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BANGLADESH'S OUTLOOK REMAINS BRIGHT: HSBC

HSBC Chief Asia Economist, Frederic Neumann shares macroeconomic outlook and a perspective on Bangladesh

The Hongkong and Shanghai Banking Corporation (HSBC) Limited in Bangladesh organised an event on May 12, 2024 titled "HSBC Economic Outlook: A Perspective on Bangladesh" highlighting the latest global and Asian market developments and sharing a perspective on Bangladesh.

The event featured a keynote presentation by **Frederic Neumann**, Chief Asia Economist and Co-Head of Global Research Asia, HSBC where he shared insights on the latest macroeconomic outlook. **Salman F Rahman**, MP, Private Industry and Investment Adviser to the Honourable Prime Minister, Prime Minister Office, attended as the Chief Guest. **Dr Rubana Huq**, Managing Director, Mohammadi Group and Vice-Chancellor, Asian University for Women, and **Zaved Akhtar**, Chairman and Managing Director, Unilever Bangladesh and President, Foreign Investors' Chamber of Commerce and Industry (FICCI) were the key speakers at the event. The event was also attended by **Md Mahbub ur Rahman**, Chief Executive Officer, HSBC Bangladesh and **Gerard Haughey**, Country Head of Wholesale Banking, HSBC Bangladesh. Over 200 clients and stakeholders, representatives from embassies, regulators and government officials were also in attendance at the event.

During the keynote presentation, Frederic Neumann highlighted the near-record high foreign direct investments flowing into Asia and stressed the need for Bangladesh to capitalise on this opportunity. HSBC expects Bangladesh's GDP growth of 5.9% for this coming fiscal year, and 6.3% for fiscal year thereafter. Frederic added, the average incremental GDP in the next four years will be over USD 60 Billion which is more than the predicted incremental GDP of many other Asian peers. The acceleration in growth should be supported by household spending and improving purchasing power amid easing inflation pressures. Meanwhile, remittances are expected to rebound as well, driven by an improving global outlook, helping to further support consumption. Investment spending, too, is expected to pick up, led by exporters who are benefitting from the improving global trade cycle.

Fred presented a Global Economic Policy Uncertainty Index that graphically represented the global uncertainties over the years. The index peaking during the pandemic posed multifaceted challenges which Bangladesh emerged with resilience. Despite these headwinds, the outlook for Bangladesh remains bright, with growth expected to improve further as fiscal and structural reforms gain traction. An interactive question and answer session followed which opened the floor for further elaboration on the subject matter.

The forum also facilitated a panel discussion consisting of **Salman F Rahman, Frederic Neumann, Dr Rubana Huq, Zaved Akhtar** and moderated by **Md Mahbub ur Rahman**. The panel's multi-industry experience allowed for a deeper discussion on the growth prospects and strategies for advancing Bangladesh economy.

During the panel discussion, **Salman F Rahman** said, "Despite doing well internally, economic repercussions arising out of external factors have posed challenges for the country, including declining forex reserves and the appreciation of the dollar against the taka. We need to focus on domestic revenue mobilisation, modernising the tax collection system with wider tax net and, diversification of exports."

During his presentation, **Frederic Neumann** added, "Bangladesh is well positioned to thrive in the coming years, building on its growing competitiveness, especially for ready-made garments. Meanwhile, easing inflation pressures should support household spending, giving the economy an extra boost."

During the event, **Md Mahub ur Rahman** added, "As the world economy is on a gradual recovery, in Bangladesh, empowered by our skilled workforce, fueled by the surge in domestic demand, and buoyed by the rebounding remittances, our trajectory towards progress remains unwavering. We are encouraged by the positive signs in Bangladesh's economy, and we remain committed to supporting the country's growth. ."

In this regard, **Gerard Haughey** added, "In the face of ever-evolving macroeconomic and geopolitical landscapes, staying abreast of market dynamics is imperative. We, at HSBC, are committed to empowering our clients by providing invaluable Global Research insights from our award winning team, enabling them to proactively capitalise on emerging business opportunities with precision and foresight."

The panel discussion acknowledged the challenges for Bangladesh while highlighting positive developments and areas of opportunity.

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Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

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