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# COVID-19 vs Bangladesh: Is it Possible to Recover the Impending Economic Distress Amid this Pandemic?

Raad Mozib Lalon<sup>1</sup>

<sup>1</sup> Department of Banking and Insurance, Faculty of Business Studies, University of Dhaka, Dhaka, Bangladesh-1000. Contact: raadmozib@du.ac.bd

## Abstract

The whole globe is going under a devastating threat of economic depression amid impact of COVID-19 pandemic. Almost No country can deny the fact propelling to the economic ramification of this diseases suggesting a confirmed apropos plan to recuperate any unavoidable circumstance in forthcoming economic arena. Bangladesh with no exception is also capitulated under a significant threat of economic disparity navigating a colossal crisis during and after this epidemic. This paper attempts to reveal what those possible impacts are causing this economic crisis for Bangladesh and how government along with all other stakeholders will respond to sustain socio-economic developments achieved during the recent fiscal years in spite of being submerged by the depressing mode of major economic indicators such as inverse trade growth, vigorous revenue deficit, mounting non-performing loan, falling private sector investment, volatility of market interest rate, capital market unrest and imminent horrid of global economic recession.

**Keywords:** Pandemic, COVID-19, Economic Shock, GDP, Supply Chain, Volatility

**JEL Classification Codes:** E1, E2, E3, H4, H5, O4

## 1. Introduction

Since its inception at Wuhan located in Hubei State of China in December 2019, Novel Corona Virus titled with SARS-CoV-2 causing COVID-19 standing for Corona Virus Disease-2019 has been drastically spread and endangered the economic growth in almost 210 countries of the globe. Several Analysts, Researchers and Policy makers from all over the countries reveal their concerns regarding the forthcoming impacts of COVID-19 on the economic development of respective countries of the globe. JP Morgan has already lessened its estimates of US GDP for next quarter by 25% and projected an impending shock in economic growth followed by recession. The government of India has also cut down its forecast of economic growth from 5% to 2.5% for the year 2020. The UNCTAD standing for United Nations Conference on Trade and Development indicates a shortfall of USD 2 trillion incomes followed by bringing down of global annual growth to below 2.5% as per their preliminary estimates. The Asian Development Bank (ADB) forecasts that the world may lose from 0.089% to 0.40% of its GDP due to spillover impacts of COVID-19. The stark reality is when the disaster is a pandemic and continues to careen towards becoming cataclysmic, the scenario unveils itself in a different style followed by economic crisis that commences brewing and later simmering in a number of countries after the initial shock of epidemic's

onslaught is tided over. Like other countries of the world, the economy of Bangladesh will also observe a stark hit sourced by the nationwide shutdown aimed at deterring the blowout of this highly contagious disease causing suspension of many economic activities related to national and international trade, Transport, remittance, consumption & supply chain of foods, informal job sectors and so on. ADB has already projected that this COVID-19 pandemic will wipe out USD 3.02 billion off Bangladesh's USD 300 plus economy in the worst case-scenario of a significant outbreak followed by a reduction of about 0.2% to 0.4% of GDP of Bangladesh. Moreover, it has added that COVID-19 pandemic could spoil the trend of growing domestic demand due to disruption in export demands, suppressed consumption and curbed remittance. Considering these upcoming inverse impacts on the economic cycle of Bangladesh, The government along with its stakeholder has announced several stimulus programs categorized with short term, mid-term and long term schemes intended to recover the economic fallouts.

## 2. Objective

This paper aims at imparting the possible economic consequences of out breaking of COVID-19 pandemic in Bangladesh followed by the initiatives taken by government along with all other stakeholders to combat against the impending economic shock.

## 3. Possible Impacts on Economy

The ramifications of COVID-19 pandemic, however, depend on the duration of the existence of this crisis as there are so many repetitive infected cases of patients across the globe divulging an uncertainty for the cessation of this disease due to not having any vaccine till now. The only solution to protect against this pandemic is to stay home to remain safe that will postulate a nationwide shutdown of almost all economic activities followed by lock-down of infected countries to deter the spread of this disease. The possible economic impacts of this lockdown in Bangladesh have been broached as mentioned below:

### 3.1 Shifting in Consumers' demand and Producers' supply chain:

The outraged COVID-19 may shift the consumers' demand as well as supply chain from producers because the rational consumers purchase more essential goods in short run (1<sup>st</sup> month) with a view to confronting disruption of food supply in short run (2<sup>nd</sup> Month) whereas the producers behave inversely as they forecast a possible price increase in short run (2<sup>nd</sup> month) due to the constraints in supply chain as depicted below:

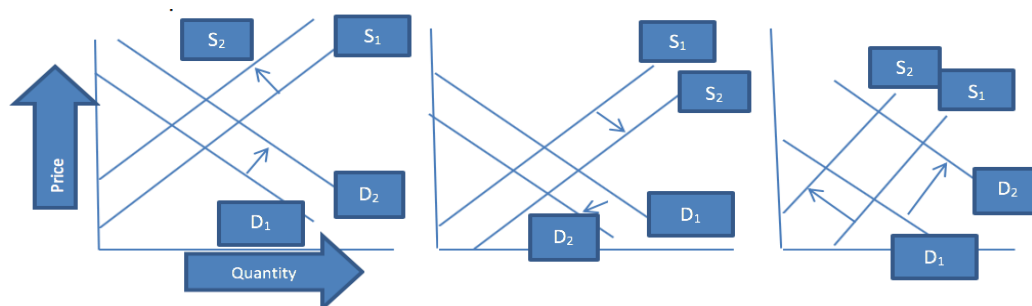


Fig: 3.1 (a): Short run (1<sup>st</sup> month)    Fig: 3.1 (b): Short run (2<sup>nd</sup> month)    Fig: 3.1(c) Short run (3<sup>rd</sup> month)

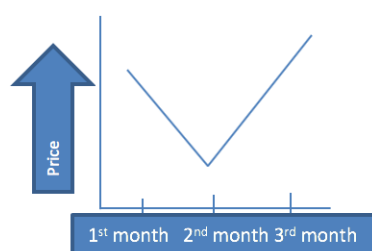


Fig: 3.1 (d): Movement of price over months

According to the figure 3.1 (a) reflecting the consumer behavior just immediate after the outbreak of COVID-19 in Bangladesh, the consumers of essential goods such as food purchase more in quantity as compared to their daily needs to confront any uncertainty in near future shifting the demand curve rightwards. On the contrary, producer being rational will either decrease or remain stagnant at current supply of essential goods shifting the supply curve leftward to reach a new equilibrium price in short term (1<sup>st</sup> month) market.

The 2<sup>nd</sup> month of short term market followed by figure 3.1 (b) is just the inverse impact of the consumers' and producers' behavior divulged in the 1<sup>st</sup> month of short term market shifting the demand curve leftwards due to lockdown of most countries deterring the public gathering to curb the spread of COVID-19 that will discourage mass people to visit the food market and shifting the supply curve rightwards due to repercussion of the price assumption presumed by the producers in the 1<sup>st</sup> month of short run to reach a new equilibrium provided that there will be no shutdown or interruption in the supply chain of these essential goods until the beginning of 3<sup>rd</sup> month of short term.

Figure 3.1(c) depicts the shifting of consumers' demand rightwards again in food market due to the fear of non-availability of essential foods in near future and shifting of producers' supply curve leftwards followed by the suspension of production due to the shortage of raw materials, temporary shutdown of factories, business firms, transport routes through air or sea to and from Bangladesh resulting in a partial or full-border locked down to reach a new equilibrium price at the end of 3<sup>rd</sup> month.

According to figure 3.1 (d), the movement of price on food market from 1<sup>st</sup> month of short term to 2<sup>nd</sup> month of short term is followed by an inverse relationship and from 2<sup>nd</sup> month of short term to 3<sup>rd</sup> month of short term is followed by a positive relationship.

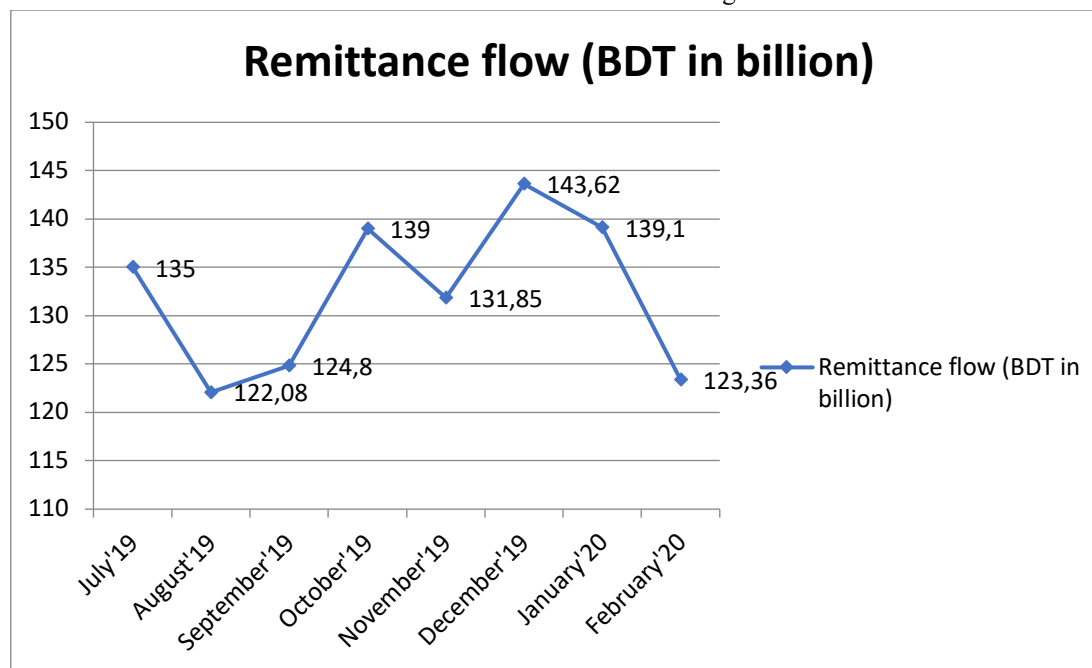
### 3.2 Falling revenue from RMG industry:

Ready-Made Garment Industry becoming one of the most prominent contributors of economic development of Bangladesh is already confronting a total impact of order cancellation amounting to USD 1.5 billion which is almost 50% of average export revenue per month due to the shutdown of doors from all over the European and American companies such as H&M, GAP, Zara, Marks & Spencer, Primark that are major buyers of Bangladeshi RMG products. Insiders interviewed suggest that if this COVID-19 pandemic continues to affect global supply chains, buyers' demand, and off course health and safety of workers, by Q4 2020, loss in export revenue could reach at USD 4 billion (Sajid Amit 2020). Observing the largest export-oriented segment function properly has now become a major challenge to the government and apparel sector. Amid July 2019-January 2020, export earnings from Apparel items have been fallen by 5.71 % as compared to July-January, 2018-19. According to EPB (Export promotion bureau) data, earnings from RMG export for export performance (goods) for FY 2019-20 July-January is USD 19.06 billion. Earnings from woven garments fell by 6.29% to USD 9.44 billion in July – January fiscal year of 2019-2020 from USD 10.07 billion in the same period of last fiscal year. On the contrary, Knitwear export fell by 5.13% to USD 9.62 billion from USD 10.14 billion.

### 3.3 Falling growth of Remittance:

The outbreak of COVID-19 forced Bangladeshi expatriates working in several countries of Middle-East, Asia, Europe, Australia and United States to return their home amid stern impact of the disease so that there is a significant disruption in the flow of remittance even after existing 2% stimuli offered from government. Moreover, most of the countries where Bangladeshi workers are executing their jobs, are defying the COVID-19 by imposing partial or complete lock down or travel restrictions cascading the opportunity of both formal and informal jobs resulting out from shutdown of all economic activities. As a corollary, the remittance flow is expected to be decreased in the current year as compared to earlier years as depicted below:

Chart 01: Remittance flow in Bangladesh



Source: Statistics Department, Bangladesh Bank

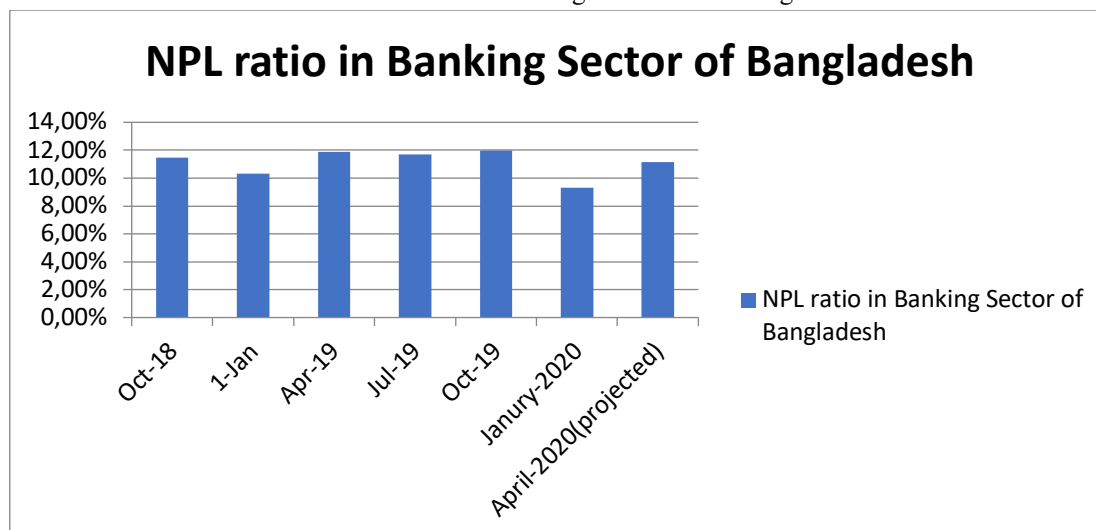
#### 3.4 Falling opportunity for SME and Startup business:

The significant outbreak of COVID-19 will certainly deteriorate the opportunity of SME and Start up business considering the flat rate of 9% interest offered from commercial banks as per the guidelines of Central Bank. At this stage, Most of the commercial banks are reluctant to lend fund for SME and startup business at 9% interest rate due to high operating cost maintained for SME financing. According to the Monthly major economic indicators published by Bangladesh Bank (March, 2020), Total amount of SME loans disbursed by Banks and Non-Bank Financial Institutions increased by 12.86% and stood at BDT 205490.93 crore at the end of September, 2019 as compared to the same month of earlier year. However, high volatility in public equity and sharp depletion in gold price may impose a stark hit for financing startup business amid this pandemic.

#### 3.5 Imminent Unrest in Financial Institutions:

Banks and other financial institutions in Bangladesh are suffered from a long peevish drawback of mounting amount of NPL (Non-performing Loan) expected to be increased further amid this pandemic as most of the institutional borrowers will be failed to repay the installments on time because of not generating sufficient operating revenue followed by less production and supply driven by suppressed demand, manufacturing hits and supply chain disruption. High growth of NPL will further abolish the capacity of banks to comply with BASEL-III capital accord consisting of maintaining minimum capital requirement, supervisory review process, market discipline and liquidity coverage with stable funding ratio. Moreover, high NPL consisting of the summation of doubtful, substandard and Bad/loss loans will reduce the operating revenue and increase the operating cost becoming a filibuster to sustain 6% and 9% flat rate imposed for banks and NBFIs propelling to less profitability and EPS of Listed banks in capital markets of Bangladesh. The current state of non-performing loan ratio in Bangladesh is mentioned below:

Chart 02: Non-Performing Loan ratio in Bangladesh



Source: CEICDATA.com / Bangladesh Bank

### 3.6 Volatility in Capital Market:

The outrage of COVID-19 has already calamitously affected the Capital markets in Bangladesh both in DSE standing for Dhaka Stock Exchange and CSE standing for Chittagong Stock exchange because most of the investors dumped their holdings of share amid concerns of spreading the disease as reflected from the following graph of DSE index:

Chart 03: Index Graph of Last 1 Year from 15<sup>th</sup> April, 2019 to 14<sup>th</sup> April, 2020

Source: Dhaka Stock Exchange, Bangladesh

### 3.7 Constant increase of trade deficit:

Since Bangladesh is experiencing a sustained trade deficit since 1976 due to high value of imports consisting of petroleum oil, food items, textile raw materials covering 11%, 11% and 10% of total imports respectively, The outbreak of COVID-19 will be further dreadful for accelerating the constant increase of the trade deficit as the export of most of the goods as depicted below is expected to be decreased:

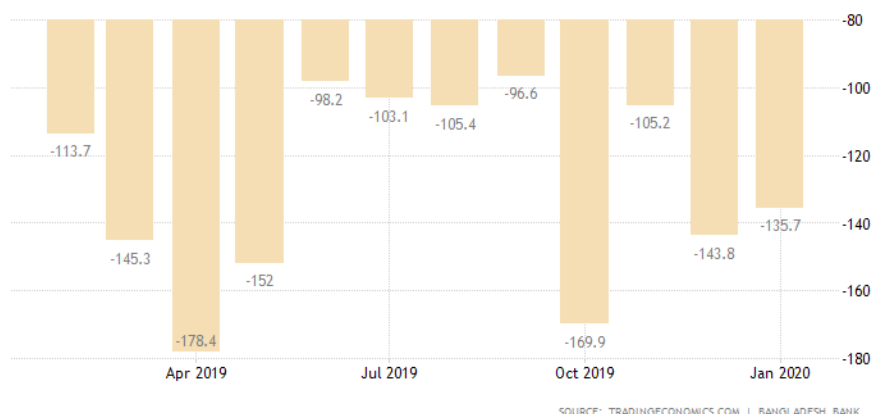
Table 01: Export growth of major commodities

<b>EXPORT PERFORMANCE OF MAJOR COMMODITIES</b>			
<b>IN MILLION USD</b>			
	<b>2018-19 July-January</b>	<b>2019-20 July-January</b>	<b>% Change</b>
RMG	20,217.48	19,063.24	5.71 ↓
Leather & Leather Products	626.42	558.9	10.78 ↓
Home Textile	490.2	442.67	9.7 ↓
Engineering Products	199.36	194.82	2.28 ↓
Pharmaceuticals	79.27	85.7	8.11 ↑
Jute & Jute goods	498.66	602.49	20.82 ↑
<b>Total Export</b>	<b>24,179.59</b>	<b>22,919.47</b>	<b>5.21 ↓</b>

Source: Statistics Department, Bangladesh Bank

Moreover, falling revenue from RMG sector being a major source of export revenue for Bangladesh will accelerate the wheel of trade deficit in an untenable circumstance causing temporary unemployment and sluggish growth of economy amid this pandemic as presumed from the following chart of Balance of Trade position since April 2019.

Chart 04: Balance of Trade position for Bangladesh

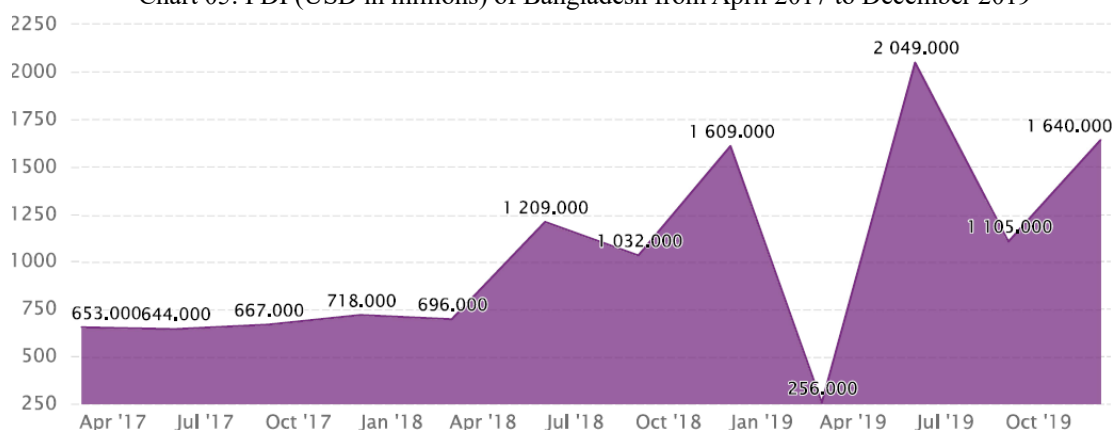


Apart from merchandise trade, services trade such as global tourism along with education and airlines industry have almost reached in a precarious and apprehensive position due to this COVID-19 pandemic deterring human contact to avoid community transmission of the disease. According to WTO (2020), the international tourists arrival could go down by 20-30% in comparison to the year 2019 expected to have a vigorous effect on the economic growth. Reports issued from ICAO (2020) revealing the consequence of cancellation of several flights from different airlines estimate that the revenue of airlines may be reduced by USD 4-5 billion in the first quarter of 2020.

### 3.8 Lack of Investors' confidence:

FDI standing for foreign direct investment flow is expected to be a quagmire as most of the foreign investors with losing confidence are disinclined to execute the decision of investment amid this pandemic provoking them to retain a strategy to stay back, watch and determine later on their plans of investment. As a consequence Bangladesh is also going to confront this circumstance followed by a decline or stagnant in the capital flows depending on the severity of outbreak of COVID-19 although FDI of Bangladesh increased by USD 1.6 billion in December, 2019 compared to the increase of USD 1.1 billion in the previous quarter as depicted below:

Chart 05: FDI (USD in millions) of Bangladesh from April 2017 to December 2019

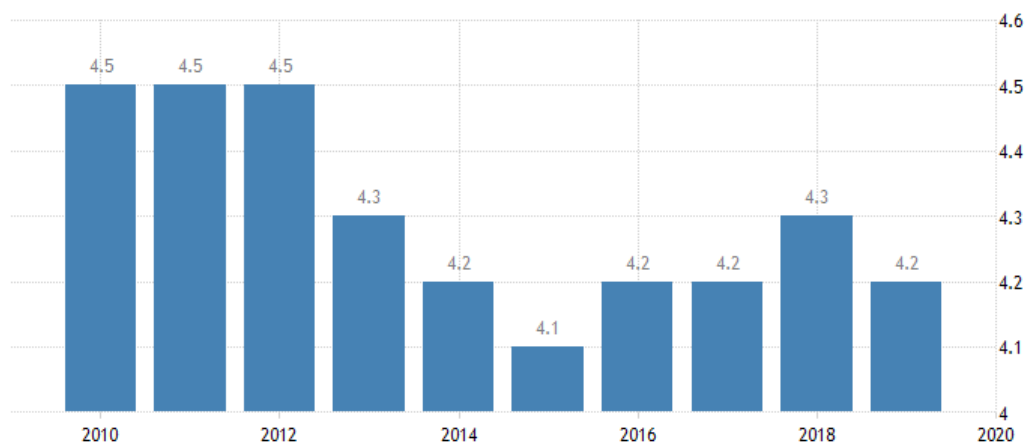


Source: CEICDATA.com

### 3.9 High unemployment rate:

The outburst of COVID-19 will certainly jeopardize the employment scenario of Bangladesh as almost all of the formal and informal job sectors are suspended due to the lock down or shutdown imposed by the government of our country to discourage the mass people for physical contact in order to resist the continues spread of this disease. As a consequence, people especially engaging in several semi-formal or informal job sectors having no job security such as Agricultural farming business, Day labors, transport service, RMG sector, sole proprietorship, sales personnel of different stores, wholesalers, retailers etc living hand to mouth are the most deleteriously affected stakeholders of COVID-19 crowding out from their job although the unemployment rate across Bangladesh was reduced by 0.1% in last year reckoning 4.2% in 2019 as compared to 4.3% in the year of 2018 as revealed from the following chart:

Chart 06: Unemployment rate in Bangladesh



SOURCE: TRADINGECONOMICS.COM | WORLD BANK

### 3.10 Depletion of GDP growth:

Amid Impact of COVID-19, all economic activities are temporarily suspended to deter the spread of the disease among the mass people suffered from job losses, running out of food and essential goods causing the halt of economic growth of Bangladesh although developed countries are also confronting the same circumstance originated by nearly 2.2% contraction in global economy triggered by lock down in Europe and North America till Mid of April. In addition, a report issued from world Bank (April, 2020) warns that massive scale loss of low paid work has driven a mass exodus of migrant workers from cities to rural areas spiking fear that many of them will fall back into poverty followed by a sharp economic slump caused by halting economic activities, collapsing



trade and greater stress in banks and financial sectors. However, the projected GDP growth of 8.2% for 2020 may decline by 2 to 3%-that is, economic growth may settle somewhere between 5 to 6% (Khandoker H. Bazlul, 2020). In contrast, the report from World Bank predicts economic growth may be fallen in between 2 to 3% for the fiscal year 2019-2020 amid impact of this pandemic in Bangladesh instead of projected 8.2% as depicted from the following table:

Table 02: Real GDP at Market Prices in %

Country	Fiscal Year	2019 (e)*	2020 (f)**	2021 (f)	2022 (f)
Afghanistan	December to December	2.9	-5.9 to - 3.8	3.3 to 3.9	5.2 to 6.2
Bangladesh	July to June	8.2	2.0 to 3.0	1.2 to 2.9	2.8 to 3.9
Bhutan	July to June	3.9	2.2 to 2.9	2.0 to 2.5	3.1 to 3.5
India	April to March	6.1	4.8 to 5.0	1.5 to 2.8	4.0 to 5.0
Maldives	January to December	5.2	-13.0 to -8.5	6.3 to 7.3	5.0 to 5.5
Nepal	mid-July to mid-July	7.1	1.5 to 2.8	1.4 to 2.9	2.7 to 3.6
Pakistan	July to June	3.3	-2.2 to - 1.3	0.3 to 0.9	3.2 to 3.3
Sri Lanka	January to December	2.6	-3.0 to - 0.5	0.2 to 1.2	2.0 to 2.5

Source: World Bank, Note: The 2020 and 2021 numbers represent the lower bound and upper bound of forecast range followed by \*= estimated and \*\*= forecasted value

#### 4. Steps Recommended by Policy makers, Researchers and International organizations:

The impact of COVID-19 will impose a stark hit on low – income people especially informal workers in hospitals, transport sectors and retail trade who have few or no access to healthcare and social safety nets followed by trenchant reinforcing of inequality in South East Asian countries. Therefore, several steps or initiatives are recommended by policy makers along with other stakeholders to defend against the economic shock amid this deadly pandemic:

##### 4.1 Initiatives recommended by International organizations:

Several International organizations such as World Bank, World Economic Forum, Asian Development Bank (ADB), IMF have already suggested a number of seemly programs to shield against the deadly impacts of COVID-19 on economic growth of Bangladesh as mentioned below:

Figure 01: Initiatives recommended by World Bank, World economic Forum and ADB

World Bank (2020)	World Economic Forum (2020)	ADB (2020)
<ul style="list-style-type: none"> <li>• providing safety nets and securing access to food, medical supplies, and necessities for the most vulnerable.</li> <li>• establishing temporary work programs for unemployed migrant workers</li> <li>•enacting debt relief measures for businesses and individuals</li> <li>• easing inter-regional customs clearance to speed up export and import of essential goods to minimize short term economic distress</li> <li>•Considering people worst hit by the freeze on activities, govt should adopt expansionary fiscal policies combined with monetary stimulus to keep credit flowing in their economies</li> <li>•adopting temporary spending measures and coordinate with international financial partners to avoid unsustainable long-term debt levels and fiscal deficits.</li> </ul>	<ul style="list-style-type: none"> <li>•The government should also consider an unconditional cash transfer program for an initial period of three months at a rate of \$95 per month, which corresponds to the minimum wage for the formal sector in Bangladesh. This would cost the government roughly \$14 billion, or 4% of GDP.</li> <li>•With inflation expected to cool across the world, the central bank should follow the steps taken by its counterparts across the world to inject further liquidity by reducing the Statutory Liquidity Ratio and further reducing its policy rate. This will not only help maintain liquidity within the banking sector but also provide small-and medium-sized enterprises in the country with access to cheaper working capital to keep their businesses afloat.</li> <li>•With a low debt-to-GDP ratio, Bangladesh has enough fiscal headroom to adapt an expansionary approach in the short run to fight off the economic and humanitarian aspect of this crisis. (Islam &amp; Divadkar, 2020)</li> </ul>	<ul style="list-style-type: none"> <li>• The low revenue to GDP ratio in Bangladesh diminishes the country's capacity to sustain high economic growth and reduce poverty. Revenues thus need to be raised significantly through comprehensive tax reforms, by expanding the tax base and making resource mobilization more efficient to support much-needed public expenditure on infrastructure, health and social development. (Parkash, 2020)</li> </ul>

Source: World Bank, ADB and World economic forum report (April, 2020)

#### 4.2 Initiatives recommended by Researchers and Policy makers:

Several researchers, economists and policy makers have also advocated a number of steps to be initiated by the respective ministry of government of Bangladesh as depicted below:

Addressing the health risk and economic hazards of vulnerable people to COVID-19 should be the main focus of the stimulus packages offered from government. The budget of next fiscal year should focus on channeling

resources from traditional sectors such as energy and physical infrastructure to social protection, poverty alleviating programs, health insurance and universal health programs, as well as programs for small and medium enterprises (SMEs). The government may also increase current social protection allocation of 2.2 percent of GDP to about 5 percent of GDP during this crisis period. Employment generation and poverty alleviation programs should also draw higher allocations of the budget. The health sector budget should be permanently increased to 3 percent of GDP from the current allocation of less than 1 percent of GDP. Bangladesh Bank may create special funds to support SMEs to overcome the Covid-19 economic crisis. Operations of mobile financial service providers such bKash, Rocket and Nagad will be the key conduits for fast and efficient low-cost fund transfers that avoid human contact. (Khondker H. Bazlul, 2020)

Addressing the worst hit people especially working in informal job sector having no access to food and health security amid this lock down and distributing sufficient cash among them through mobile financial services to propitiate the crisis by capitalizing the unused fund from several ministries of government financed by existing budget already completed 10 months and remained 2 more months of current fiscal year. (Barakat Abul, 2020)

Apart from these recommendations, Centre for Policy dialogue (CPD) asks for a number of steps as mentioned below:

- Suppliers should discuss with their brands/retailers about possible cooperation in order to share revenue losses incurred for cancellation/deferment/withdrawal of orders,
- Minimum support to maintain day-to-day expenses i.e. support for retaining the staffs and workers and rationing support facilities for contractual workers,
- Export-oriented sectors, such as the RMG sector, needs cash flow support to retain workers, deferment of LC payment, deferment of import LC receipt, interest payment support to banks, low cost credit support from development partners,
- Reschedule loans on case by case basis for exporters. (CPD, 2020)

##### 5. Initiatives taken by Government and other Stakeholders:

Government of Peoples Republic of Bangladesh has already announced the stimulus package of worth BDT 95,619 corers covering 3.3% of GDP to defend against the possible inverse impacts of COVID-19 on economic growth of our country as summarized below:

Table 03: Summary of Stimulus package against inverse impact of COVID-19

Segments of Allocation	Amount in corers	Description
Big Industries and service sector suffered loss amid this lock down	BDT 30,000	Distributed by commercial banks as working capital loan at 9 per cent interest rate with the government providing 4.5 per cent in subsidy
Small and Medium Enterprises (SME) including cottage industries	BDT 20,000	Working capital loan at 9 per cent interest rate with the government giving 5 per cent subsidy
Bangladesh Bank's Export Development Fund (EDF)	BDT 12,750	To facilitate raw materials imports under back-to-back Letter of Credit at 2 per cent from 2.73 per cent interest rate
Pre-shipment Credit Refinance Scheme	BDT 5,000	To facilitate the 'Pre-shipment Credit Refinance Scheme' at 7 per cent interest rate
RMG Industry	BDT 5,000	salary and wages of labors working in several garment companies having no

		capacity to pay wages due to falling revenue amid impact of COVID-19
Free food distribution program	BDT 2,503	distributed among low income people expected to be worst hit group amid COVID-19
Subsidy for Rice distribution	BDT 251	distributing rice at BDT 10 per KG among low income people dwelling in city area
Sending cash incentives among people living hand to mouth	BDT 760	cash incentives will be credited to the bank account of listed person to be worst hit amid lock down for COVID-19
Social safety net program	BDT 815	Distributed among the aged persons and widows in 100 upazillas
House allotment	BDT 2,130	Constructing house for deprived and homeless people
Agricultural sector	BDT 1,060	Ensuring the justice to the farmers and purchasing agricultural equipment
Working capital for agricultural sector	BDT 5,000	Supplying working capital to agricultural sector at 4% interest rate especially to stimulate small and medium farmers
Agricultural Subsidy	BDT 9,500	earmarked only for agricultural sector

Source: The Business Standard on April 12, 2020

The government simultaneously took four programs under the work plan to be implemented in phases under categories such as immediate, short and long by increasing public expenditure, formulating a stimulus package, widening social safety net coverage and increasing monetary supply. These four programs are taken to cope with the possible economic impact of the COVID-19 outbreak on the country. Generating employment will be given priority in public expenditure while foreign tours and lavish expenditures will be strictly discouraged. Since the debt to GDP ratio of Bangladesh is much less (3%), so the higher public expenditure would not create any pressure on the macroeconomic circumstance of the country.

Apart from this, Bangladesh Bank, Central Bank of Bangladesh has already enacted the revised CRR (Cash Reserve Ratio) into 5% which was earlier at 5.5% to increase money supply in economy in collaboration with one of the four programs mentioned earlier. In Addition, Bangladesh bank has also reduced the repo rate to 5.75% from 6% with a view to boosting liquidity amid outbreak of COVID-19 pandemic.

## 6. Concluding Remarks

The outbreak of COVID-19 has already castigated a number of countries with harsh economic circumstance due to prolonged lock down imposed either partially or full-fledged shut down of all economic activities bringing the worst hit for the low income people losing jobs and having no access to food and social safety net programs. The government of Bangladesh initiating a massive stimulus scheme to be implemented in three phases as mentioned earlier in order to protect these mass people affected by the stark hit of COVID-19 crowding out them from Jobs and other activities due to lock down of country. In fact, Bangladesh has two extreme options to be executed for obstructing the impending economic shock amid this pandemic. First, as we don't have any idea when this pandemic is going to be ceased, following this complete lock down will bring a prolonged economic recession due to infinite suspension of activities propelling to a long term sufferings for the worst hit people due to not having sufficient access to food and social safety net programs as described earlier. Moreover, being a densely populated

area, it's quite cumbersome for Bangladesh to maintain this social distance especially for the migrant workers dwelling in several slums of city area followed by high fertility rate in our country as compared to other developed countries such as USA, UK, Italy, France, Belgium, China worst hit by COVID-19. As Almost two third of our people are eligible to work and employed in both formal and informal job sectors compared to these developed countries as mentioned earlier, deterring them from doing their respective jobs will bring a sluggish growth of economy resulting from a prolonged lock down amid this epidemic. In addition, WHO has recommended to implement strict social distancing by staying at home so that every country will experience a flattened curve of spreading this disease and arrange sufficient health care system to provide proper medical attention to the infected people which is also difficult to be feasible in Bangladesh due to insignificant budgetary allocation in health sector followed by less than 1% of total GDP. So, limited initialization of economic activities including both formal and informal job sectors by ensuring proper social distance depending on roster duty system with a view to achieving herd immunity or social immunity protecting against infectious disease when a large proportion of population has become immune to an infection through previous infections thereby providing a measure of protection to the individuals who are not immune would be the first extreme alternative that Bangladesh can execute at this very moment to deter the forthcoming economic shock amid this pandemic accelerating a recession due to prolonged shutdown of activities. Secondly, government must have to take immediate step to distribute a lump sum amount of money (Say BDT 6,000 per head for next 2 months) using mobile financial services among these mass people especially engaging in informal job sectors such as transport, food, restaurant, sales personnel, tourism, farmers, wholesalers, retailers, house maid etc to purchase essential goods especially food items and stay at home without departing for their respective job. The number of these people working in informal job sectors lost their job due to lock down of country amid impact of COVID-19 is around 3 corers so that it may cost around BDT 18000 corers for government to protect them against COVID-19 by sending this money in their respective account using mobile financial services considering a list prepared on the basis of national database with NID (National Identity) verification for addressing the worst hit people amid this pandemic. In summary, it's the time to cooperate the government by maintaining social distance for preventing the further spread of this disease and in return government along with all other stakeholders will initiate the steps required for ensuring the interest of mass people.

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