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BANGLADESH ECONOMY TO REBOUND OVER THE COMING YEAR

HSBC Chief Asia Economist, Frederic Neumann shares update on macroeconomic outlook on Bangladesh

The Hongkong and Shanghai Banking Corporation (HSBC) Limited in Bangladesh organised an economic outlook webinar titled “Navigating Bangladesh’s Crossroads” highlighting the latest global and Asian market developments and sharing perspectives on Bangladesh.

Key speaker **Frederic Neumann**, Chief Asia Economist and Co-Head of Global Research Asia, HSBC, shared his insights on the latest macroeconomic outlook. Based on latest HSBC Global Research report on Bangladesh ‘Regaining balance - Bangladesh looks to recovery’, Neumann said, even though Bangladesh’s GDP growth rate has been set to a revised 4.5% for FY2024-25, the country will rebound to 7.1% in the following year. This growth will be largely driven by exports and remittances, both of which are showing positive signs despite the ongoing challenges in the global economy.

Neumann highlighted that the garment sector, which accounts for 83% of the country’s exports, is expected to grow by the demand from international markets. At the same time, imports, which had been strained by rising global energy prices, are now stabilising reflecting a recovery in domestic demand and easing cost pressures. He also mentioned that remittances are anticipated to grow driven by improved employment conditions in key overseas markets. This rise in remittances will not only support household consumption but play a significant role in sustaining the broader economic recovery.

However, Neumann also noted that while these factors are promising, challenges remain, particularly with inflation. This will continue to affect both household spending and business costs. Structural reforms in the banking sector and efforts to control inflation will be essential for unlocking Bangladesh’s full economic potential and ensuring long-term, sustainable growth.

During the webinar, he added, “Bangladesh is already well on its way to recovery. Macroeconomic adjustments undertaken in recent months, and robust economic fundamentals, should pave the way for growth to rebound over the coming year. A rapid implementation of reforms would help to speed up the process further.”

The event was also attended by **Md Mahub ur Rahman**, Chief Executive Officer, HSBC Bangladesh and **Gerard Haughey**, Country Head of Wholesale Banking, HSBC Bangladesh. Almost 300 clients and stakeholders were also in attendance at the virtual event.

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The Hongkong and Shanghai Banking Corporation Limited

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