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7.1. National economic and financial situation

Since its independence in 1971, Bangladesh has undergone 'robust economic growth and poverty reduction.'⁶³² Ranked as the second poorest country in the world in 1971,⁶³³ it has been one of Asia's strongest-growing economies, becoming a lower middle-class country in 2015.⁶³⁴ However, the COVID-19 pandemic negatively impacted economic growth,⁶³⁵ and the country has experienced high inflation, a balance of payments deficit and declining foreign exchange reserves.⁶³⁶ According to the International Crisis Group, the economic difficulties were the result of 'economic mismanagement, corruption and cronyism'.⁶³⁷

Bangladesh has applied for and benefitted from loans and funding from the International Monetary Fund (IMF) and the World Bank. As of December 2024, IMF's total financial assistance amounted to approximately USD 5.5 billion.⁶³⁸ In April 2025, Bangladesh and the World Bank signed two financing agreements at the total amount of USD 850 million to develop the Bay Terminal deep sea port and to 'provide cash transfers and livelihood services for 4.5 million people, focusing on youth, persons with disabilities, women, and workers in climate-vulnerable regions'.⁶³⁹ The unstable situation in the country during the uprising in July–August 2024 negatively impacted the country's economy, with customers in the textile industry cancelling their orders,⁶⁴⁰ disruption of supply chains, and protests and the restrictions on movement and internet shutdowns heavily impacting business operations.⁶⁴¹

Bangladesh's Gross Domestic Product (GDP) growth fell to 3.3 % in the first half of 2025, down from 5.1 % in the same period of 2024. The decrease was reportedly the result of economic disruptions caused by the protests in 2024, tighter policy, and increased uncertainty of investments.⁶⁴² According to a provisional estimate by the Bangladesh Bureau of Statistics (BBS), Bangladesh's economy grew 3.97 % in the fiscal year 2024–2025, which would be the lowest GDP growth in the past five years.⁶⁴³ Meanwhile, the inflation decreased from 9.89 % to 9.05 % in May 2024–May 2025.⁶⁴⁴

In September 2024, the interim government formed a six-member taskforce to reform the banking sector.⁶⁴⁵ In January 2025, the taskforce published a report recommending to, inter alia, 'improve transparency in public procurement, streamline regulatory frameworks to encourage entrepreneurship and foreign investment and address the immediate food and energy security crises through targeted policy interventions'.⁶⁴⁶

According to a BBS survey from 2022, the upper poverty lines were estimated at 18.7 % at national level, 20.5 % in rural areas, and 14.7 % in urban areas. This constituted a general decrease in poverty compared to rates from 2016. Extreme poverty in Bangladesh (less than USD 2.15 per day) represented around 5.6 % of the population in 2022 while in 2016 the rate was at 12.9 %.[647](#) However, according to the World Bank figures, as reported by Prothom Alo, the poverty levels increased again in 2024 with a national poverty rate of 20.5 %, and an extreme poverty rate of 7.7 %. The World Bank reportedly expected both figures to increase further with more than two percentage points in 2025,[648](#) and estimated that extreme poverty rose to 9.3 % in April 2025.[649](#)

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