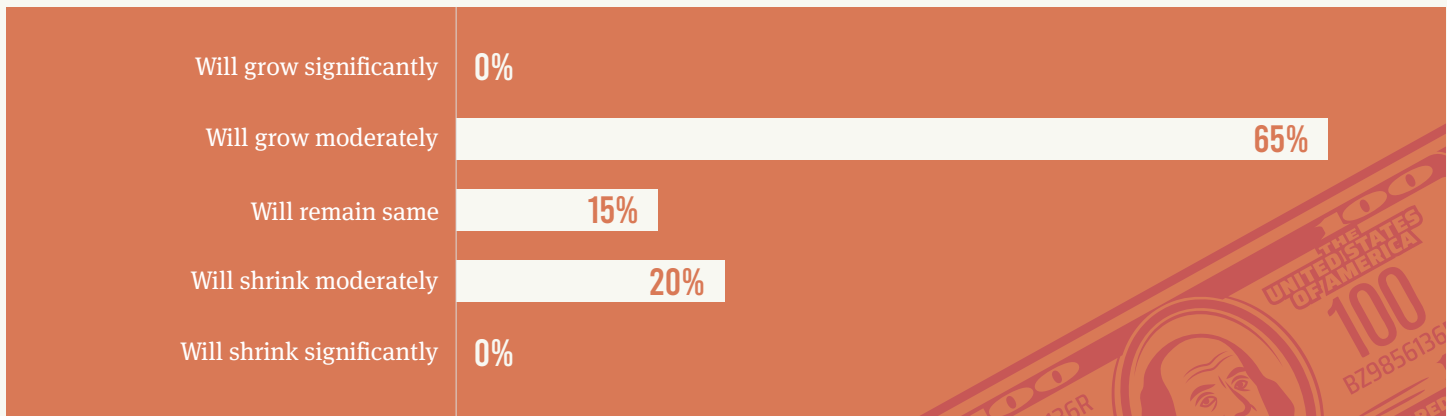




## Forecast on Foreign Reserve



### Economists' prediction on the foreign reserve level in 2025



Majority of economists (65%) anticipate that foreign reserve levels will grow moderately in 2025.

### Economists' assessment of the top factors influencing the level of foreign reserves

% Indicates Proportion of Economist Respondents

