Bangladesh

Economic Performance Assessment

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- A synthesis of key data indicators from numerous sources, including the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations, other international data sets, and host-country documents and data sources;
- International benchmarking to assess a country's performance in comparison to similar countries, groups of countries, and predicted values based on international data;
- An analytic narrative that highlights areas in which a country's performance is particularly strong or weak, to assist in the identification of programming priorities; and
- A Highlights Table and a Performance Scorecard summarizing the main report findings.

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The COTR for the CAS project is Yoon Lee; C. Stuart Callison is the activity manager. USAID missions and bureaus may seek assistance and funding for country analytical studies or in-depth follow-on studies by contacting Mr. Callison at ccallison@usaid.gov. For further information about the CAS project, contact Alexander Greenbaum, chief of party of the CAS Project, Nathan Associates Inc., at agreenbaum@nathaninc.com.

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HIGHLIGHTS OF BANGLADESH'S PERFORMANCE

Economic Growth	Bangladesh's growth rate averaged 6.3 percent between 2004 and 2008 and was resilient despite the global downturn. But Bangladesh must continue to improve labor and capital efficiency and increase investment rates.
Poverty	Growth has been broad-based. Poverty is projected to fall to 31 percent in 2010, a significant decrease from 57 percent in 1991–1992. Increasing regional disparities in poverty rates, however, need to be addressed.
Economic Structure	Output structure has remained fairly stable, with a slight decrease of agriculture's share in GDP and a corresponding gain by industry. Agriculture's share (18.6 percent) of GDP is less significant than in the median of LI-Asia countries but it employs half the workforce. Inefficiency in labor allocation points to the need to stimulate job creation in industry.
Demography and Environment	A high population density and the pressure this creates on resources make controlling population critical. The population growth rate declined from 1.6 to 1.4 percent over the last five-year period, leading to lower youth dependency rates. Also global warming poses a major threat, making environmental conservation a high priority.
Gender	Bangladesh does not suffer from a wide gender gap in health or education. Although low, women's participation in the workforce is increasing steadily.
Fiscal and Monetary Policy	The macroeconomic environment is stable, with low fiscal deficits and a drop in the inflation rate in 2009 from double digits in 2008.
Business Environment	Doing Business 2010 cited Bangladesh as South Asia's top reformer. In most aspects of the institutional environment for doing business, Bangladesh performs well compared to the regional median, and some indicators show progress and reform.
Financial Sector	The financial sector is underdeveloped compared to the financial sectors of comparator countries, and domestic credit to the private sector has been hampered by high real interest rates. The Central Bank of Bangladesh has instituted directed credit and capped interest rates to spur investment.
External Sector	The readymade garment sector accounts for 80 percent of the country's exports, and higher-value products and diversification are needed. Bangladesh has attracted a small fraction of the FDI attracted by comparator countries. Foreign exchange inflows from remittances rose in 2008 and 2009, despite the global downturn, and resulted in a record current account surplus of 2.8 percent of GDP in 2009.
Economic Infrastructure	Despite improvement in air transport and telephone density, the quality of infrastructure in Bangladesh is poor. Inadequate and unreliable electricity supply is often cited as a deterrent to investment. Bangladesh also lags behind comparators in roads and ICT usage.
Science and Technology	Science and technology capability in Bangladesh is below the low-income country global median and well below the capabilities of India and Vietnam.
Health	Although life expectancy continues to increase, and child immunization rates have held steady at 89 percent, government spending on health is still low—1 percent of GDP. This lack of funding is evident in how few births are attended by skilled professionals and the high rate of maternal mortality.
Education	Educational attainment at all levels is low, and adult literacy, at 53.5 percent, is cause for concern.

Employment and Workforce	The unemployment rate is deceptively low at 4.2 percent, which does not capture the extent of underemployment or the many Bangladeshis working abroad. The labor force continues to grow rapidly, and female participation has improved, partially because of the increasing importance of the readymade garment and shrimp export industries.
Agriculture	Agriculture employs half the labor force and supplies rice, the main food staple. Cereal yields have increased with higher fertilizer usage. Farmers in the southwest are cultivating shrimp and prawns for export.

BANGLADESH: STRENGTHS AND WEAKNESSES—SELECTED INDICATORS

Selected Indicators, by Topic	Strengths	Weaknesses
Growth Performance		
Real GDP growth	X	
Growth of labor productivity	X	
Investment productivity—incremental capital-output ratio (ICOR)	X	
Poverty and Inequality		
Population Below Minimum Dietary Energy Consumption		X
Human Poverty Index		X
Demography and Environment		
Adult literacy rate		X
Population growth rate	X	
Youth dependency rate	X	
Resource Depletion, % o GNI		X
Gender		
Primary completion rates, female	X	
Labor force participation rates, female		X
Fiscal and Monetary Policy		
Government budget balance	X	
Government expenditure		X
Business Environment		
Cost of Starting a Business, % GNI per capita	X	
Time to Enforce a Contract		X
Time to Register Property		X
Time to Start a Business	X	
Financial Sector		
Domestic credit to the private sector		X
Interest Rate Spread		X
Credit information index	X	
External Sector		
Trade in goods and services, % GDP		X
Debt service ratio, % exports	X	
Current account balance	X	
Foreign direct investment, % GDP		X
Trade in services, % GDP		X
Remittance receipts, % GDP	X	

Selected Indicators, by Topic	Strengths	Weaknesses
Concentration of Exports		X
Net Barter Terms of Trade, Index 2000=100		X
Trade Policy Index		X
Economic Infrastructure		
Overall infrastructure quality		X
Quality of infrastructure—rail		X
Quality of infrastructure—electricity supply		X
Internet users per 100 people		X
Telephone Density, Fixed and Mobile Lines	X	
Science and Technology		
IPR Protection		X
Health		
Child immunization rate	X	
HIV prevalence	X	
Births attended by a skilled professional		X
Prevalence of child malnutrition		X
Education		
Youth literacy rate		X
Gross tertiary enrollment rate		X
Expenditure on Primary Education, Percent of GDP		X
Employment and Workforce		
Growth of labor force	X	
Unemployment Rate		X
Agriculture		
Agriculture value added	X	
Cereal yield	X	

Note: The chart identifies selective indicators for which performance is particularly strong or weak relative to benchmark standards, as explained in Appendix A. The data supplement presented in Appendix B provides full tabulation of the data and international benchmarks examined for this report, along with technical notes on data sources and definitions.

1. Introduction

This report is one of a series of economic performance assessments prepared for the EGAT Bureau to provide USAID missions and regional bureaus with a concise evaluation of key indicators covering a broad range of issues relating to economic growth performance in designated host countries. The report draws on a variety of international data sources[1] and uses international benchmarking against reference group medians, comparator countries, and statistical norms to identify major constraints, trends, and opportunities for strengthening growth and reducing poverty. This study uses India and Vietnam as direct comparators. Both have large populations and both have undertaken economic reforms in recent years that have led to rapid economic gains that could provide useful examples for Bangladesh.

METHODOLOGY

The methodology used here is analogous to examining an automobile dashboard to see which gauges are signaling problems. Sometimes a blinking light has obvious implications—such as the need to fill the fuel tank. In other cases, it may be necessary to have a mechanic probe more deeply to assess the source of the trouble and determine the best course of action.[2] Similarly, the Economic Performance Assessment is based on an examination of key economic and social indicators, to see which ones are signaling problems. Some "blinking" indicators have clear implications, while others may require further study to investigate the problems more fully and identify appropriate courses for programmatic action.

The analysis is organized around two mutually supportive goals: transformational growth and poverty reduction.[3] Broad-based growth is the most powerful instrument for poverty reduction. At the same time, programs to reduce poverty and lessen inequality can help to underpin rapid and sustainable growth. These interactions can create a virtuous cycle of economic transformation and human development.

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[1] Sources include the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations (including the Millennium Development Goals database), the World Economic Forum, and host-country documents and data sources. This report reflects data available as of early November 2009.

[2] Sometimes, too, the problem is faulty wiring to the indicator—analogous here to faulty data.

[3] In USAID's white paper *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century* (January 2004), transformational growth is a central strategic objective, both for its innate importance as a development goal and because growth is the most powerful engine for poverty reduction.

Transformational growth requires a high level of investment and rising productivity. This is achieved by establishing a strong ***enabling environment for private sector development,*** involving multiple elements: macroeconomic stability; a sound legal and regulatory system, including secure contract and property rights; effective control of corruption; a sound and efficient financial system; openness to trade and investment; sustainable debt management; investment in education, health, and workforce skills; infrastructure development; and sustainable use of natural resources.

In turn, the impact of growth on poverty depends on policies and programs that create opportunities and build capabilities for the poor. We call this the ***pro-poor growth environment.*** Here, too, many elements are involved, including effective education and health systems, policies facilitating job creation, agricultural development (in countries where the poor depend predominantly on farming), dismantling barriers to micro and small enterprise development, and progress toward gender equity.

The present evaluation must be interpreted with care. A concise analysis of selected indicators cannot provide a definitive diagnosis of economic performance problems, nor simple answers to questions about programmatic priorities. Instead, the aim of the analysis is to spot signs of serious problems affecting economic growth, subject to limits of data availability and quality. The results should provide insight about potential paths for USAID intervention, to complement on-the-ground knowledge and further in-depth studies.

The remainder of the report presents the most important results of the diagnostic analysis, in threee sections: Overview of the Economy; Private Sector Enabling Environment; and Pro-Poor Growth Environment. Table 1-1 summarizes the topical coverage. Appendix A provides a brief explanation of the criteria used for selecting indicators, the benchmarking methodology, and a table showing the full set of indicators examined for this report. Appendix B provides a full tabulation of the data and international benchmarks examined for this report, along with technical notes on the data sources and definitions.

Table 1-1
Topic Coverage

Overview of the Economy	Private Sector Enabling Environment	Pro-Poor Growth Environment
• Growth performance • Poverty and inequality • Economic structure • Demographic and environmental conditions • Gender	• Fiscal and monetary policy • Business environment • Financial sector • External sector • Economic infrastructure • Science and technology	• Health • Education • Employment and Workforce • Agriculture

DATA QUALITY AND FORMAT

The analysis here reflects data available as of early November 2009. The breadth and quality of data available for Bangladesh earned a score of 65 (out of 100) on the World Bank's 2009 Statistical Capacity Indicator. Bangladesh's score has declined from 80 in 2006 and is now below

the LI-Asia median of 69.5 and India's 79. The bank's assessment cites several problems, including the use of an outdated national account base year and a lack of weekly and monthly import and export price indices. Despite these problems, the report team found data availability more than adequate for this assessment. It found recent data for every indicator in the CAS data set, which is rare for a low-income country.

2. Overview of the Economy

This section reviews basic information on Bangladesh's macroeconomic performance, poverty and inequality, economic structure, demographic and environmental conditions, and indicators of gender equity. Some of the indicators cited here are descriptive rather than analytical and are included to provide context for the performance analysis.

GROWTH PERFORMANCE

Bangladesh's GDP per capita of US$520 in 2008 placed it firmly in the ranks of low-income developing countries according to the World Bank classification and least-developed countries according to the United Nations. This correlates with the general public perception of a country suffering immense poverty and one at the mercy of successive natural disasters that seem to overwhelm any development gains the country hopes to achieve.

Certainly, Bangladesh does face formidable development challenges. A majority of Bangladesh's population of 160 million is dependent on agriculture for their livelihoods, yet geography—most of the country's land mass does not rise 10 meters above sea level—makes the country particularly vulnerable to climate change and food insecurity. Nevertheless, in the past five years Bangladesh has started on a high-growth path, with the economy averaging, from 2004 to 2008, growth in real terms of 6.3 percent per annum.

Goldman Sachs coined the term "the Next 11" for Bangladesh and 10 other countries with growing consumer markets and significant industrial potential.[4] Bangladesh's successful development of an export-oriented manufacturing sector specializing in readymade garments, incipient diversification of exports into frozen shrimp and seafood, and significant gains in reducing poverty have caught the international community's attention. The World Bank said in the 2007 report "Strategy for Sustained Growth" that Bangladesh could join the ranks of middle-income countries by 2016 if it accelerates the annual growth rate to 7.5 percent or higher.[5] Bangladesh has also made significant progress toward meeting the Millennium Development Goals, especially social indicators.

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[4] Media, E. The Next 11 Emerging Economies. *Euromonitor*, 4 Feb 2008. http://www.euromonitor.com/The_Next_11_emerging_economies.

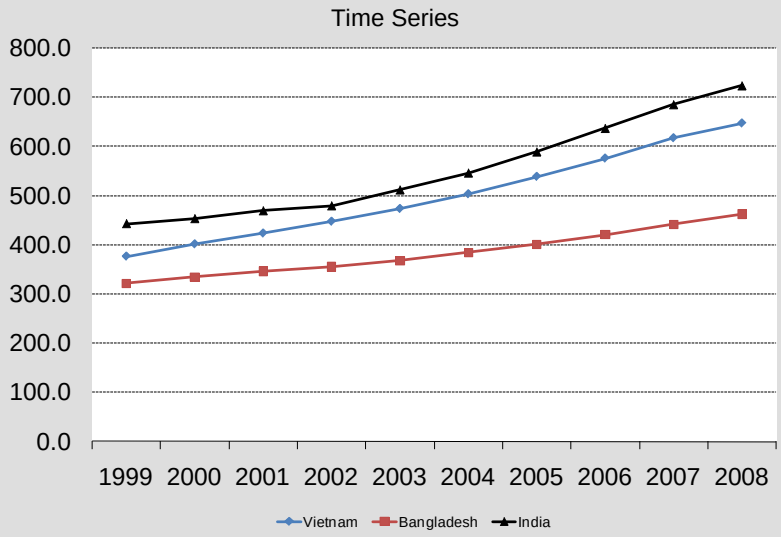
[5] World Bank. Bangladesh Strategy for Sustained Growth, 2007.

The comparator countries used in this report, India and Vietnam, are excellent examples of how such accelerated growth can take place.[6] Both of these countries have experienced growth rates averaging 9 percent over the past five years and have seen per capita income rise quickly (Figure 2-1).

Figure 2-1
Per capita GDP (Constant 2000 US$)

Bangladesh is starting to make gains in improving per capita incomes and could experience a take-off similar to those of India and Vietnam.

Year	Bangladesh	India	Vietnam
1999	321.6	442.8	376.6
2000	334.6	453.0	401.5
2001	346.0	469.0	423.5
2002	355.1	479.1	447.5
2003	367.5	511.5	473.4
2004	384.2	546.0	503.3
2005	400.7	589.0	538.7
2006	420.8	637.1	575.9
2007	441.4	685.5	617.2
2008	462.2	724.0	647.2



Source: World Development Indicators, 2009 CAS code: N/A

Although Bangladesh's economy slowed to 5.9 percent growth in 2009 from 6.2 percent in 2008 as a result of the global economic downturn, the country has not been as affected as other economies primarily because it is not as linked to the global economy (see External Sector).[7] Projections for how the economy will fare in 2010 vary—an October 2009 IMF mission to Bangladesh concluded that second-round effects of the global downturn might lead to a further deceleration of growth to 5.0 percent in 2010.[8] But the Bangladesh government is more optimistic, projecting at least 6.0 percent growth for 2010.[9] The World Bank forecasts 5.5 percent

[6] An interesting paper comparing India and Vietnam's growth performance is "India-Vietnam: A Comparative Analysis of Economic Performance". Lee Kuan Yew School of Public Policy Working Paper Series, February 2009.

[7] This report refers to FY2009 spanning the period June 2008-July 2009 for Bangladesh, April 1 – March 31 for India and January 1 to December 31 for Vietnam. 2009 figures for Bangladesh and India are actuals, but for Vietnam they are estimates. World Bank, "Bangladesh Economic Update", 2009.

[8] International Monetary Fund. Bangladesh—2009 Article IV Consultation, Preliminary Conclusions of the IMF Mission, October 2009. http://imf.org/external/np/ms/2009/102909.htm

[9] Six pc GDP growth likely: BB Governor, *The New Nation*, 13 Nov 2009. http://nation.ittefaq.com/issues/2009/11/13/news0364.htm

growth, or as high as 6.0 percent if export performance is strong and improvement is made in the energy sector.[10]

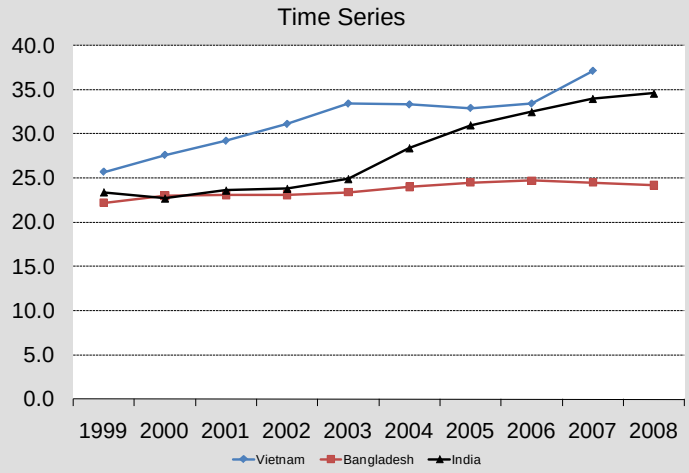
Bangladesh achieved high growth rates in labor and capital productivity in the past five years, indicating that the use of workers and capital is becoming more efficient. Labor productivity growth accelerated from 1.9 percent in 2003 to 4.8 percent in 2007. Although impressive, this is still lower than the growth rates of India and Vietnam—7.6 percent and 5.7 percent respectively. The incremental capital-output ratio (ICOR) declined from 4.5 in 2004 to 4.0 in 2008, indicating less capital investment has been needed to produce the same amount of output. This improvement may be explained partly by productivity gains in the garment industry. India, with an ICOR of 3.4, uses capital much more efficiently, whereas Vietnam, with an ICOR value of 4.2, is more like Bangladesh in the efficiency of its use of capital.

Although gains have been made in the productive use of labor and capital, the rate of investment has been stagnant, with gross fixed investment as a percent of GDP remaining virtually unchanged at 24 percent in the 2004–2008 period. This is significantly below the rates India and Vietnam achieved (Figure 2-2) and low-income (LI)-Asian countries' median value of 28.1 percent, but higher than the median for all LI countries of 20.9 percent. Private sector investment increased slightly, primarily in construction, but public sector investment declined because of a lack of capacity to implement development programs. Infrastructure bottlenecks, particularly gas and power shortages, are cited as significant constraints on private sector investment (see Economic Infrastructure, p. 32).

Figure 2-2
Gross Fixed Investment, Percent of GDP

Investment rates have been stagnant in Bangladesh; much higher levels are needed to accelerate growth.

Year	Bangladesh	India	Vietnam
1999	22.2	23.4	25.7
2000	23.0	22.7	27.6
2001	23.1	23.6	29.2
2002	23.1	23.8	31.1
2003	23.4	24.9	33.4
2004	24.0	28.4	33.3
2005	24.5	31.0	32.9
2006	24.7	32.5	33.4
2007	24.5	34.0	37.1
2008	24.2	34.6	-



Source: World Development Indicators, 2009 CAS code: 11S3

[10] World Bank, Bangladesh Economic Update 2009.

Bangladesh's strong growth thus far has been based primarily on remittances and the tremendous growth of the readymade garment industry. The country's continued reliance on these two sources of growth causes concern, however, because of the possibility of a slowdown in apparel exports in the near future. Bangladesh has to implement deeper structural reforms that will attract the investment needed to diversify the economy and accelerate growth to 7–8 percent. The success of Bangladesh's neighbors, including India, and Vietnam clearly indicates that in just five years, Bangladeshis can enjoy a higher standard of living than they do now.

POVERTY AND INEQUALITY

The strong economic growth in recent years has been broad-based, leading to a notable reduction in poverty. The UNDP's Human Poverty Index (HPI) provides a broad gauge of poverty, taking into account deprivation in health and education as well as income.[11] In 2009 (according to data through 2007), Bangladesh received a score of 36.1, ranking it 101st among 135 countries. Bangladesh's HPI score has improved from 44.2 in 2004 but remains higher than India's 28.0, Vietnam's 12.4, and the expected value of 24.0 for a country with Bangladesh's characteristics.

Improvements in the HPI are in line with other poverty indicators. For example, the incidence of poverty, using the national poverty line, fell from 57 percent in 1991–1992 to 49 percent in 2000 and was further reduced to 40 percent in 2005.[12] This was the last year that a household survey was undertaken to determine poverty levels, but World Bank simulations project that poverty rates will drop to 31 percent by 2010.

Many Bangladeshis remain vulnerable to food and fuel price shocks. The World Bank had made an earlier projection of the poverty rate that forecasts a decline to 29 percent by 2010 but has revised it to take into consideration the impact of the global economic crisis; if the bank is right, 2.4 million fewer people will climb out of poverty than would have done otherwise.[13] Income losses are related to food insecurity and malnutrition. During 2007 and 2008, the World Food Program (WFP) estimated that 65 million—45 percent of the population—lacked adequate dietary energy consumption.[14] UNICEF reported that in 2007 and 2008, cyclones and floods that devastated domestic crop production and India's restrictions on exporting rice to Bangladesh led to a doubling of prices for rice, the main food staple, resulting in a "silent emergency."[15] The drop in international commodity prices and the bumper harvest Bangladesh experienced in 2009

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[11] The HPI index is on a scale of 0 (no deprivation incidence) to 100 (high deprivation incidence). The indicators are probability at birth of not surviving to age 40; adult illiteracy rate; percent of population without an improved water source; and percent of children underweight for age.

[12] Bangladesh Poverty Assessment for Bangladesh: Creating Opportunities and Bridging the East-West Divide. Report No. 4321-BD, World Bank, October 2008, pg. 89.

[13] World Bank, "Bangladesh Economic Update", 2009.

[14] World Food Programme in Bangladesh, http://one.wfp.org/bangladesh/?NodeID=2 The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below the minimum dietary energy requirement for maintaining a healthy life and carrying out light physical exercise.

[15] UNICEF. "A silent emergency' as Bangladesh's poor suffer from economic downturn," http://www.unicef.org/infobycountry/bangladesh_49247.html

have alleviated some food insecurity, but poor Bangladeshis remain vulnerable to prices changes, particularly for food.

National statistics indicate a more equitable overall distribution of income in Bangladesh than in India and Vietnam, though the data have not been updated to take account of the higher rate of growth in the past few years. In 2005 (latest year of data) the poorest 20 percent of households obtained 9.4 percent of total income, which compares favorably to India's 8.1 percent and Vietnam's 7.1 percent.

Regional poverty differentials are a growing concern. Between 2000 and 2005, the poverty headcount in the eastern part of the country—Dhaka, Chittagong, and Sylhet—declined significantly—by 14.7 percentage points, 11.7 percentage points, and 8.6 percentage points, respectively. Gains in the western part of the country, however, were much smaller—1.1 percentage points in Barisal and 5.5 percentage points in Rajshahi and a 0.6 percentage point increase in Khulnak (Figure 2-3a, 2-3b). [16] The country's four main rivers create natural barriers to connectivity between the northwest and southwest and the main growth centers in the north-central and east.[17] According to the World Bank, eastern Bangladesh is more likely to be affected by the global economic crisis, because of its higher concentration of industry and remittance earnings, than the western part of the country.[18]

In addition to helping the poor to weather the effects of the global downturn, the Bangladeshi government has to make significant headway in implementing the Annual Development Plan (ADP), which spells out public development spending for the country.[19] Infrastructure investment, such as construction of the Padma Bridge (see Economic Infrastructure) to link poorer sections of the country with higher-growth areas, is a high priority among Bangladesh's poverty reduction efforts. The Bangladesh Bureau of Statistics and the World Bank, in collaboration with the WFP, have developed maps at the district level in Bangladesh depicting various levels of poverty. These maps can be overlaid with information on education, wages, and other data to help policymakers determine which geographical areas are in need of which intervention.[20]

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[16] Bangladesh Poverty Assessment for Bangladesh: Creating Opportunities and Bridging the East-West Divide. Report No. 4321-BD, World Bank, October 2008, pg. 99.

[17] Bangladesh Poverty Assessment for Bangladesh: Creating Opportunities and Bridging the East-West Divide. Report No. 4321-BD, World Bank, October 2008, pg. xii; Asian Development Bank, Proposed Technical Assistance Loan People's Republic of Bangladesh: Padma Multipurpose Bridge Design Project., November 2007.

[18] World Bank, "Bangladesh Economic Update", 2009.

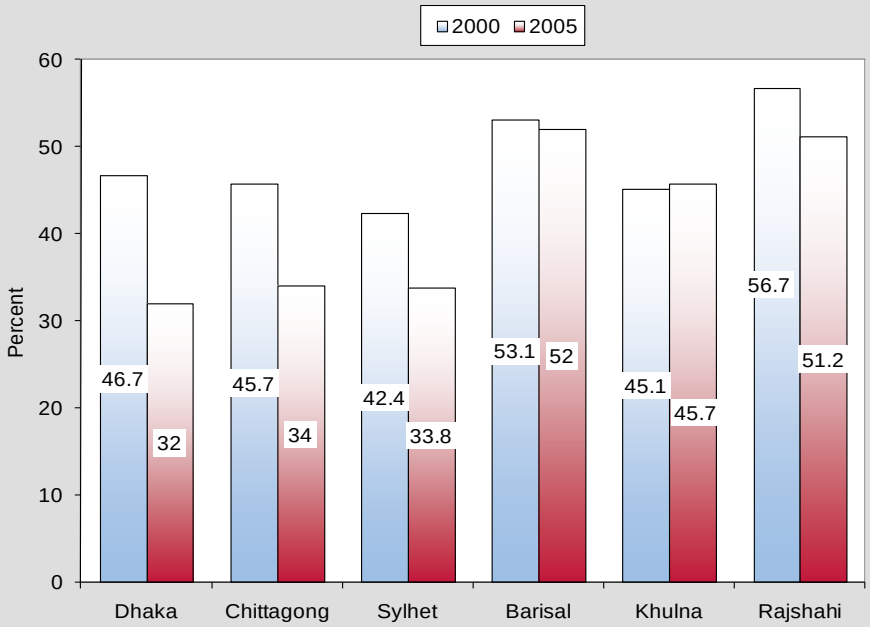
[19] "World Bank Says ADP Best Stimulus for Bangladesh to Face Recession", AsiaPulse, October 23, 2009.

[20] The maps are available at: <http://one.wfp.org/bangladeshSiteTest/?ModuleID=184&Key=90>.

Figure 2-3a

Poverty Headcount, National Poverty Line, By District

Although the capital shows a significant decline in the poverty rate, the rate is still high in Barisal and Rajshahi.



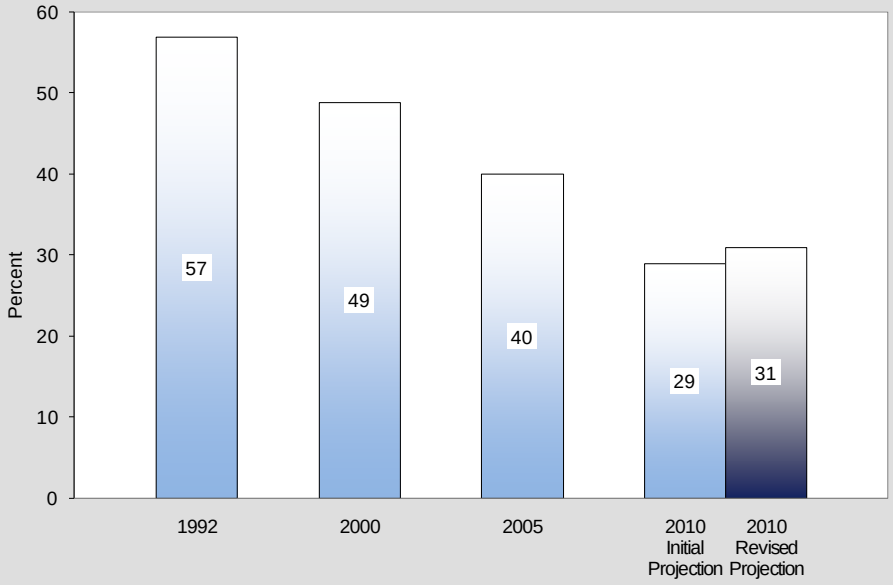
Source: HIES 2000, 2005

CAS code: N/A

Figure 2-3b

Poverty Headcount, National Poverty Line, Percent

The poverty rate fell much faster in the past five years than previously, although the global downturn has had an impact.



Source: HIES 2000, 2005; World Bank Projections

CAS code: N/A

ECONOMIC STRUCTURE

Over the five-year period under review, Bangladesh's sector composition was fairly stable. The share in GDP of output originating in agriculture declined slightly, from 20.1 percent in 2005 to 18.6 percent in 2009. A corresponding increase was registered in industry, which rose from 27.2 percent to 28.6 percent. Output originating in the services sector remained practically unchanged at an average 52.5 percent of GDP.[21]

Bangladesh has experienced a structural transformation in relation to the LI-Asia and global LI country medians. For those benchmark groups, the shares of GDP originating in agriculture are much higher, at 33.4 percent and 32.0 percent, respectively, and the shares of output in services much lower (39.6 and 44.6 percent). The significance of industry in Bangladesh (28.6 percent) is slightly higher than the LI-Asia median of 27.4 percent and the global LI median of 24.9 percent. Although India's industry share of GDP is similar to these levels (29.0 percent), Vietnam's 39.7 percent illustrates the scope for increasing the significance of industry in Bangladesh's economy.

Bangladesh's economy still depends heavily on the agricultural sector, however , not only for generating 18.6 percent of GDP in 2009, but also—more importantly—for providing employment to almost half the labor force (48.0 percent).[22] The growth of many other consumer product industries, therefore, is affected by the limited purchasing power of the population that depends on agricultural income.

A comparison of output shares to employment shares (Figure 2-4) reveals that labor productivity is higher in industry than in services and agriculture. Indeed, while the 14.0 percent of the labor force engaged in industry in 2005 (latest year of comparable data) produced 27.2 percent of the economy's output, the 48.0 percent of the labor force engaged in agriculture produced only 20.1 percent, and the 37.0 percent engaged in services produces 52.6 percent of GDP.[23] This means that each job in industry produces roughly 4.6 times as much value added as does each job in agriculture, and about 1.4 times as much as each job in services. The growth rates of the sectors vary, as well. For the five years to 2009, agriculture value added grew at an annual rate of 3.9 percent, while value added in industry and services grew much faster, at annual average rates of 7.8 percent and 7.9 percent, respectively.[24]

In sum, these figures reveal that although some structural transformation has occurred in Bangladesh's economy, Bangladesh's labor allocation remains inefficient. Programs to boost productivity in agriculture would be helpful, given agriculture's significance in the economy, and would help improve food security, thus setting the stage for labor to migrate to other sectors,

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[21] Labor force structure data for Bangladesh were sourced from World Bank World Development Indicators, and output shares as percent of GDP from the country's central bank website.

[22] According to data from 2005, latest year available.

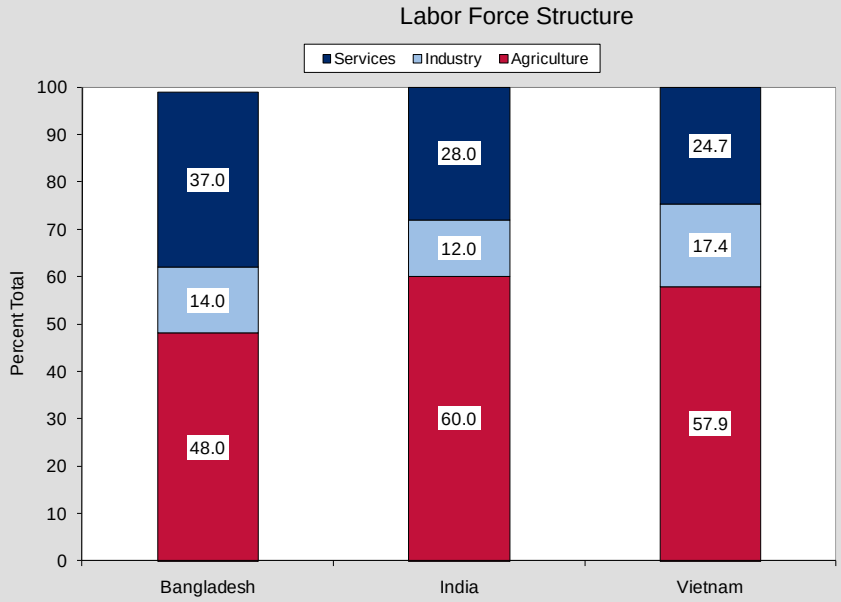
[23] Although data for output shares are available for Bangladesh for 2009, for consistency purpose we used 2005 data of employment and output shares in this comparison.

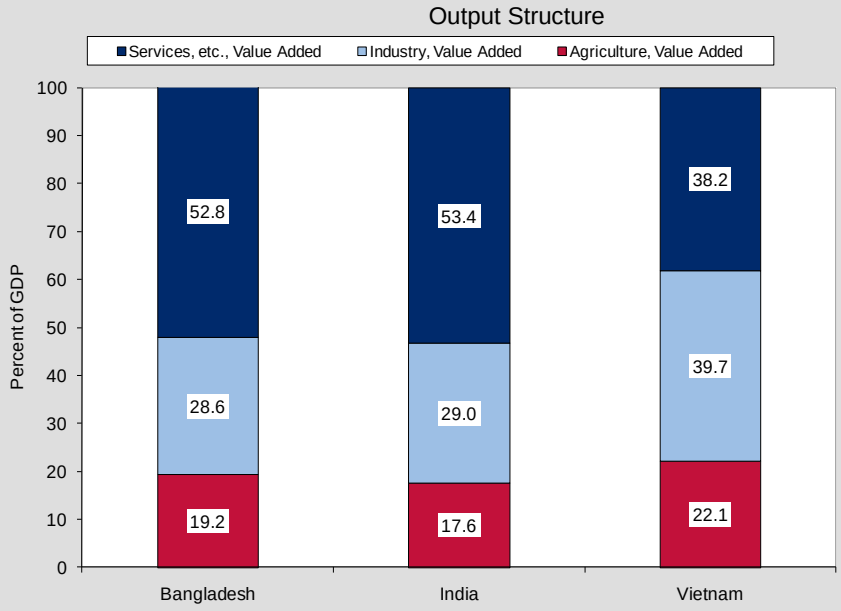
[24] IMF, International Financial Statistics appearing in the EIU Country Report, 2009. Figures correspond to FY ending June 30th. 2009 data is preliminary.

stimulating more rapid job creation in the industrial sector would do more for increasing aggregate labor productivity and overall economic growth.

Figure 2-4
Comparison of Labor Force Structure and Output Structure

Each job in industry produces much more output than in agriculture and services in Bangladesh as well as in India and Vietnam.





Source: World Development Indicators, 2009 and Central Bank of Bangladesh Economic Review, 2009
CAS codes: 13P1 and 13P2

DEMOGRAPHY AND ENVIRONMENT

With a land area of 147,570 sq km (slightly larger than New York state), and a population of 160 million (8 times that of New York state), Bangladesh is one of the world's most densely populated countries, with 1,084 people per sq km. The country's indicators, though, present evidence that a significant demographic transition has taken place. Indeed, the population growth rate over the five years to 2008 fell from 1.6 percent to 1.4 percent. This is lower than the 1.6 percent median for LI-Asia countries and the global LI median of 2.6 percent but not quite as low as the rates of India and Vietnam—1.3 percent and 1.2 percent, respectively.

Lower population growth has also led to a declining youth dependency rate. Indeed, the percentage of the population below age 15 divided by the working age population (ages 15–64) declined from 55.5 percent in 2004 to 50 percent in 2008. The latter is well below the expected value for a country like Bangladesh (58.4 percent) and significantly below the global median for LI countries (78.2 percent). These trends bode well for Bangladesh, because lower population growth and a lower youth dependency ratio will ease the pressure on the job market and allow the country to cope better with the demand for education and health services. Because of its high population density, which intensifies pressure on resources, however, containing and monitoring population growth remains a top priority for Bangladesh.

Bangladesh's urbanization level increased slightly over the five years to 2008 and is slightly high compared to the LI-Asia median but comparable to other benchmarks. The share of the population living in urban areas rose nearly 2 percentage points, from 25.3 percent in 2004 to 27.1 percent in 2008. This level of urbanization is considerably higher than the LI-Asia median of 21.3 percent but more in line with the global LI median of 30.8 percent, India's 29.5 percent, and Vietnam's 27.8 percent.

Over the five years to 2009, resource depletion[25] in Bangladesh accelerated, rising from 2.5 percent to 3.6 percent (Figure 2-5). This is nearly double the LI-Asia median of 1.9 percent but slightly below India's 4.2 percent and much below Vietnam's 12.1 percent. The accelerated depletion was due to increases in energy depletion.[26]

In addition, according to the international Environmental Performance Index, which evaluates environmental stress and ecosystem vitality in each country, Bangladesh scored 58.0 (out of 100) in 2008, ranking 125th of 149 countries covered by the index. This score is in line with the LI-Asia median of 59.6 and India's 60.3 but below Vietnam's 73.9, which according to the index, has better policies to prevent environmental degradation. Among the categories that compose the index, there is a wide gap between Bangladesh's scores on conserving productive natural resources (in particular, excessive resource demand and wasteful and damaging methods of exploitation in agriculture and fisheries) and those of its geographic and income group peer averages.

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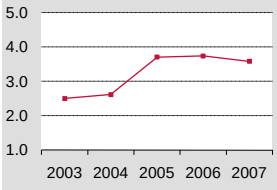
[25] A World Bank indicator measuring the aggregated depletion of mineral, energy, and forest resources—but not soil depletion—as a percentage of GNI.

[26] Energy depletion is equal to the product of unit resource rents and the physical quantities of energy extracted. It covers crude oil, natural gas, and coal.

Figure 2-5
Resource Depletion, Percent of GNI

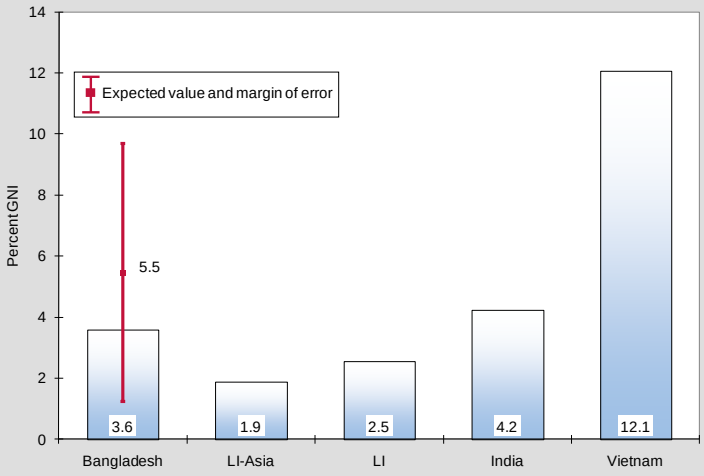
In recent years, resource depletion in Bangladesh has risen rapidly.

Time Series

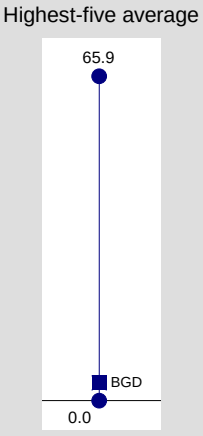


Year	Value
2003	2.5
2004	2.6
2005	3.7
2006	3.7
2007	3.6
Summary for 2003–2007	
Five-year average	3.2
Trend growth rate	10.8

Comparison to Other Countries, Most Recent Year



Global Standing



Source: World Development Indicators 2009

CAS code: 14P6

Global warming poses a major threat to Bangladesh. Major climate-induced disasters such as more frequent floods, cyclones, and storm surges, as well as droughts, are causing severe loss of life and damage to property and are affecting the country's development prospects. A 1-meter rise in sea level would inundate about 15 percent of the land area and reduce the rice crop by up to 30 percent, according to the World Bank, and force millions to move. Ensuring food and water security, protecting infrastructure, managing disaster risks, and preventing environmental degradation, as well as "incorporating climate change adaptation in development planning" are vital strategic interests for Bangladesh.[27] The country participates in global efforts to reduce the impact of global warming, such as the Copenhagen summit in December 2009.

GENDER

Gender equity promotes economic growth by ensuring that all citizens have the opportunity to develop and apply their full productive capacities. Gender equity can be assessed in terms of access to education and health, economic participation, women's legal rights, and public participation and representation. In many South Asian countries, such as Bangladesh, traditional values limit opportunities for women to pursue livelihoods outside the home. This creates a large gap between men and women in labor force participation.

Bangladesh has been described by the World Bank as "the shining new example in South Asia of a poor country achieving impressive gains in gender equality."[28] Initiatives that improved

[27] Asian Development Bank, Asian Development Outlook 2009, p. 193.

[28] Whispers to Voices: Gender and Social Transformation in Bangladesh. World Bank and Australian Agency for International Development (AusAID), March 2008, p. 3.

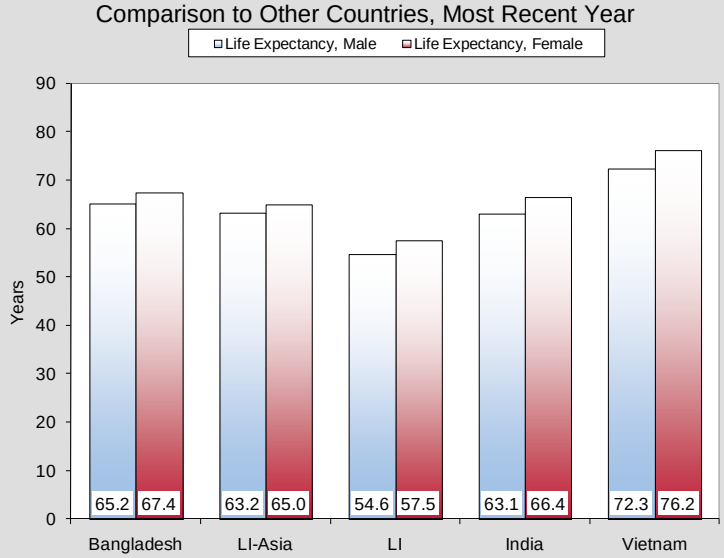
women's status were the NGO-driven microcredit program (see Financial Sector, p. 24) and the government's education policy.[29]

In the Bangladesh education sector, the gross enrollment ratio for all levels of schooling was 49.4 percent for females and 48.0 percent for males in 2007. Although enrollment rates for both genders are lower than all benchmarks (see Education, p. 39), the gender disparity in Bangladesh is in favor of females, while in India, with enrollment rates of 59.3 percent for females and 65.6 percent for males, the disparity is in favor of males. The LI-Asia median also reflects a disparity in favor of males (51.6 percent enrollment for females and 58.5 percent for males). Primary school completion rates tell a similar story: a 4.5 percentage point differential in favor of females for primary school completion in Bangladesh, compared to a 4.9 percentage point differential in favor of males in India, and an 8.2 percentage point differential in favor of males for the median of LI-Asia countries.

Life expectancy at birth is a fundamental indicator of gender equity in health conditions. In more developed countries, women typically outlive men by five years or more. In Bangladesh, average life expectancy in 2008 was 67.4 years for females and 65.2 years for males. This gender differential of 2.2 years is wider than the LI-Asia median differential of 0.9 years but narrower than the 3.3-year and 3.9-year differentials in India and Vietnam, respectively (Figure 2-6).

Figure 2-6
Life Expectancy at Birth

Average life expectancy in Bangladesh is on par with the LI-Asia median, but the gender gap, at only 2.5 years in Bangladesh, is wider in comparator countries.

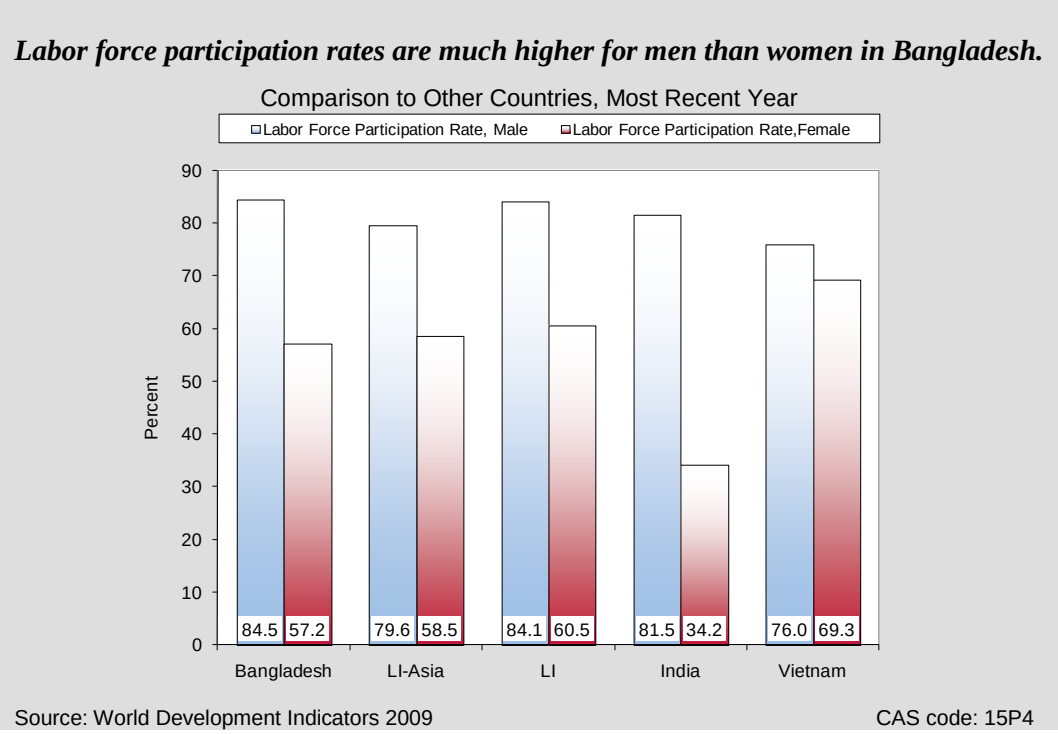


Source: World Development Indicators 2009 CAS code: 15P3

[29] The focus on primary schooling in the 1980s and then the Female Secondary School Stipend Program in the 1990s led to dramatic improvement in educational attainment. *Whispers to Voices: Gender and Social Transformation in Bangladesh.* World Bank and AusAID, March 2008, p. 19.

Gender disparity in the labor force, although decreasing, remains a barrier to economic growth. In 2007, the labor force participation rates in Bangladesh were 84.5 percent for males and just 57.2 percent for females, a 27.3 point differential. India has a wider gender gap, of 47.3 percentage points, but Vietnam has a gender deferential of just 6.7 percentage points (Figure 2-7). In some sectors, such as the shrimp and garment industries, Bangladeshi women constitute a majority of the workforce, but most of these jobs are low paying. The shrimp sector is known for particularly high gender wage differentials, in part because of the lack of unionization by female workers and to the abundant supply of women willing to work in the shrimp plants. [30]

Figure 2-7
Labor Force Participation Rate



Women's public participation and political representation and the protection of legal rights for women remain below those of men. The Constitution guarantees equal rights to all citizens, regardless of gender, religion, or other social division, and reserves 30 parliamentary seats for women. Several female politicians, including Prime Minister Sheikh Hasina and former Prime Minister Khaleda Zia have achieved high positions in government. In contrast, according to the 2007 Demographic and Health Survey, 17.7 percent of married women respondents reported that they cannot go to a health center or hospital alone or with children, without their husbands.[31]

[30] The Role of Labor-Related Issues in the Foreign Assistance Framework, Bangladesh Labor Assesment, June 2009 Draft, pgs 29-30.

[31] 2007 Demographic and Health Survey, March 2009, pg. 184.

Additionally, although Bangladeshi law guarantees equal access to property, according to the Bangladesh Bureau of Statistics' agricultural census of 1996, only 3.5 percent of the 17.8 million agricultural holdings were female-owned.[32]

Bangladesh's efforts to close the gender gap in education and health should be commended. As women continue to enter the workforce in greater numbers the government must redouble efforts to create equitable opportunities in the labor market while respecting the traditional values of the country.

[32] Whispers to Voices: Gender and Social Transformation in Bangladesh. World Bank and Aus Aid, March 2008, pg. 12.

3. Private Sector Enabling Environment

This section reviews key indicators of the enabling environment for encouraging rapid and efficient growth of the private sector. Sound fiscal and monetary policies are essential for macroeconomic stability, which is a necessary though not sufficient condition for sustained growth. A dynamic market economy also depends on basic institutional foundations, including secure property rights, an effective system for enforcing contracts, and an efficient regulatory environment that does not impose undue barriers on business activities. Financial institutions play a major role in mobilizing and allocating saving, facilitating transactions, and creating instruments for risk management. Access to the global economy is another pillar of a good enabling environment because the external sector is a central source of potential markets, modern inputs, technology, and finance, as well as competitive pressure for improving efficiency and productivity. Equally important is development of the physical infrastructure to support production and trade. Finally, developing countries need to adapt and apply science and technology to attract efficient investment, improve competitiveness, and stimulate productivity.

FISCAL AND MONETARY POLICY

Bangladesh's macroeconomic environment has been resilient in the face of the global downturn that has caused havoc in neighboring countries. In 2009, the Bangladesh government budget deficit, at 3.6 percent of GDP, was actually slightly below the 2008 figure of 3.7 percent of GDP.[33] Whether the deficit can remain under 4 percent of GDP—the government's target— in the short term remains unknown, but in any case, these figures do not raise concerns about fiscal instability.

Bangladesh's fiscal situation is much better than the situations of comparator countries; Vietnam's budget deficit is expected to rise to 10 percent of GDP in 2009, a significant jump from 4.7 percent in 2008.[34] India is expected to reach a fiscal deficit of 11.4 percent in 2009, from 5.7 percent the previous fiscal year.[35] (Figure 3-1) Both countries implemented fiscal

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[33] International Monetary Fund. Bangladesh—2009 Article IV Consultation, Preliminary Conclusions of the IMF Mission, October 2009. http://imf.org/external/np/ms/2009/102909.htm.

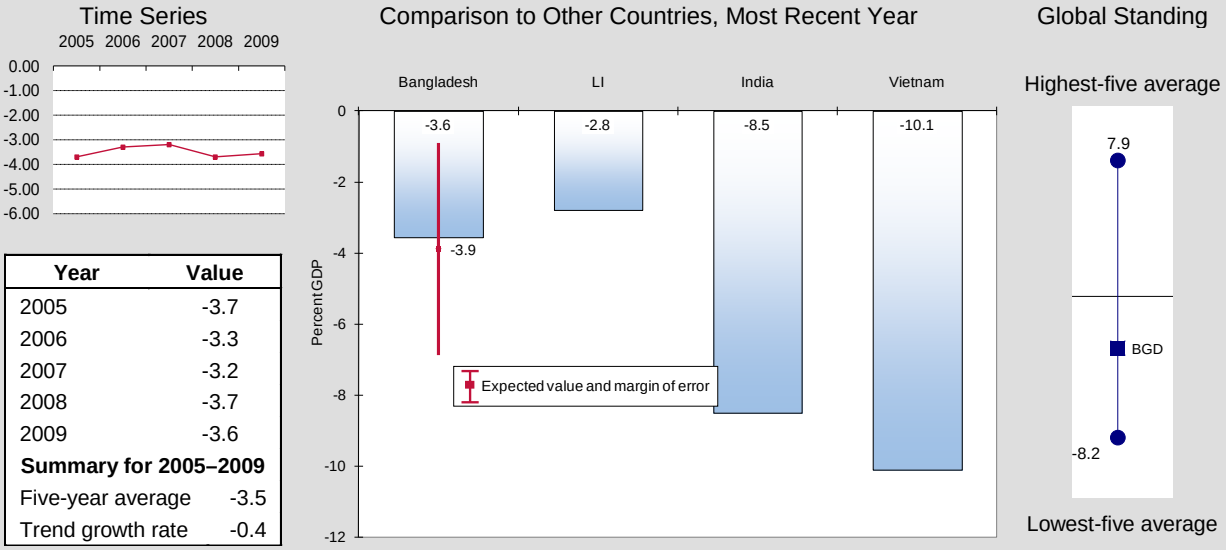
[34] Ruwitch, J. and Desai, U., "Concerns Rise in Vietnam Over Fiscal Deficit," *Reuters*, 20 May 2009. http://www.forbes.com/feeds/afx/2009/05/20/afx6444342.html.

[35] S&P: India's Outlk Revised To Neg On Increasing Fiscal Deficit. All Business.com, 24 Feb 2009. http://www.allbusiness.com/trade-development/trade-development-finance/12080614-1.html.

stimulus packages to offset the global economic downturn. In addition, India's government increased spending in anticipation of the general elections that were held in May 2009.

Figure 3-1
Overall Budget Balance, Including Grants, percent of GDP

Bangladesh has maintained impressive macroeconomic stability in the face of the global downturn, especially compared to India and Vietnam.



Year	Value
2005	-3.7
2006	-3.3
2007	-3.2
2008	-3.7
2009	-3.6
Summary for 2005–2009	
Five-year average	-3.5
Trend growth rate	-0.4

Source: Central Bank of Bangladesh, Quarterly Report Q4 2009; IMF Article IV for India 2009; Asian Development Outlook 2009; World Development Indicators 2009
CAS code: 21P5

The Bangladeshi government has consistently prepared annual budgets with projected deficits that, if realized, would have required more borrowing, which would have raised concerns about fiscal stability. But weak implementation capacity, particularly at the local level, has meant that planned expenditures fall short of their targets, and even with lackluster revenue collection, actual budget deficits have been much lower than anticipated.

Bangladesh government spending was 14.9 percent of GDP in 2009, compared to 29.8 percent for India and 22.8 percent for Vietnam. The government adopted a stimulus package entitling the government to spend additional funds on power, fertilizer, and export subsidies and the expansion of safety net programs. Unfortunately and in contrast, the government's Annual Development Plan, which includes the budget for the government's development-related expenditures, calls for spending to decline from 5.4 percent in 2002 to 3.2 percent in 2009. This is particularly alarming given that spending targets have been increasing steadily, resulting in a higher gap between targets and actuals. The IMF, during the October 2009 consultation with the government, identified this inability to meet spending targets as an area needing significant attention.

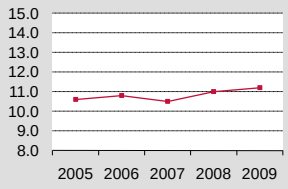
Hand in hand with lower-than-planned expenditures has been low revenue collection. At an average of 11 percent of GDP in recent years, Bangladesh's revenue collection is one of the lowest in the world (Figure 3-2)—much lower than India's 21.3 percent of GDP or Vietnam's 27.6 percent for 2009. The revenue-to-GDP ratio for Bangladesh is projected to be 11.5 percent for 2010, slightly higher than in the past, and the government has committed to raising revenue by

expanding tax coverage, rationalizing the tax system, decentralizing tax operations, and making institutional reforms separating tax policy from tax administration. These reforms would greatly enhance the government's ability to increase revenue and thus spur development. But with the possibility of lower growth in the short term, this may prove to be a challenge.

Figure 3-2
Government Revenue, Excluding Grants, percent of GDP

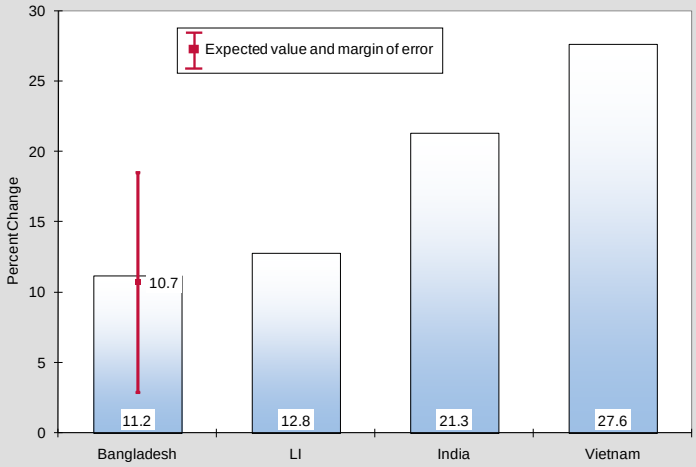
Bangladesh government revenue collection is one of the lowest in the world, and improved tax collection is needed.

Time Series

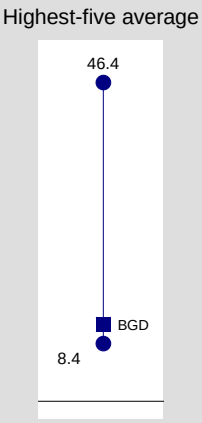


Year	Value
2005	10.6
2006	10.8
2007	10.5
2008	11.0
2009	11.2
Summary for 2005–2009	
Five-year average	10.8
Trend growth rate	1.2

Comparison to Other Countries, Most Recent Year



Global Standing



Source: Central Bank of Bangladesh, Quarterly Report Q4 2009; Asian Development Outlook 2009; IMF Article IV for India 2009; World Development Indicators 2009
CAS code: 21P2

Bangladesh's inflation rate averaged 7.0 percent during 2005–2007 and then jumped to nearly 10 percent in 2008 as a result of high international prices for food (primarily rice) and fuel, causing tremendous hardship for large segments of the population. This was higher than the LI-Asia median inflation rate of 8 percent and nearly on par with the LI median rate of 10.6 percent. The inflation rate for Vietnam was significantly higher, at 25.6 percent for 2008, while India's inflation rate was 10.7 percent (Figure 3-3).

Fortunately, a drop in international prices and a bumper domestic harvest in 2009 resulted in inflation falling to 6.7 percent.[36] The Central Bank of Bangladesh has followed an accommodating monetary policy, and the money supply grew by 19 percent in 2009. Price controls have been imposed on some commodities since 2008, preventing the growth in the money supply from being wholly translated into corresponding price increases. The Central Bank of Bangladesh is expected to continue to set growth targets for the money supply in line with the central government's goal of stimulating the economy in 2010 in response to the global downturn. Inflation could increase in the near future as a result of excess liquidity in the banking system due to large remittance inflows (see External Sector, p. 27). According to the Central

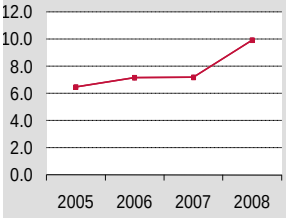
[36] World Bank Bangladesh Economic Update 2009.

Bank of Bangladesh, the excess liquidity has tended to be invested in real estate and other speculative investments instead of in the real sector, creating price bubbles in these asset markets. The Central Bank of Bangladesh has held auctions of 30-day bills to reduce liquidity in the system but only to a limited extent, because this will put upward pressure on interest rates and dampen investment, which is already low.[37]

Figure 3-3
Inflation Rate, Annual Percent

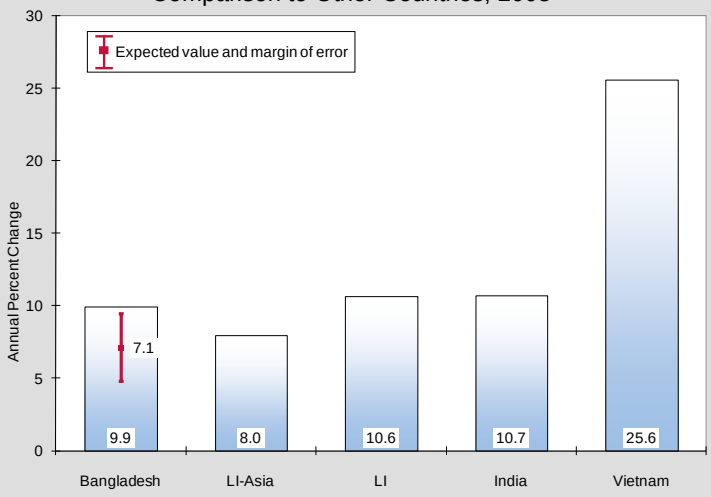
Inflation jumped in 2008 because of a food crisis but declined in 2009 after a bumper harvest.

Time Series



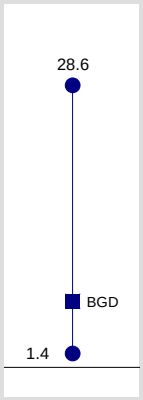
Year	Value
2005	6.5
2006	7.2
2007	7.2
2008	9.9

Comparison to Other Countries, 2008



Global Standing

Highest-five average



Lowest-five average

Source: Central Bank of Bangladesh, Economic Review 2009; Asian Development Bank Key Indicators, 2009; World Development Indicators 2009

CAS code: 21P4

BUSINESS ENVIRONMENT

Institutional barriers to doing business, including corruption in government, are critical determinants of private sector development and prospects for sustainable growth. The World Bank's composite Ease of Doing Business index ranks Bangladesh at an unsatisfactory 119th of 183 countries in its 2010 edition (reflecting conditions in early 2009). This is exactly the rank expected for a country with Bangladesh's characteristics and better than both the LI-Asia median of 132.5 and India's 133rd. But these comparators are not best-practice standards. If Bangladesh aspires to a business environment more conducive to business and investment growth, it can look to Vietnam, which, although not among the top scorers, with a rank of 93rd, performs better in business environment indicators and illustrates the ample scope for improvement.

There is reason for optimism in Bangladesh. With three significant reforms enacted recently, Bangladesh earned the spot of top reformer in South Asia in the 2010 Doing Business report. A noteworthy improvement for Bangladesh has been simplification of business start-up procedures

[37] Macroeconomic Challenges of Large Remittance Inflows, Istanbul, Turkey, October 2009. Keynote speech by Central Bank of Bangladesh Governor Dr. Atiur Rahman.

through the introduction of electronic business registration.[38] Bangladesh enacted reforms in fiscal and trade facilitation policies as well. The corporate income tax rate was reduced from 40 percent to 37.5 percent, although the capital gains tax rate was increased from 5 percent to 15 percent. And the introduction of customs clearance automation systems at the Chittagong port has reduced border clearance times.[39]

In addition to these policy measures, other indicators have also improved. For instance, the cost of starting a new business declined from 56.1 percent of gross national income (GNI) per capita in 2006 to 36.2 percent in 2010. This compares favorably to the LI-Asia median of 47.1 percent and to India's 66.1 percent. But the cost of starting a business in Vietnam—13.3 percent of per capita GNI—is much lower. Bangladesh's score on time required to start a business fluctuated between 50 days and 74 days previously but fell to 44 days in the 2010 report. Bangladesh also outperformed all benchmarks with regard to the number of procedures required to start a business—7 procedures in the 2010 report compared with 13 procedures and 10 procedures in India and Vietnam, respectively.

Bangladesh's business environment is much tougher for businesses looking to register property or enforce a contract. In Bangladesh, enforcing a contract requires a staggering 1,442 days, nearly three times the LI-Asia median and almost five times Vietnam's 295 days. It takes 245 days to register property in Bangladesh, nearly triple the LI-Asia median of 97.7 days almost six times as many days as in India, at 44 days, and more than four times as many days as in Vietnam, with 57 days.

Bangladesh scores on the World Bank's governance indexes for control of corruption, government effectiveness, regulatory quality, and rule of law show slight improvement over the five-year period 2004-2008, placing Bangladesh equal to or slightly better than the LI-Asia median but below India and Vietnam. Perhaps more important, all of Bangladesh's scores on these governance indexes are below global means. [40]

Larger gaps are observed between Bangladesh and comparator countries with regard to the Control of Corruption and Government Effectiveness indexes. Bangladesh improved its score on the Control of Corruption index from -1.42 in 2004 to -1.10 in 2008, which is on par with the LI-Asia median of -1.15 but worse than the global median for LI countries (-0.78), India's -0.37, and Vietnam's -0.76 (Figure 3-4). Among firms participating in the World Bank Enterprise Survey administered in Bangladesh in 2007, 54.9 percent identified corruption as a major constraint, and a staggering 85 percent expected to make an informal payment to public officials to get things done. Furthermore, executives surveyed by the World Economic Forum for the Global Competitiveness Report for 2009-10 ranked corruption in Bangladesh as the second-most

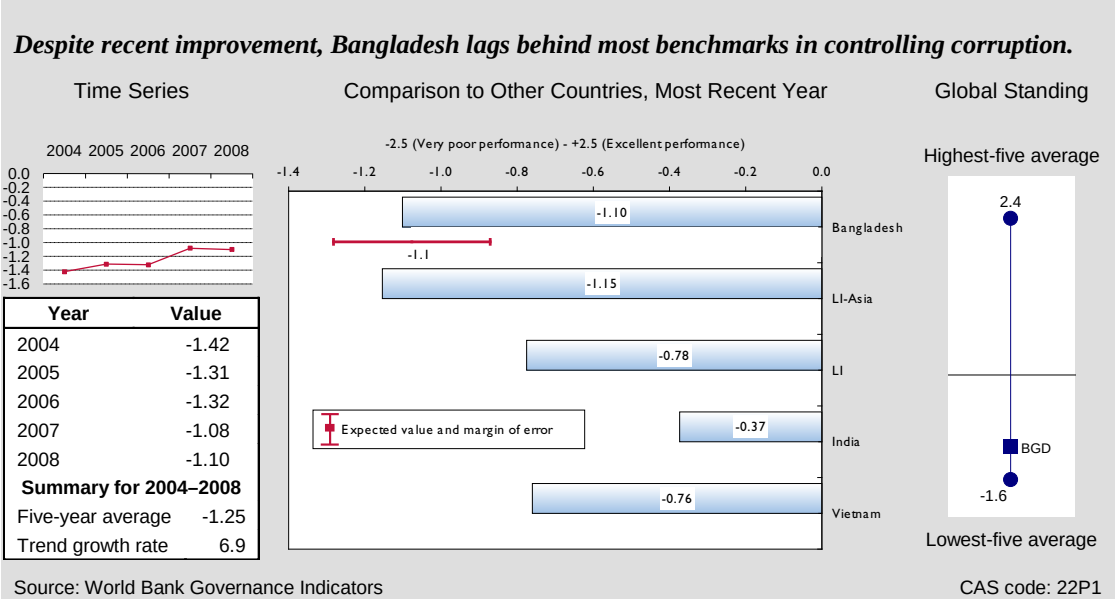
[38] Doing Business 2010 Bangladesh, World Bank, p. 52.

[39] Doing Business 2010 Bangladesh, World Bank, p. 52.

[40] These indexes range from -2.5 (for poor) to 2.5 (for excellent), with 0 indicating the global mean.

problematic factor in doing business there, after inadequate supply of infrastructure. Inefficient government bureaucracy was the third-most problematic factor.[41]

Figure 3-4
Control of Corruption Index



FINANCIAL SECTOR

According to a recent Fitch assessment (February 2009), the formal banking system in Bangladesh is behind the systems in the rest of emerging Asia, and is marked by weak asset quality, inadequate provisions for loan losses, poor capitalization, and low returns on assets.[42] The four state-owned commercial banks, which account for about 30 percent of the market, are particularly deficient in these areas. Although the ratio of nonperforming loans to total loans has declined for the banking sector as a whole, from approximately 14 percent of total loans in 2005 to 10.8 percent at the end of 2008, the nonperforming-loan ratio for state-owned commercial banks was an alarming 29.3 percent.[43] These high ratios may point to the inability of the banking sector, particularly state-owned commercial banks, to make independent lending decisions, as well as to a lack of technical expertise in enforcing loan contracts. The spread between deposit rates and lending rates also points to banking sector inefficiency. The spread was close to 7 percent in 2008, in line with India's spread of 7.3 percent, but far higher than the 3 percent spread in Vietnam.

The Bangladesh government has outlined plans to reform the banking sector, and the October 2009 IMF mission to Bangladesh was pleased with measures that included preparation for the

[41] World Economic Forum, Global Competitiveness Report 2009-10.

[42] Fitch Research: Bangladesh Banking System Remains Weak & Vulnerable, February 6, 2009.

[43] Banking Sector at Risk from Economic Outlook, South Asia-May 2009, www.asia-monitor.com.

introduction of Basel II regulations effective January 1, 2010, that will raise the quality of banks' capital and create risk management units at all banks.[44]

Although attempts have been made to restructure the state-owned commercial banks into limited-liability companies and appoint new managers to senior positions, they are hampered by directed lending practices and weak technical expertise. But the state-owned commercial banks have lost considerable market share in the past 10 years—their share of banking system assets has fallen from 68 percent of the market in 1997 to about 33 percent in 2009.[45] Thirty private commercial banks, nine foreign commercial banks, and five development banks are gaining share in the Bangladesh market. And with Bangladesh's large Muslim population, Islamic banking has also become more widespread.

Despite growth in private, foreign, and development banks, the banking sector remains underdeveloped, as evidenced by the ratio of M2 (currency plus bank deposits) to GDP. Although this ratio has increased in the past five years and is higher than the regional comparators, at 48.3 percent in 2009, it is still significantly below the rate of monetization of the economies of India and Vietnam (89.4 percent and 109.8 percent, respectively).

Another primary indicator of financial development is bank credit to the private sector as a percentage of GDP (Figure 3-5). In Bangladesh this ratio has grown only 1 percentage point annually in the past five years, from 30 percent in 2005 to over 35 percent in 2009. This is well below the ratio for India and Vietnam (55 percent and 91 percent respectively), though above medians for LI and LI-Asian economies. This slow growth is largely a result of high lending rates. Nominal lending rates have averaged 11.5 percent during 2004–2008, with real interest rates averaging 5.5 percent during that period. In addition, since October 2008 businesses have adopted a "go-slow" policy to avoid financial risk in the face of global economic recession.[46] To increase the flow of credit to the private sector, the Central Bank of Bangladesh announced in June 2009 a controversial policy to cap interest rates on lending and it directed credit to certain sectors to counter the adverse effects of the global downturn and stimulate investment.[47]

The issuance of bonds for firms to obtain financing is virtually nonexistent. The Bangladesh stock market has been growing, its capitalization rate increasing from a low base of 5 percent of GDP in 2005 to 16 percent in 2009. Few firms are listed on the exchange: only 303 companies are traded publicly. Leasing has become an important source of equipment financing for many small and medium enterprises.

Although Bangladesh's formal financial system is underdeveloped and beset with problems, the groundbreaking microcredit system developed by Muhammed Yunus's Grameen Bank in the

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[44] IMF. Bangladesh—2009 Article IV Consultation, Preliminary Conclusions of the IMF Mission, October 2009. http://imf.org/external/np/ms/2009/102909.htm.

[45] "Fitch: Bangladesh Banking System Remains Weak & Vulnerable" *Reuters India*, 6 February 2009. http://in.reuters.com/article/domesticNews/idINWNA585120090206.

[46] "Bangladesh's Private Sector Credit Falls in September" www.allheadlinenews.com. November 2009.

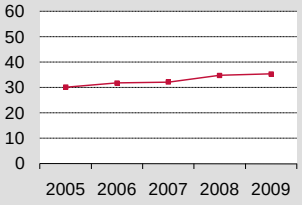
[47] "The Central Bank of Bangladesh Caps Interest at 13% for Bank Lending to NBFI." TMCnews, 3 June 2009 http://www.tmcnet.com/usubmit/2009/06/02/4208405.htm.

1970s has had a great deal of success. In 2007, 28 microfinance institutions (MFI) operated in Bangladesh with a total gross loan portfolio of $1.7 billion.[48]

Figure 3-5
Domestic Credit to the Private Sector, Percent of GDP

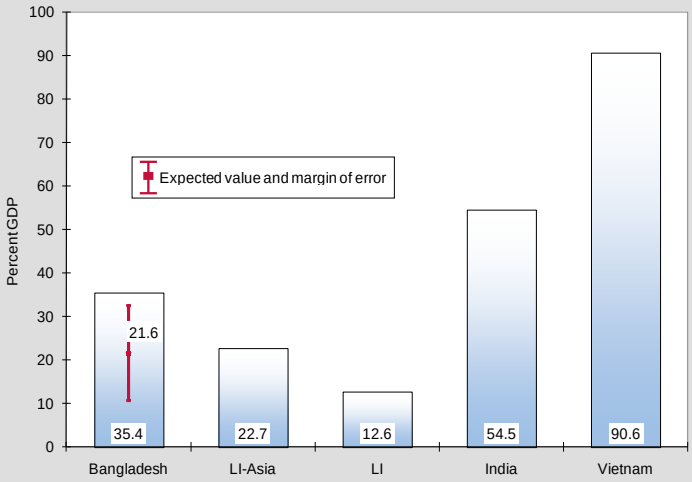
High real interest rates and lack of investor confidence due to the global downturn have hampered investment in the economy.

Time Series



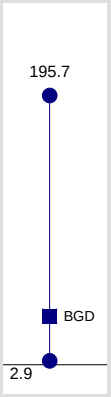
Year	Value
2005	30.2
2006	31.8
2007	32.2
2008	34.8
2009	35.4
Summary for 2005–2009	
Five-year average	32.9
Trend growth rate	4.1

Comparison to Other Countries, Most Recent Year



Global Standing

Highest-five average



Lowest-five average

Source: Central Bank of Bangladesh Economic Review 2009; IMF Article IV for India (2009) and Vietnam (2008); World Development Indicators, 2009

CAS code: 23P1

The three largest and most prominent MFIs are the oldest. Both ASA and BRAC took after the Grameen model, focusing on lending to women and emphasizing the need for social development to work hand in hand with microfinance. As of 2007, 98.9 percent of active MFI borrowers in Bangladesh were women, evidence that the Grameen model of focusing on the poorest women because "their urge for survival has a far greater bearing on the development of the family"[49] has continued in microfinance institutions throughout Bangladesh.[50] In 2007 there were 21.7 million microfinance borrowers in Bangladesh, (13.6 percent of the population), which is significantly more than the 9.9 million borrowers in India (0.9 percent of the population) and 5.8 million borrowers in Vietnam (6.73 percent of the total population).

Although the microfinance sector started with not-for-profit institutions offering limited services, it now includes for-profit banks and nonbanking financial intermediaries offering a wide range of

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[48] Microfinance Information Exchange. 2008. Asia Microfinance Analysis and Benchmarking Report. http://www.themix.org/sites/default/files/2008%20Asia%20Microfinance%20Analysis%20and%20Benchmarking%20Report.pdf.

[49] Grameen Bank, Credit Delivery System, http://www.grameen-info.org/index.php?option=com_content&task=view&id=24&Itemid=127.

[50] Microfinance Information Exchange. 2008. Asia Microfinance Analysis and Benchmarking Report. http://www.themix.org/sites/default/files/2008%20Asia%20Microfinance%20Analysis%20and%20Benchmarking%20Report.pdf.

microfinance-related services. In 2007, MFIs in Bangladesh held $374 million in deposits, compared to just $126 million in deposits in Vietnam and $31 million in India.[51]

Although the effectiveness of microfinance in alleviating poverty has been debated, Grameen reports that only 20 percent of Grameen Bank members live below the poverty line while 56 percent of comparable non–bank members do so.[52] Though microfinance is already an important part of the financial framework of developing countries such as Bangladesh, it has room to grow. Asian microfinance markets serve a disproportionate number of borrowers in the world—the top 10 Asian MFIs accounted for 70 percent of MFI borrowers worldwide in 2007—countries with the best penetration rates (such as Bangladesh) still reach only 35 percent of potential clients.[53]

EXTERNAL SECTOR

Fundamental changes in international commerce and finance, including reduced transport costs, advances in telecommunications technology, and lower policy barriers, have fueled a rapid increase in global integration in the past 25 years. International flows of goods and services, capital, technology, ideas, and people offer great opportunities for Bangladesh to boost growth and reduce poverty by stimulating productivity and efficiency, providing access to new markets and ideas, and expanding the range of consumer choice. At the same time, globalization creates new challenges, including the need for reforms to take full advantage of international markets and cost-effective approaches to cope with the resulting adjustment costs and regional imbalances.

International Trade and Current Account Balance

The importance of trade (exports plus imports of goods and services) for the Bangladesh economy has slowly risen from 36.3 percent of GDP in 2004 to 47.0 percent in 2008. This ratio is below all benchmarks and significantly below its expected value, indicating that Bangladesh's economy is still relatively closed and not taking full advantage of the opportunities available from integration into the global trade system (Figure 3-6). By comparison, the shares of trade as a percentage of GDP for the LI-Asia median and the global LI median are 84.8 percent and 70.5 percent, respectively. India's performance also falls below these benchmarks, but with trade making up 54.3 percent of GDP, India is still more integrated into the world economy than Bangladesh. Vietnam is much more integrated still, with trade equivalent to 167 percent of GDP. In terms of services, Bangladesh has enjoyed a small increase in the ratio of trade in services to GDP over the five years to 2008, to 6.6 percent in 2008, but this is below the regional and global LI medians of 10.6 percent and 16.4 percent.

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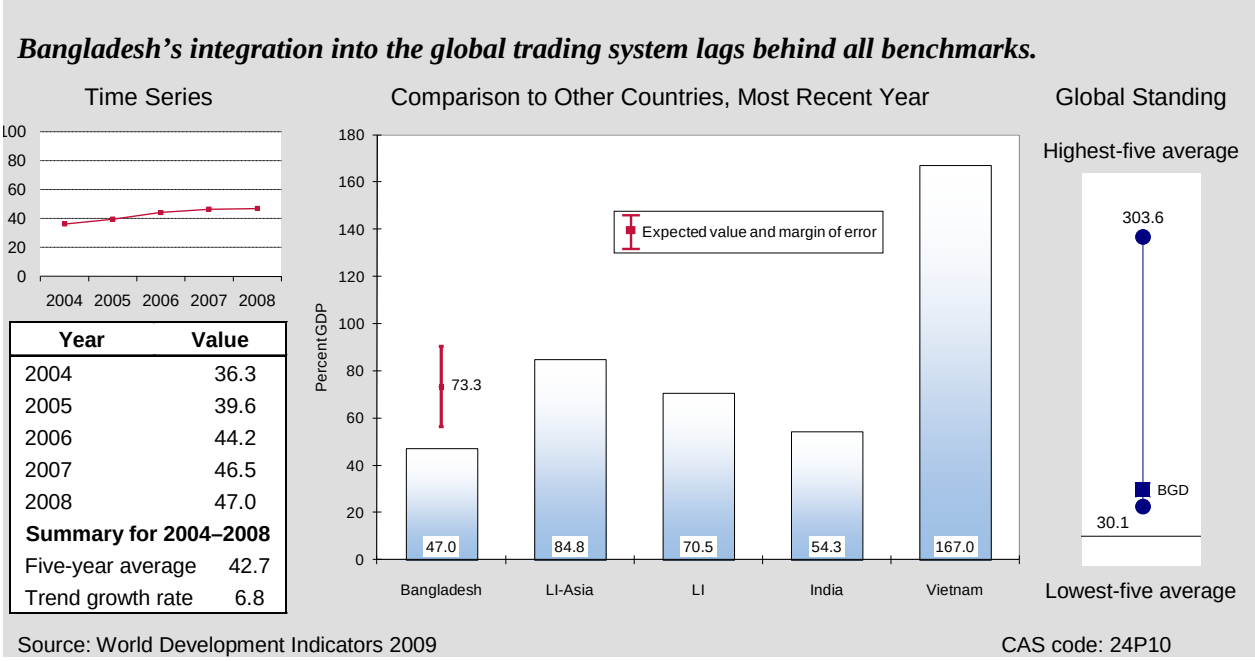
[51] Ibid.

[52] Grameen Bank. Breaking the vicious cycle of poverty through microcredit. http://www.grameen-info.org/index.php?option=com_content&task=view&id=25&Itemid=128.

[53] Microfinance Information Exchange. 2008. Asia Microfinance Analysis and Benchmarking Report. http://www.themix.org/sites/default/files/2008%20Asia%20Microfinance%20Analysis%20and%20Benchmarking%20Report.pdf.

Bangladesh's low level of overall trade can be attributed partially to restrictive trade policies. In 2009, the country's score on the Trade Freedom Index (TFI) compiled by the Heritage Foundation, which gauges the degree of freedom from quantitative barriers (tariffs) and nonquantitative (nontariff) barriers to trade, was 40.2 on a scale of 0 to 100, with 100 representing the absence of tariff and nontariff barriers. Bangladesh's score is low both on an absolute basis and in comparison with data from benchmark countries, none of which scores well on this indicator (51.0 for India and 63.4 for Vietnam). According to the Heritage Foundation, a high weighted-average tariff rate of 19.9 percent, import duties serving as a principal source of government revenue, numerous border fees and taxes, restrictive labeling requirements, burdensome import licensing rules, export subsidies, state trading boards, and inefficient and corrupt customs administration contributed to such a low score.[54]

Figure 3-6
Trade, as Percent of GDP



Bangladesh suffers from a chronically weak foreign trade account because of its dependence on imports of most essential goods, particularly petroleum. But over the last five years, exports of goods and services have grown by an annual average rate of 15.1 percent. Export growth, though, slowed considerably in the second half of fiscal 2009, as total exports (year-on-year) grew by only 2.6 percent, down from 20 percent in the first half of the year.[55] The readymade garment industry has become a top foreign exchange earner, accounting for about 80 percent of total export earnings in fiscal 2009. With more than 5,000 garment manufacturing and exporting firms, the industry employs about three million workers, of whom 90 percent are women. In addition, this industry supports the indirect employment of another 10 to 15 million workers, or roughly 10

[54] Heritage Foundation, Index of Economic Freedom 2009.

[55] Bangladesh Economic Update: September 2009, World Bank, p. 1.

percent of the population. The United States and European Union are the major markets for Bangladesh's garment exports, but the country is exploring new markets, especially Japan, because the global downturn has reduced demand from its major export markets. In 2008 Bangladesh supplied the United States with 6.3 percent of apparel imports by volume—third after China and Vietnam—and 4.8 percent of apparel imports—fifth after China, Vietnam, Indonesia, and Mexico. As of August 2009, Bangladesh was one of only three countries (besides Egypt and Haiti) to record increased value of garment supply to the United States in 2009.[56]

Most of these exports are of lower-value garments, and Bangladesh's dependence on this segment of the market, coupled with increasing competition in global markets after expiration of the Multifiber Agreement on Textiles and Clothing in January 2005, have resulted in a steep decline in Bangladesh's terms of trade. In 2007, Bangladesh's net barter terms of trade was 30 percent lower than in 2000. This indicates that Bangladesh's trade balance is struggling with pressure from declining value of its exports relative to the value of its imports. The clear implication is that Bangladesh must move quickly into exporting higher value-added garments and to diversify overall exports. Bangladesh is attempting to diversity—it is among the top 10 suppliers of frozen shrimp to the United States, for instance[57]—but efforts to move into other agroprocessing and services exports have had more limited success.[58]

In addition to the merchandise trade deficit, Bangladesh also runs a large deficit on its services account, "primarily arising out of the costs of freight and insurance on imports and expenses relating to technical and financial services for development projects."[59]

These structural deficits are balanced by current account transfers, which for the most part are composed of expatriate workers' remittances. The number of Bangladeshis working abroad and the amount of remittances that they send home have been increasing since the mid-1980s. Seventy thousand Bangladeshis worked abroad in 1985/86; by 2006/07, 563,000 were working abroad. Remittance receipts expressed as a percentage of exports rose substantially from 2004 to 2009: from the already high 44.5 percent to 62.3 percent (Figure 3-7). By comparison, remittances make up only 10.6 percent of exports for LI-Asia, 17.8 percent in India, and 10.4 in Vietnam.

In fiscal 2009, Bangladesh's current account balance benefitted from falling commodity prices, weak imports, and a continued increase in remittances, achieving an impressive surplus of $2.5 billion, or 2.8 percent of GDP.[60] By comparison, in 2009 India and Vietnam recorded current account deficits of 1.5 percent and 7.0 percent of GDP, respectively. The nominal exchange rate was kept stable through intervention by the Central Bank of Bangladesh to absorb the influx of dollars from remittances. The declining inflation rate in the United States has meant

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[56] U.S. apparel import data from Office of Textiles and Apparel, Department of Commerce, monthly Major Shippers Reports.

[57] Solidarity Center, The True Cost of Shrimp, 2008, p. 9.

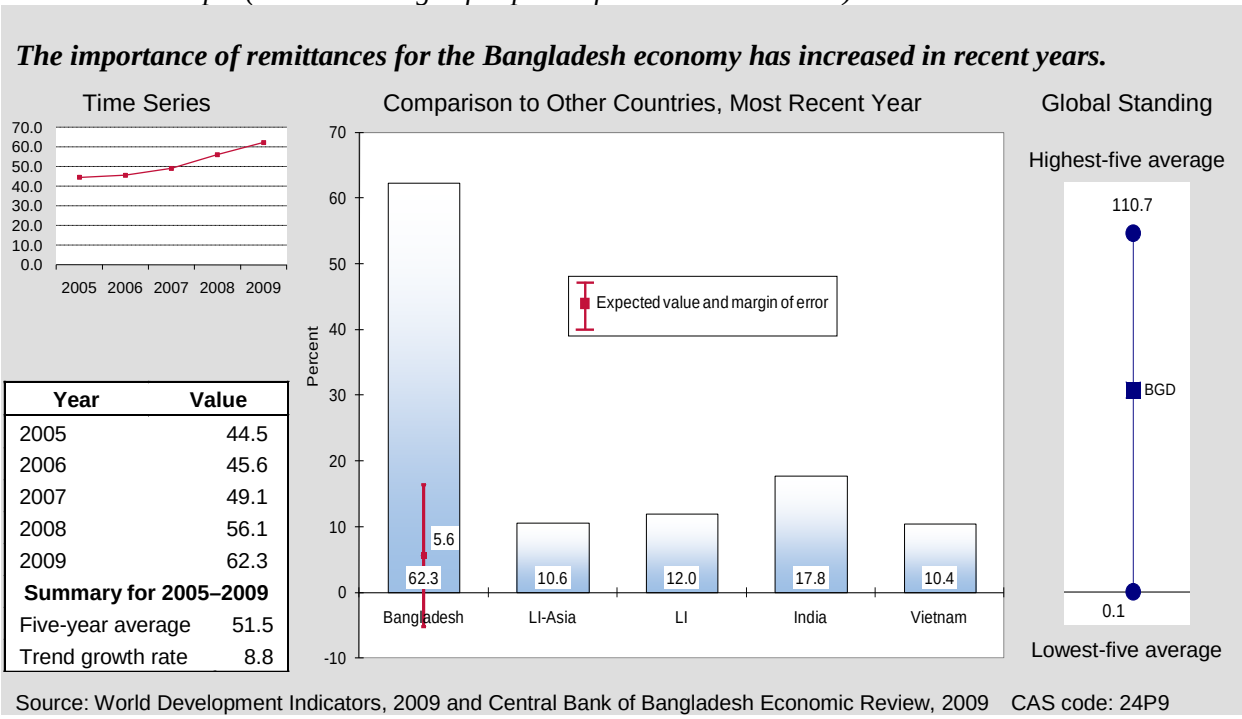
[58] Economist Intelligence Unit Country Profile, Bangladesh, July 2008, p. 18.

[59] Ibid., p. 26

[60] Asian Development Outlook, September 2009, p. 121.

that the real effective exchange rate (REER) has appreciated in relation to its mid-2008 level,[61] putting additional pressure on exports. The nominal exchange rate therefore may require adjustment for exports to maintain growth and competitiveness.

Figure 3-7
Remittance Receipts (as a Percentage of Exports of Goods and Services)



The global economic crisis has raised concerns, though, that remittances to Bangladesh might slow

> as the number of Bangladeshis taking up new jobs overseas fell by a staggering 50% year on year to 327,359 in the first eight months of 2009. Because there are no reliable data on returnees, it is impossible to know how many of the 6 million or so Bangladeshis working abroad have lost their jobs since the downturn in the global economy began.[62]

About 30 percent of all remittances come from Bangladeshi workers in Saudi Arabia.

The importance of remittance inflows to the economy is likely to be greater than reflected in official data, because large sums of money are thought to enter the country through unofficial channels. The Central Bank of Bangladesh has taken strides to increase remittances transferred through legal channels, rather than through the illegal network of money brokers, known as the Hundi system[63] Beyond these measures, the growth effects of remittances could be enhanced if programs concentrated not only on capturing remittances in the formal banking system but also

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[61] "Bangladesh Economic Update: September 2009", World Bank, p. 9.

[62] EIU Country Report, Bangladesh, September 2009, p. 13.

[63] Ibid.

on reducing the costs associated with their transfer and channeling a larger portion of remittance income into productive investment.

Foreign Investment, External Assistance, and International Reserves

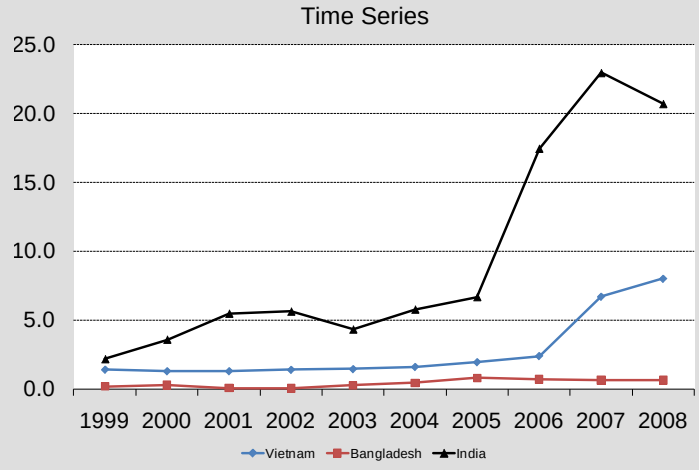
Capital flows into Bangladesh are primarily bilateral and multilateral development loans made at concessional terms with long maturities, which lightens the country's debt obligations.[64] Furthermore, the impact of debt service was reduced from 5.0 percent of exports in 2004 to 3.2 percent in 2008. At these levels, Bangladesh's debt service burden is well below the threshold of 20 percent often considered to be the sustainable maximum. Furthermore, the debt service burden is also lower than levels in India and Vietnam (5.4 percent and 6.5 percent, respectively). The present value of debt obligations in 2007 stood at 22.4 percent of GNI, which is below the LI-Asia median of 28.6 percent and Vietnam's 34.8 percent. India's figure, 20.2 percent, is more favorable.

Bangladesh's problematic business environment and inadequate infrastructure have continued to result in disappointing levels of FDI into Bangladesh. Even during the past five years of fairly high growth, Bangladesh has not enjoyed a significant upward trend in FDI into the country such as Vietnam and India have had (Figure 3-8a, 3-8b). FDI averaged only 1.0 percent of GDP in Bangladesh, which is only about one-fourth of the regional income group median for LI-Asia countries (3.7 percent) and less than a third of the global median of LI countries (3.2 percent).

Figure 3-8a
Foreign Direct Investment (in US$ Billion)

Vietnam and India are examples of significantly increasing FDI in a short period of time.

Year	Vietnam	India	Bangladesh
1999	1.4	2.2	0.2
2000	1.3	3.6	0.3
2001	1.3	5.5	0.1
2002	1.4	5.6	0.1
2003	1.5	4.3	0.3
2004	1.6	5.8	0.4
2005	2.0	6.7	0.8
2006	2.4	17.5	0.7
2007	6.7	23.0	0.7
2008	8.0	20.7	0.7



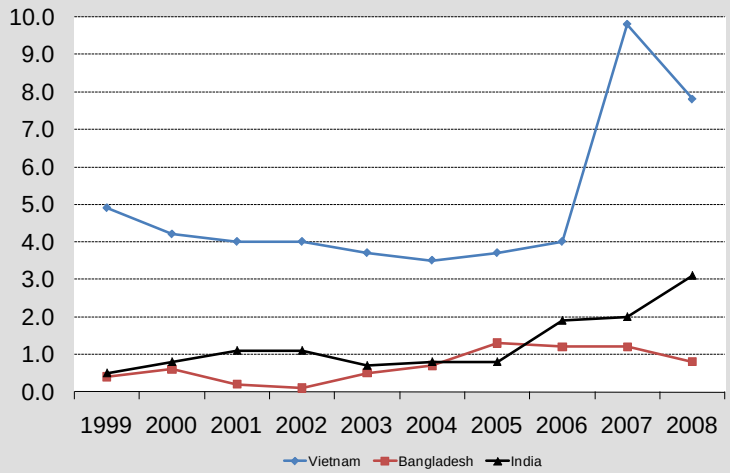
Source: World Development Indicators 2009 CAS code: N/A

[64] Economist Intelligence Unit Country Profile, Bangladesh, July 2008, p. 27.

Figure 3-8b
Foreign Direct Investment as a Percent of GDP

The level of FDI inflows relative to the overall economy has been disappointing for Bangladesh as compared to India and Vietnam.

Year	Vietnam	India	Bangladesh
1999	4.9	0.5	0.4
2000	4.2	0.8	0.6
2001	4.0	1.1	0.2
2002	4.0	1.1	0.1
2003	3.7	0.7	0.5
2004	3.5	0.8	0.7
2005	3.7	0.8	1.3
2006	4.0	1.9	1.2
2007	9.8	2	1.2
2008	7.8	3.1	0.8



Sources: World Development Indicators, 2009 and Central Bank of Bangladesh Economic Review, 2009; Central Bank of Vietnam; IMF Article IV for India 2009 CAS code: 24P5

In April 2008 the rising value of Bangladesh's imports became a reason for concern. This prompted the IMF to approve a US$218 million emergency loan to support the country's international reserve position.[65] Over the five years to 2008, Bangladesh's gross international reserves fluctuated between three and four months of import requirements, just at the level considered a prudent minimum to hedge against trade shocks. But in fiscal 2009 the official foreign exchange reserves reached a record high of nearly US$7.5 billion.[66]

To summarize, recent trends in Bangladesh's external sector highlight the need to improve Bangladesh's integration into the global economy. Bangladesh must improve the competitiveness of the country's exports by promoting the production of higher-value garments and diversifying exports. This probably will require sizable investment in workforce development and improvements to the country's business environment, including the supply of infrastructure (see below), to attract investors. The rising importance and precariousness of remittances also point to the benefits of improving their cost of transmission and increasing their developmental impact.

ECONOMIC INFRASTRUCTURE

Reliable physical infrastructure—for transportation, communications, power, and information technology—is critical for improving competitiveness and expanding productive capacity. Bangladesh's scores on most infrastructure quality indicators are on par with or better than the global LI median (except for those for Internet use and electricity supply), but consistently below those of India and Vietnam.

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[65] Economist Intelligence Unit Country Profile, Bangladesh, July 2008, p. 25.

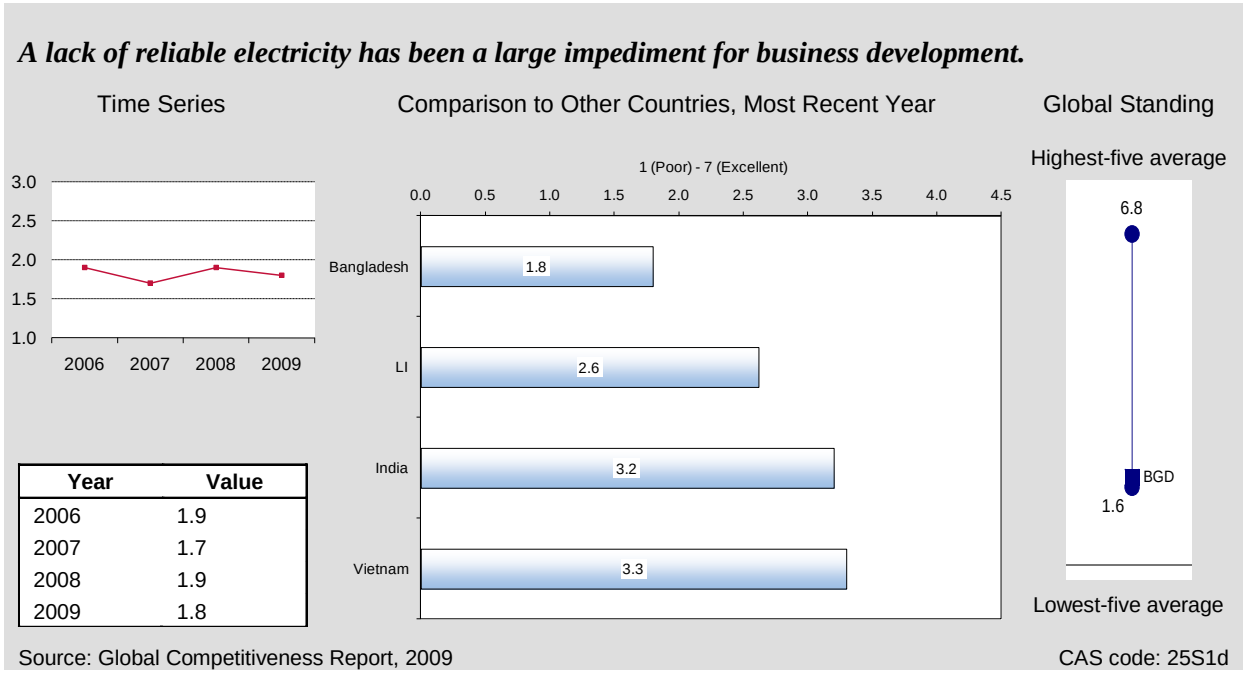
[66] Bangladesh Economic Update: September 2009, World Bank, p. 1.

In the most recent World Economic Forum (WEF) Executive Opinion Survey, the country's Overall Infrastructure Quality scored 2.5 on a scale of 1 (poor) to 7 (excellent). This score is identical to the median score of all LI countries. Both India and Vietnam, however, with scores of 3.2 and 2.8, respectively, outperform Bangladesh. Bangladesh's scores on port and rail infrastructure have remained stable in recent years, at 3.0 and 2.3 in 2009, respectively, which are below India's (3.5 and 4.5) and Vietnam's (5.7 and 4.8).

The government is investing in road infrastructure with the support of multilateral organizations, but challenges remain.[67] In addition to roads, in 2010 the government will begin building the Padma Multipurpose Bridge to replace unreliable and dangerous ferry service and connect the southwest region of the country, encompassing Bangladesh's second largest port (Mongla) and its third largest city (Khulna), to Dhaka. This will be the longest bridge in the country and expectations are high that it will increase economic growth for the depressed regions of the southwest.[68]

The unavailability of electricity has also been a large impediment to the private sector, and the WEF score in this area has been consistently low, at 1.8 percent—below all benchmarks, including the global LI median (2.6) and scores for India (3.2) and Vietnam (3.3). (Figure 3-9).

Figure 3-9
Electricity Supply Index



[67] Economist Intelligence Unit Country Profile, Bangladesh, July 2008, p. 15.

[68] "Padma bridge cost may hit $2.0 b-The largest infrastructure project to be made of steel", Finance World, 29 August, 2009. www.onlinefinanceworld.com.

Electricity generation per head in Bangladesh is among the lowest in the world. The supply of electricity is erratic and vulnerable to interruption from natural disasters, resulting in huge unmet demand that is compensated for at the firm level through private (expensive) generation, while about 60 percent of households are unconnected to the grid.[69] The lack of reliable sources of electricity undoubtedly deters foreign investment and holds back economic growth. On the World Bank Enterprise Survey administered in Bangladesh in 2007, firms reported 101 power outages per month, in comparison with the regional median of 42 and the global LI median of only 9. According to the Economist Intelligence Unit, "decades of underinvestment and rapidly rising demand mean that crippling power shortages will continue for years."[70]

Although doubling in the past five years, Bangladesh's use of information and communication technology is low—lower than all benchmarks. The number of Internet users per 1,000 people jumped from 1.6 in 2004 to 4.0 people in 2008 but remains well below the LI-Asia median of 7.8. By comparison, the extent of information technology use in India and Vietnam is much greater: 43.8 users per thousand in India and 239.0 users per thousand in Vietnam.[71]

On a positive note, in the five-year period under review, Bangladesh made good progress with respect to telephone density and air transport. Although it still lags behind India and Vietnam (33.8 and 61.4 fixed- and mobile-line subscribers per 100 people, respectively), Bangladesh's telephone density has improved greatly, from a mere 2.4 lines per 100 people in 2004 to 28.7 lines in 2009, surpassing the LI-Asia and global LI medians in the process (12.8 and 13.9 lines per hundred).

International air travel has improved significantly in recent years, in part reflecting the need for improved infrastructure owing to the number of Bangladeshis working abroad. Though domestic air travel has also improved, it remains extremely expensive.[72]

Consistent with those improvements, Bangladesh's score in the WEF Air Transport Infrastructure index rose from 2.7 in 2006 to 3.4 on a scale of 1 (poor) to 7 (excellent) in 2009. Notwithstanding the improvement, India and Vietnam scored higher on the WEF survey in this area (4.7 and 4.1, respectively).

The picture that emerges is clear: in spite of improvements in road and air transport networks and telephone density, the quality of economic infrastructure in Bangladesh remains poor on an absolute basis and in relation to the comparison countries. Furthermore, executives surveyed by the WEF for the Global Competitiveness Report for 2009-10 ranked inadequate supply of infrastructure as the most problematic factor for doing business.[73] Investment in infrastructure is needed to foster expansion of productive capacity and economic growth. Bangladesh lags furthest behind in electricity supply, roads, and information and communication technology use.

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[69] Economist Intelligence Unit Country Profile, Bangladesh, July 2008, p. 14–16.

[70] Ibid, p. 16.

[71] International Telecommunication Union, 15 December 2009, http://www.itu.int/ITU-D/ict/index.html.

[72] Economist Intelligence Unit Country Profile, Bangladesh, July 2008, p. 15.

[73] World Economic Forum, Global Competitiveness Report 2009-2010.

SCIENCE AND TECHNOLOGY

Science and technology are vital to a dynamic business environment and are a driving force of improved productivity and competitiveness. Even for low-income countries such as Bangladesh, transformational development depends on acquiring and adapting technology from the global economy. A lack of capacity to access and use technology prevents an economy from leveraging the benefits of globalization. Unfortunately, few international indicators are available to judge performance in this area for low- and lower-middle-income countries. From the limited information that is available, though, it appears that science and technology capability in Bangladesh is not even on par with the global LI median and well below the capabilities of India and Vietnam in most cases. This indicates the need to develop science and technology capabilities to ensure sustainable development.

Indicators of science and engineering capacity in Bangladesh are comparable to those of Vietnam, but both lag behind India. Indeed, the number of scientific and technology journal articles published per million people in Bangladesh each year averaged 181.6 over the five years to 2005. This is slightly below Vietnam's 221 articles per million and not even in the same league as India's 14,608 articles per million. Likewise, on the WEF Index of the availability of scientists and engineers, Bangladesh's score of 4.1 in 2009 (on a scale of 1 for poor to 7 for excellent) is on par with Vietnam's 4.2 but below India's 5.6.

On the WEF FDI Technology Transfer index, survey respondents gave Bangladesh a score of 4.2 on a scale of 1 (poor) to 7 (excellent) in 2009. While in absolute terms this is a positive score, it is below all the benchmarks: 4.5 for the global LI median, 5.0 for Vietnam, 5.4 for India, and even the 4.8 expected value for a country with Bangladesh's characteristics. Bangladesh's score has declined every year from since 2006, indicating a decline in executives' confidence that the little FDI coming into Bangladesh is bringing new technology.

Finally, in regard to intellectual property rights protection, Bangladesh received a score of 2.4 out of 7, which is low on an absolute basis and below the global LI median (2.9), and the scores of India and Vietnam—3.2 and 3.3, respectively—indicating that intellectual property rights are poorly enforced in these countries.

4. Pro-Poor Growth Environment

Rapid growth is the most powerful and dependable instrument for poverty reduction, but the link from growth to poverty reduction is not mechanical. Sometimes, income growth for poor households exceeds the rise in per capita income, but sometimes, the poor are left far behind. A pro-poor growth environment stems from policies and institutions that improve opportunities and capabilities for the poor while reducing their vulnerabilities. Pro-poor growth is associated with investment in primary health and education, the creation of jobs and income opportunities, the development of skills, and the availability of microfinance, agricultural development, and gender equality. This section focuses on health, education, employment and the workforce, and agricultural development.

HEALTH

The provision of basic health service is a major form of human capital investment and a significant determinant of growth and poverty reduction. Although health programs do not fall under the EGAT bureau, an understanding of health conditions can influence the design of economic growth interventions. A government's commitment to improving health policy is essential to a country's development. Although the government of Bangladesh has had success in several areas of health policy, many more deserve its attention.

Overall, the health of the population of Bangladesh has been improving steadily. This is evidenced by a new high life expectancy of 66.3 years (2008), which exceeds both India's 64.7 years and the LI-Asia median 64.3 years, although it is below Vietnam's 74.2 years. This improvement in health is also obvious in the swiftly decreasing rate of child mortality. According to Millennium Development Goal indicators, Bangladesh has reduced the under-five mortality rate by 60 percent, from 151 deaths per 1,000 live births in 1990 to 61 deaths in 2007.[74] This puts Bangladesh well on the way to reaching the MDG goal of a two-thirds reduction by 2015.

The continued improvement in life expectancy is partly due to government programs that worked hard to stop the spread of AIDS. In many developing countries the AIDS epidemic can drag down life expectancy as more and more young people die. In 2007, less than one-tenth of 1 percent of Bangladeshis were infected. The rates of infection among male injection drug users, however,

[74] MDG Database 2009 Update: http://mdgs.un.org/unsd/mdg/Data.aspx.

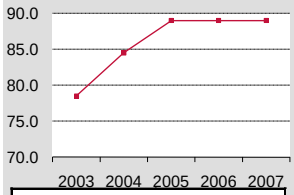
have increased, from 1 percent in 1999 to 7 percent in 2006, raising concern about a larger problem in the future.[75]

Along with increased AIDS awareness, Bangladesh has made a considerable effort to improve awareness and use of contraceptives and family planning to control the growth of the population. This has lead to a significant decline in fertility rates, from 3.4 children per women in 1994 to 2.7 children in 2007, and again exhibited the effectiveness of government involvement in health policy. The government has also seen considerable success with the national immunization program. The child immunization rate held steady at 89 percent from 2006 to 2007. This rate is above the LI-Asia median of 81.0 percent even Vietnam's 87.5 percent (Figure 4-1). Even in rural Bangladesh the immunization rate is 81 percent.[76] Much of this success is due to good organization and adequate funding. Although this success is admirable, Bangladesh still commits insufficient resources to addressing other pressing health problems.

Figure 4-1
Child Immunization Rate (Percent)

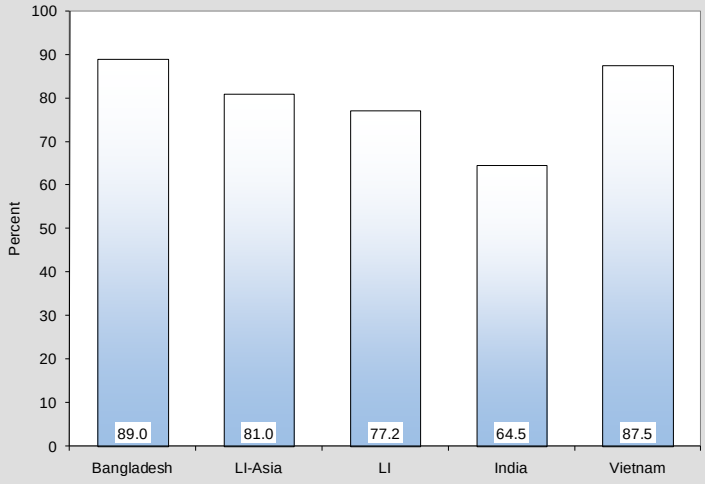
Bangladesh's immunization rates are much higher than those of India and Vietnam, which are ranked as middle-income countries.

Time Series



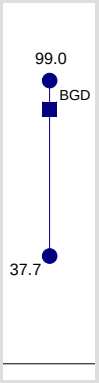
Year	Value
2003	78.5
2004	84.5
2005	89.0
2006	89.0
2007	89.0
Summary for 2003–2007	
Five-year average	86.0
Trend growth rate	3.0

Comparison to Other Countries, Most Recent Year



Global Standing

Highest-five average



Lowest-five average

Source: World Development Indicators, 2009

CAS code: 31S4

Public health spending remained at about 1 percent of GDP between 2002 and 2007. This is below the LI-Asia median of 1.7 percent and half the LI median of 2.1 percent. This lack of funding is most apparent in the recent decline in the percent of births attended by a skilled professional. This rate had improved from 14 percent in 2003 to 20.1 percent in 2006, but fell back to 18 percent in 2007. The vast majority of births (85 percent) take place in the home, and of the few that do take place at a health facility, the greatest increase has been in private or NGO

[75] 2007 Demographic and Health Survey, March 2009.

[76] Ibid.

facilities.[77] Not surprisingly, Bangladesh's maternal mortality rate of 570 per 100,000 live births is higher than India's 450 deaths or Vietnam's 150 deaths per 100,000 live births, although it is equal to the LI-Asia median. Malnutrition rates for children under the age of five in Bangladesh, taken from the World Bank's World Development Indicators, fell to 39.2 percent in 2005. For want of subsequent data from that source, Demographic and Health Survey data were used for 2007. These indicate that the malnutrition rate fell to 41 percent from 43 percent in 2004. The fall in the malnutrition rate is encouraging but the rate remains high for a country that has seen so much economic growth. Moreover, the rate is still slightly above the LI-Asia median (40.8 percent) and nearly double the rate in Vietnam (20.2 percent).

Data on access to improved water sources and improved sanitation are also sparse, but long-range data show steady improvement. Access to improved sanitation increased from 28 percent of the population in 1995 to 36 percent in 2006, which is slightly above the LI-Asia median of 33 percent. The size of the population with access to improved water sources also increased, from 78 percent to 80 percent, in the same period. But this rate remains significantly below the share of the population with access to improved water sources in India (89 percent) and Vietnam (92 percent). These figures show the continued need for investment in health services. The Bangladesh government has already shown that with sufficient funding and proper planning, it can improve child immunization rates, decrease the fertility rate, and prevent the spread of AIDS, which are impressive accomplishments, but there is room for further improvement.

EDUCATION

Along with health, education is a fundamental object of human capital investment and a vital input for achieving pro-poor growth. In recent years, the government and donors have made substantial progress in meeting the Millennium Development Goal of achieving universal primary school education, particularly among girls, in Bangladesh. But primary completion rates, secondary school enrollment rates, and indicators of educational quality reveal a far grimmer picture of the education sector in Bangladesh.

The net primary enrollment rate increased from 76.3 percent in 1991 to 86.5 percent in 2006. These gains have brought Bangladesh in line with the LI-Asia median of 83.3 percent and India's 88.7 percent. Vietnam's primary school enrollment rate of 93.4 percent serves as a credible aspiration. Similar enrollment gains have been achieved at the tertiary level. Gross tertiary enrollment increased from 6.0 percent in 2003 to 7.2 percent in 2007. Bangladesh outperforms the LI median of 2.3 percent and the LI-Asia median of 5.1 percent, but still lags behind India's gross tertiary enrollment rate of 11.8 percent.

Data on the net secondary school enrollment rate, however, indicate a decline from 44.2 percent in 2003 to 40.7 percent in 2007. Bangladesh still outperforms the global LI median of 28.5 percent and the LI-Asia median of 35.5 percent but underperforms Vietnam, which reached a secondary school enrollment rate of 62 percent in 2001 (latest year of data). Moreover, although Bangladesh's primary completion rate of 56.3 percent (2006) is on par with the global LI median

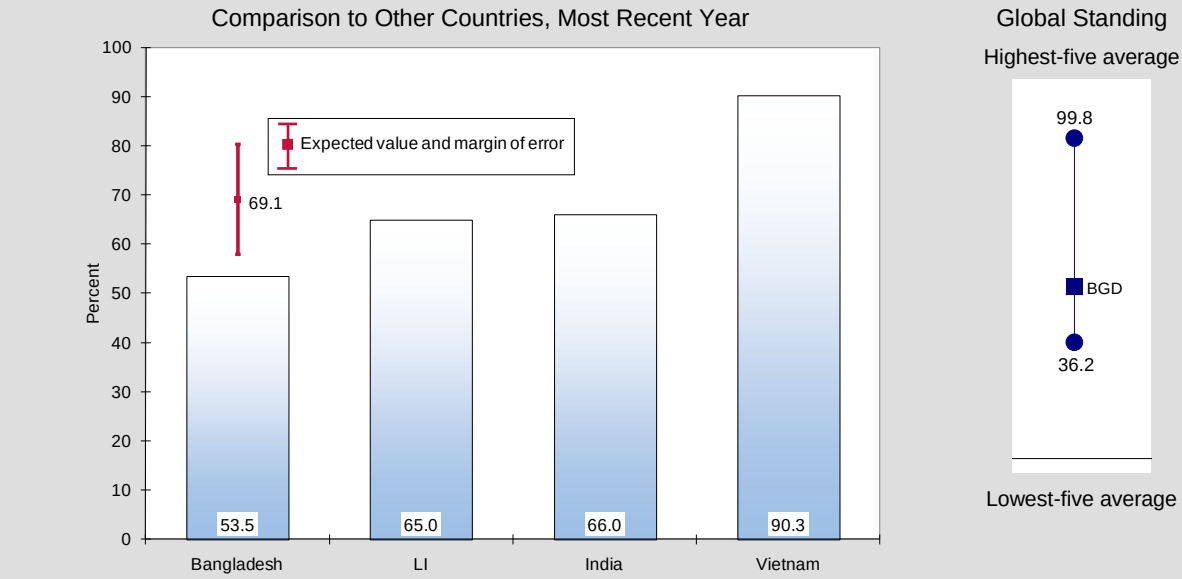
[77] Ibid.

of 56.5 percent, it remains very low relative to international benchmarks, including the LI-Asia median of 70.4 percent and India's 85.7 percent.

In 2007, youth literacy stood at just 72.1 percent in Bangladesh, compared to the global LI group median of 77.8 percent and India's 82.1 percent. This is particularly troubling given that the net primary enrollment rate among LI countries is just 57.7 percent, over 25 percentage points lower than in Bangladesh. The adult literacy rate of only 53.5 percent (2007) is also of great concern. Adult literacy in Bangladesh is not only well below benchmarks, but low on an absolute basis (Figure 4-2). By comparison, the global LI median and the expected value for a country with Bangladesh's characteristics are 65 percent and 69.1 percent, respectively. India posted an adult literacy rate of 66 percent in 2007. The gap between Bangladesh and Vietnam, which registered a rate of 90.3 percent, is even wider.

Figure 4-2
Adult Literacy Rate

Adult literacy rates are disappointing and improved education outcomes should be a priority for Bangladesh.



Source: UNDP Report, 2009

CAS code: 14P1

Although it is difficult to gauge quality of education using international statistics, one crude but common proxy is the pupil–teacher ratio, with fewer students per teacher being preferable. In 2007, there were 45 students per teacher in Bangladesh. This is double Vietnam's 20:1 ratio and slightly above the LI group median of 41 students per teacher and India's 40:1 (in 2004, the latest year of data). Another rough indicator of quality is the share of government expenditure on education. Between 2002 and 2006, Bangladesh's expenditure on primary education remained at just 1.0 percent of GDP.

Bangladesh's poor performance on educational indicators such as the primary completion rate and youth and adult literacy rates reflects a cumulative lack of educational attainment in the

country. Adult literacy programs with broad outreach could help close the gap, while greater attention to improving the quality of education will help ensure that youth who enter the workforce arrive better prepared to pursue skilled employment opportunities.

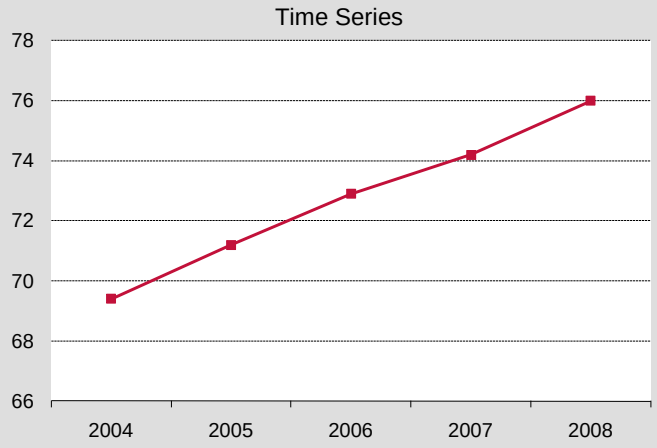
EMPLOYMENT AND WORKFORCE

In recent years, the government has made concerted efforts to facilitate employment growth to reduce Bangladesh's labor surplus. The size of the labor force continues to increase, growing by 2.3 percent to 76 million people in 2008 (Figure 4-3). This growth in new entrants to the workforce is higher than in India (1.7 percent) and Vietnam (2.1 percent) and has outpaced the employment growth rate, which averaged 1.6 percent since the 1990s, leading to a labor surplus in Bangladesh.[78] Although the official unemployment rate was just 4.2 percent in 2006, this figure does not accurately reflect the market for labor. The unemployment rate is defined as those without jobs who are actively seeking work, thus those who are underemployed or who do not register as seeking work are not counted. Although underemployment can be measured many ways, in Bangladesh it is defined as working less than 35 hours per week. In 2006 the underemployment rate was 24.5 percent, which was a marked improvement from 35 percent in 2003.[79]

Figure 4-3
Labor Force (Millions of People)

The labor force continues to grow at a rapid pace, creating a labor surplus in Bangladesh.

Year	Value
2004	69.4
2005	71.2
2006	72.9
2007	74.2
2008	76.0
Summary for 2004–2008	
Five-year average	72.8
Trend growth rate	2.2



Source: World Development Indicators, 2009 CAS code: 33P3a

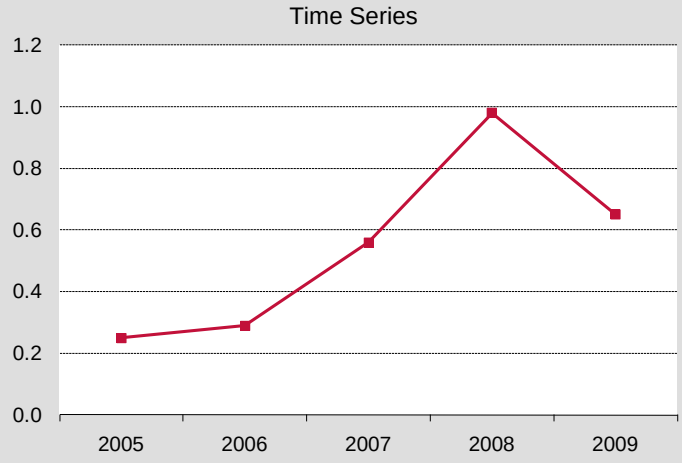
[78] Recent Employment Situation and Labor Market Developments in Bangladesh, Central Bank of Bangladesh.

[79] Role of Labor-Related Issues in the Foreign Assistance Framework, Bangladesh Labor Assesment, June 2009 Draft, pg 24. Recent Employment Situation and Labor Market Developments in Bangladesh, Central Bank of Bangladesh, pg 4.

Similarly, the unemployment rate does not account for the nearly 1 million Bangladeshis who traveled abroad seeking employment in fiscal 2008.[80] The labor surplus has led many to travel abroad, principally to the Middle East, to seek work. This has helped relieve the domestic labor market from the stress of the growing labor force and helps to explain a steady or declining labor force participation rate. As jobs become scarce in Bangladesh, more and more workers take advantage of the various government services facilitating worker migration. Unfortunately, the global recession has slowed this exportation of excess labor. The number of Bangladeshis traveling abroad for work dropped 34 percent from the peak of 981,102 workers in 2008 to 650,059 workers in 2009 (Figure 4-4).[81]

Figure 4-4
Bangladeshis Seeking Employment Abroad (Millions of People)

The labor surplus in Bangladesh has led workers to seek employment abroad, but in 2009 the recession caused the outflow of excess labor to decline.



Year	Value
2005	0.25
2006	0.29
2007	0.56
2008	0.98
2009	0.65

Source: Economic Trends October 2009, Central Bank of Bangladesh CAS code: N/A

Like most developing countries, Bangladesh is undergoing significant urbanization. Although the share of the labor force employed in agriculture in 2006 was large at 48 percent, between 2000 and 2006, the urban labor force grew by 30 percent.[82] One of the primary drivers of this urbanization has been expansion of the readymade garment industry.[83]

Although women still lag far behind men in labor force participation (57.2 percent compared to 84.5 percent in 2007), the female presence in the labor market has been increasing steadily. In 2000 women accounted for only 20 percent of the total employed labor force (in both formal and

[80] Economic Trends October 2009, Central Bank of Bangladesh.

[81] Economic Trends October 2009, Central Bank of Bangladesh.

[82] Employment Promoting Growth in Bangladesh: Monetary and Financial Sector Issues, Central Bank of Bangladesh.

[83] USAID. The Role of Labor-Related Issues in the Foreign Assistance Framework, Bangladesh Labor Assesment, June 2009 Draft, p. 24.

informal sectors), but by 2006, that share had grown to 24 percent.[84] Much of this increase has been due to the readymade garment industry, where women make up nearly 90 percent of the labor force.[85] Although the majority of employment in Bangladesh is found in the informal sector and labor unions are weak, the firing costs in Bangladesh are unusually high, measured at 104 weeks of salary, compared to 88.5 weeks for the LI-Asia median, 56 weeks in India, and 87 weeks in Vietnam. At the same time, Bangladesh's rigidity of employment index score of 28 is not out of line with the LI-Asia median of 24 and is between the scores of India, at 30, and Vietnam, at 21.

AGRICULTURE

The agriculture sector continues to play a critical role in the economy. The sector is dominated by small-scale farming, with about 75 percent of agricultural land devoted to the production of rice, the main food staple for Bangladeshis. Bad weather conditions due to drought and cyclones cause shortfalls in the domestic food supply, leading to spiraling food prices.

Increases in the use of fertilizer and the availability of irrigation have increased cereal yields. Bangladesh's cereal yield increased by 10 percent between 2003 and 2007. At 3,828 kilograms (kg) per hectare in 2007, Bangladesh's yield was higher than the 2,529 kilograms per hectare for India and the LI-Asian median of 3,517 kg per hectare and almost three times the global LI median of 1,316 kg per hectare (Figure 4-5). Fertilizer use in Bangladesh grew by 4.8 percent during the 2001–2005 period, to nearly 200 kg per hectare, one of the heaviest uses in Asia. [86] This compares to the LI-Asia median of 68 kg per hectare and the even lower global LI median of 6 kg per hectare. Vietnam also uses large quantities of fertilizer—300 kg per hectare, and has the high cereal yield (4,715 kg per hectare) to show for it. Crop production increased by 11 percent in Bangladesh in 2005 over 1999–2001, while it increased by almost 24 percent in Vietnam.

Irrigation is used particularly for cultivating the high yielding boro rice. Irrigation is done using privately owned shallow tube wells and powered pumps run by diesel, which makes the price of rice very sensitive to the diesel price. According to the International Rice Research Institute (IRRI), a major factor behind the high unit cost of production of the high yielding variety (HYV) rice in Bangladesh is the cost of irrigation compared to the other countries in the region. Bangladeshi farmers have to spend about 51 US dollars to irrigate one hectare land whereas the irrigation costs are about 32 dollars in Punjab, India, 18 dollars in Thailand and 26 dollars in Vietnam.[87]

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[84] Recent Employment Situation and Labor Market Developments in Bangladesh, Central Bank of Bangladesh.

[85] Employment Promoting Growth in Bangladesh: Monetary and Financial Sector Issues, Central Bank of Bangladesh.

[86] Forces Shaping Food Security: Factors Affecting Production, Food Security Assessment GF-16 Economic Research Service, USDA.

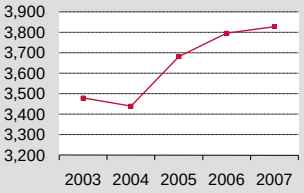
[87] Liberalization of the Crop Sector: Can Bangladesh Withstand Regional Competition? Center for Policy Dialogue, Dhaka Bangladesh, September 2003.

In Bangladesh, some coastal areas in the Southwestern districts of Satkhira, Khulna, Bagerhat, and Patuakhali have been flooded to produce shrimp and prawn for export, which contributes up to 40 percent of income.[88] Indiscriminate fishing has a negative effect on biodiversity in coastal ecosystems and the government has had to restrict postlarvae collection. Global climate changes are particularly worrisome for Bangladesh because of its large area taken by low-lying lands, where rising sea level can wash out agricultural production.

Figure 4-5
Cereal Yield, Kilograms per Hectare

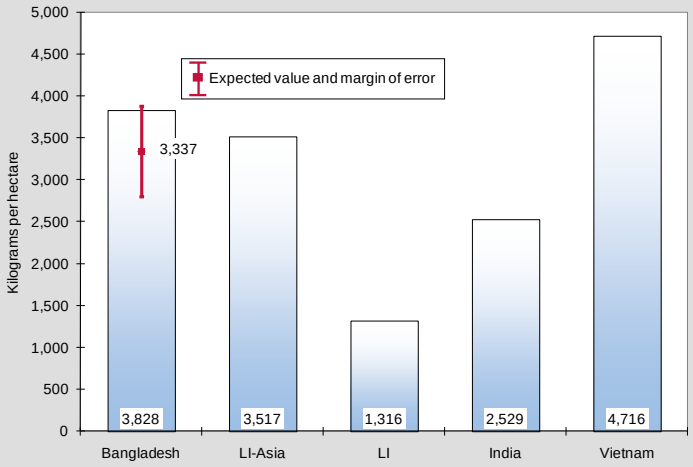
Cereal yields have improved tremendous in recent years as a result of higher-value-added inputs.

Time Series

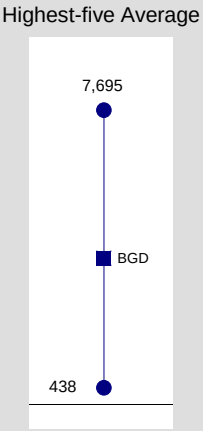


Year	Value
2003	3,480
2004	3,439
2005	3,682
2006	3,796
2007	3,828
Summary for 2003–2007	
Five-year average	3,645
Trend growth rate	2.9

Comparison to Other Countries, Most Recent Year



Global Standing



Source: World Development Indicators, 2009

CAS code: 34P2

The agriculture sector faces multifaceted challenges, ranging from reducing the cost of irrigation to environmental conservation measures for protecting the natural resource base. Given the magnitude of the problems and the limited resources that Bangladesh has to deal with these, the international donor community will likely be heavily supporting interventions in this sector.

[88] Population and food: Global trends and future prospects. Dyson, Tim.

Appendix A. CAS Methodology

CRITERIA FOR SELECTING INDICATORS

The economic performance evaluation in this report balances the need for broad coverage and diagnostic value with the requirement of brevity and clarity. The analysis covers 15 economic growth–related topics, and just over 100 variables. For the sake of brevity, the write-up in the text highlights issues for which the "dashboard lights" appear to be signaling problems, which suggest possible priorities for USAID intervention. The accompanying table provides a full list of indicators examined for this report. The data supplement in Appendix B contains the complete data set for Bangladesh including data for the benchmark comparisons, and technical notes for every indicator.

For each topic, the analysis begins with a screening of *primary performance indicators*. These Level I indicators are selected to answer the question: Is the country performing well or not in this area? The set of primary indicators also includes descriptive variables such as per capita income, the poverty head count, and the age dependency rate.

When Level I indicators suggest weak performance, we review a limited set of *diagnostic supporting indicators*. These Level II indicators provide additional details, or shed light on *why* the primary indicators may be weak. For example, if economic growth is poor, one can examine data on investment and productivity as diagnostic indicators. If a country performs poorly on educational achievement, as measured by the youth literacy rate, one can examine determinants such as expenditure on primary education, and the pupil–teacher ratio.[1]

Indicators have been selected on the basis of the following criteria. Each must be accessible through USAID's Economic and Social Database or convenient public sources, particularly on the Internet. They should be available for a large number of countries, including most USAID client states, to support the benchmarking analysis. The data should be sufficiently timely to support an assessment of country performance that is suitable for strategic planning purposes. Data quality is another consideration. For example, subjective survey responses are used only when actual measurements are not available. Aside from a few descriptive variables, the indicators must also be useful for diagnostic purposes. Preference is given to measures that are widely used, such as Millennium Development Goal indicators, or evaluation data used by the Millennium Challenge Corporation. Finally, an effort has been made to minimize redundancy. If two indicators provide similar information, preference is given to one that is simplest to understand, or most widely used. For example, both the Gini coefficient and the share of income

[1] Deeper analysis of the topic using more detailed data (Level III) is beyond the scope of this series.

accruing to the poorest 20 percent of households can be used to gauge income inequality. We use the income share because it is simpler and more sensitive to changes.

BENCHMARKING METHODOLOGY

Comparative benchmarking is the main tool used to evaluate each indicator. The analysis draws on several criteria, rather than a single mechanical rule. The starting point is a comparison of performance in Bangladesh relative to the average for countries in the same income group and region —in this case, low income countries in Asia.[2] For added perspective, three other comparisons are examined: (1) the global average for this income group; (2) respective values for two comparator countries approved by the Bangladesh mission and (3) the average for the five best-performing and five worst-performing countries globally. Most comparisons are framed in terms of values for the latest year of data from available sources. Five-year trends are also taken into account when this information sheds light on the performance assessment.[3]

For selected variables, a second source of benchmark values uses statistical regression analysis to establish an expected value for the indicator, controlling for income and regional effects.[4] This approach has three advantages. First, the benchmark is customized to Bangladesh's specific level of income. Second, the comparison does not depend on the exact choice of reference group. Third, the methodology allows the quantification of the margin of error and establishment of a "normal band" for a country with Bangladesh's characteristics. An observed value falling outside this band on the side of poor performance signals a serious problem.[5]

Finally, where relevant, Bangladesh's performance is weighed against absolute standards. For example, a corruption perception index below 3.0 is a sign of serious economic governance problems, regardless of the regional comparisons or regression result.

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[2] Income groups as defined by the World Bank for 2008. In this report, the average is defined in terms of the median so that values are not distorted by outliers.

[3] The five-year trends are computed by fitting a log-linear regression line through the data points. The alternative of computing average growth from the end points produces aberrant results when one or both of those points diverges from the underlying trend.

[4] This is a cross-sectional OLS regression using data for all developing countries. For any indicator, Y, the regression equation takes the form: Y (or ln Y, as relevant) = a + b * ln PCI + c * Region + error – where PCI is per capita income in PPP$, and Region is a set of 0-1 dummy variables indicating the region in which each country is located. When estimates are obtained for the parameters a, b, and c, the predicted value for the Bangladesh is computed by plugging in Bangladesh specific values for PCI and Region. Where applicable, the regression also controls for population size and petroleum exports (as a percentage of GDP).

[5] This report uses a margin of error of 0.68 times the standard error of estimate (adjusted for heteroskedasticity, where appropriate). With this value, 25 percent of the observations should fall outside the normal range on the side of poor performance (and 25 percent on the side of good performance). Some regressions produce a very large standard error, giving a "normal band" that is too wide to provide a discerning test of good or bad performance.

STANDARD CAS INDICATORS

Indicator	Level	MDG, MCA, or EcGov[a]
Statistical Capacity Indicator	I	EcGov
Growth Performance		
Per capita GDP, in purchasing power parity dollars	I	
Per capita GDP, in current US Dollars	I	
Real GDP Growth	I	
Growth of labor productivity	II	
Investment Productivity, incremental capital-output ratio (ICOR)	II	
Gross fixed investment, % GDP	II	
Gross fixed private investment, % GDP	II	
Poverty and Inequality		
Human poverty index (0 for excellent to 100 for poor)	I	
Income-share, poorest 20%	I	
Population living on less than $1.25 PPP per day	I	MDG
Poverty Headcount, by national poverty line	I	MDG
PRSP Status	I	EcGov
Population below minimum dietary energy consumption	II	MDG
Economic Structure		
Employment or labor force structure	I	
Output structure	I	
Demography and Environment		
Adult literacy rate	I	
Youth dependency rate/ elderly dependency rate	I	
Environmental performance index (0 for poor to 100 for excellent)	I	
Population size and growth	I	
Percent of population living in urban areas	I	
Resource depletion, % GNI	I	
Gender		
Primary completion rate, male, female	I	MCA
Gross enrollment rate, all levels, male, female	I	MDG
Life expectancy at birth, male, female	I	
Labor force participation rate, male, female	I	
Fiscal and Monetary Policy		
Government expenditure, % GDP	I	EcGov
Government revenue, excluding grants, % GDP	I	EcGov
Growth in the broad money supply	I	EcGov
Inflation rate	I	MCA
Overall government budget balance, including grants, % GDP	I	MCA, EcGov
Composition of government expenditure	II	
Composition of government revenue	II	
Composition of money supply growth	II	

Indicator	Level	MDG, MCA, or EcGov[a]
Business Environment		
Control of Corruption index (-2.5 for poor to 2.5 for excellent)	I	EcGov
Ease of Doing Business ranking	I	EcGov
Rule of law index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Regulatory quality index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Government effectiveness index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Cost of starting a business	II	MCA, EcGov
Procedures to enforce a contract	II	EcGov
Procedures to register property	II	EcGov
Procedures to start a business	II	EcGov
Time to enforce a contract	II	EcGov
Time to register property	II	EcGov
Time to start a business	II	MCA, EcGov
Total tax payable by business	II	EcGov
Business costs of crime, violence, terrorism index (1 for poor to 7 for excellent)	II	
Senior manager time spent dealing with government regulations	II	EcGov
Financial Sector		
Domestic credit to private sector, % GDP	I	
Interest rate spread	I	
Money supply, % GDP	I	
Stock market capitalization rate, % of GDP	I	
Credit information index (0 for poor to 6 for excellent)	I	
Legal rights of borrowers and lenders index (0 for poor to 10 for excellent)	II	
Real interest rate	II	
Number of active microfinance borrowers	II	
External Sector		
Aid , % GNI	I	
Current account balance, % GDP	I	
Debt service ratio, % exports	I	MDG
Export growth of goods and services	I	
Foreign direct investment, % GDP	I	
Gross international reserves, months of imports	I	EcGov
Gross private capital inflows, % GDP	I	
Present value of debt, % GNI	I	
Remittance receipts, % exports	I	
Trade, % GDP	I	
Trade in services, % GDP	I	
Concentration of exports	II	
Inward FDI potential index	II	
Net barter terms of trade	II	
Real effective exchange rate (REER)	II	EcGov
Structure of merchandise exports	II	

Indicator	Level	MDG, MCA, or EcGov[a]
Trade freedom index (0 for poor to 100 for excellent)	II	MCA, EcGov
Ease of trading across boarders ranking	II	EcGov
Economic Infrastructure		
Internet users per 100 people	I	MDG
Logistics performance index, infrastructure	I	
Telephone density, fixed line and mobile	I	MDG
Overall infrastructure quality index (1 for poor to 7 for excellent)	I	EcGov
Quality of infrastructure—railroads, ports, air transport, and electricity	II	
Roads paved, % total roads	II	
Science and Technology		
FDI and technology transfer index (1 for poor to 7 for excellent)	I	
Availability of scientists and engineers index (1 for poor to 7 for excellent)	I	
Science & technology journal articles per million people	I	
IPR protection index (1 for poor to 7 for excellent)	I	
Health		
HIV prevalence	I	
Life expectancy at birth	I	
Maternal mortality rate	I	MDG
Access to improved sanitation	II	MDG
Access to improved water source	II	MDG
Births attended by skilled health personnel	II	MDG
Child immunization rate	II	MCA
Prevalence of child malnutrition (weight for age)	II	
Public health expenditure, % GDP	II	MCA, EcGov
Education		
Net primary enrollment rate, male, female, total	I	MDG
Primary completion rate , total	I	
Youth literacy rate, male, female, total	I	
Net secondary enrollment rate	I	
Gross tertiary enrollment rate	I	
Education expenditure, primary, % GDP	II	MCA, EcGov
Expenditure per student, % GDP per capita—primary, secondary, and tertiary	II	EcGov
Pupil-teacher ratio, primary school	II	
Employment and Workforce		
Labor force participation rate, total	I	
Rigidity of employment index (0 for minimum rigidity to 100 for maximum)	I	EcGov
Size and growth of the labor force	I	
Unemployment rate	I	
Economically active children, % children ages 7-14	I	
Firing costs, weeks of wages	II	EcGov

Indicator	Level	MDG, MCA, or EcGov[a]
Agriculture		
Agriculture value added per worker	I	
Cereal yield	I	
Growth in agricultural value-added	I	
Fertilizer consumption (100 grams per hectare of arable land)	II	
Agricultural policy costs index (1 for poor to 7 for excellent)	II	EcGov
Crop production index	II	
Livestock production index	II	

[a] *Level I = primary performance indicators, Level II = supporting diagnostic indicators*

[b] *MDG—Millennium Development Goal indicator*
MCA—Millennium Challenge Account indicator
EcGov—Major indicators of economic governance, which is defined in USAID's Strategic Management Interim Guidance to include "microeconomic and macroeconomic policy and institutional frameworks and operations for economic stability, efficiency, and growth." The term therefore encompasses indicators of fiscal and monetary management, trade and exchange rate policy, legal and regulatory systems affecting the business environment, infrastructure quality, and budget allocations.

Appendix B. Data Supplement

This supplement presents a full tabulation of the data and international benchmarks examined for this report, along with technical notes on the data sources and definitions.

	Growth Performance							
	Statistical Capacity Indicator, 0 (Doesn't meet criteria) - 100 (Meets all criteria)	Per capita GDP (PPP), U.S. Dollars (PPP)	Per capita GDP, Current U.S. Dollars	Real GDP Growth, Percent change	Growth of Labor Productivity, Percent change	Investment Productivity, Incremental Capital-Output Ratio (ICOR), Ratio, Capital investment : GDP growth	Gross Fixed Investment, Percent GDP	Gross Fixed Private Investment, Percent GDP
Indicator Number	**11P0**	**11P1**	**11P2**	**11P3**	**11S1**	**11S2**	**11S3**	**11S4**
Bangladesh Data								
Latest Year (T)	2009	2008	2008	2008	2007	2008	2008	2008
Value Year T	65	1,399	521	5.9	4.8	4.0	24.2	19.2
Value Year T-1	69	1,315	464	6.2	5.0	4.2	24.5	19.0
Value Year T-2	79	1,225	418	6.5	2.7	4.3	24.7	18.7
Value Year T-3	80	1,134	399	6.3	3.0	4.3	24.5	18.3
Value Year T-4	76	1,051	392	6.1	1.9	4.5	24.0	17.8
Average Value, 5 year	73.8	1,225	439	6.3	3.5	4.3	24.4	18.6
Growth Trend	-4.6	7.2	7.2			-2.6	0.2	1.9
Benchmark Data								
Regression Benchmark	74.6			7.6	-22.6		23.4	14.7
Lower Bound	68.2			5.9	-29.3		19.4	12.4
Upper Bound	81.1			9.4	-15.9		27.4	17.1
Latest Year India	2009	2008	2008	2008	2007	2007	2008	2001
India Value Latest Year	79	2,780	1,017	7.3	7.6	3.4	34.6	20.4
Latest Year Vietnam	2009	2008	2008	2008	2007	2007	2007	
Vietnam Value Latest Year	61	2,794	1,042	6.2	5.7	4.2	37.1	
LI-Asia	69.5	1,575	476	7.6	1.9	4.2	28.1	
LI	57.5	1,054	371	6.2	0.3	4.2	20.9	
High Five Avg.	91.1	52,911	53,908	14.3	4.5	137.1	51.9	
Low Five Avg.	24.6	493	174	-1.7	-3.5	-65.0	9.9	

	Poverty and Inequality					
	Human Poverty Index, 0 (no deprivation) - 100 (high deprivation)	Income Share, Poorest 20%, Percent	Population Living on Less Than $1.25 PPP per Day, Percent	Poverty Headcount, National Poverty Line, Percent	PRSP Status	Population Below Minimum Dietary Energy Consumption, Percent
Indicator Number	**12P1**	**12P2**	**12P3**	**12P4**	**12P5**	**12S1**
Bangladesh Data						
Latest Year (T)	2007	2005	2005	2005	2005	2004
Value Year T	36.1	9.4	49.6	40.0	Yes	27.0
Value Year T-1	36.9					
Value Year T-2	40.5					
Value Year T-3	44.2					
Value Year T-4						
Average Value, 5 year						
Growth Trend						
Benchmark Data						
Regression Benchmark	24.0	7.6	44.2	39.8		28.9
Lower Bound	18.3	6.8	39.8	33.9		22.9
Upper Bound	29.7	8.3	48.6	45.7		34.9
Latest Year India	2007	2005	2005	2000		2004
India Value Latest Year	28.0	8.1	41.6	28.6		21.0
Latest Year Vietnam	2007	2006	2006	2002	2004	2004
Vietnam Value Latest Year	12.4	7.1	21.5	28.9	Yes	14.0
LI-Asia	33.3					25.5
LI	37.3					33.0
High Five Avg.	56.0	10.0	46.5	55.1		67.0
Low Five Avg.	2.5	2.7	2.0	15.2		2.5

	Economic Structure					
	Labor Force Structure (Employment in agriculture), Percent	Labor Force Structure (Employment in industry), Percent	Labor Force Structure (Employment in services), Percent	Output structure (Agriculture, value added), Percent GDP	Output structure (Industry, value added), Percent GDP	Output structure (Services, etc., value added), Percent GDP
Indicator Number	**13P1a**	**13P1b**	**13P1c**	**13P2a**	**13P2b**	**13P2c**
Bangladesh Data						
Latest Year (T)	2005	2005	2005	2009	2009	2009
Value Year T	48.0	14.0	37.0	18.6	28.6	52.8
Value Year T-1				19.0	28.5	52.5
Value Year T-2	52.0	14.0	35.0	19.2	28.4	52.4
Value Year T-3				19.6	27.9	52.5
Value Year T-4				20.1	27.2	52.6
Average Value, 5 year				19.3	28.1	52.5
Growth Trend				-1.9	1.2	0.0
Benchmark Data						
Regression Benchmark	63.7	12.6	25.2	28.9	31.2	39.8
Lower Bound	57.3	10.3	19.4	24.5	26.2	34.0
Upper Bound	70.1	14.9	31.1	33.4	36.2	45.6
Latest Year India	2003	2003	2003	2008	2008	2008
India Value Latest Year	60.0	12.0	28.0	17.6	29.0	53.4
Latest Year Vietnam	2004	2004	2004	2008	2008	2008
Vietnam Value Latest Year	57.9	17.4	24.7	22.1	39.7	38.2
LI-Asia				33.4	27.4	39.6
LI				32.0	24.9	44.6
High Five Avg.	62.8	38.9	80.5	55.9	70.1	85.4
Low Five Avg.	0.3	9.5	26.0	0.3	9.5	18.0

	Demography and Environment							
	Adult Literacy Rate, Percent	Youth Dependency Rate, Ratio Youth : Working Age Population	Elderly Dependency Rate, Ratio Elderly : Working Age Population	Environmental Performance Index, 0 (Very poor performance) - 100 (Very good performance)	Population Size, Million	Population Growth, Annual percent change	Population Living in Urban Areas, Percent	Resource Depletion, Percent GNI
Indicator Number	**14P1**	**14P2a**	**14P2b**	**14P3**	**14P4a**	**14P4b**	**14P5**	**14P6**
Bangladesh Data								
Latest Year (T)	2007	2008	2008	2008	2008	2008	2008	2007
Value Year T	53.5	50.0	6.0	58.0	160.0	1.4	27.1	3.6
Value Year T-1		51.3	5.9		157.8	1.5	26.7	3.7
Value Year T-2		52.7	5.8	43.5	155.5	1.5	26.2	3.7
Value Year T-3		54.1	5.8		153.1	1.6	25.7	2.6
Value Year T-4		55.5	5.7		150.7	1.6	25.3	2.5
Average Value, 5 year		52.7	5.8		155.4	1.5	26.2	3.2
Growth Trend		-2.6	1.2		1.5	-3.3	1.8	10.8
Benchmark Data								
Regression Benchmark	69.1	58.4	5.9		156.8	2.0	25.3	5.5
Lower Bound	57.9	53.7	4.7		156.7	1.6	17.8	1.2
Upper Bound	80.3	63.2	7.2		157.0	2.3	32.7	9.7
Latest Year India	2007	2008	2008	2008	2008	2008	2008	2007
India Value Latest Year	66.0	50.0	7.5	60.3	1,140.0	1.3	29.5	4.2
Latest Year Vietnam	2007	2008	2008	2008	2008	2008	2008	2007
Vietnam Value Latest Year	90.3	39.5	9.4	73.9	86.2	1.2	27.8	12.1
LI-Asia		54.1	6.5	59.6	25.9	1.6	21.3	1.9
LI	65.0	78.2	5.9	55.4	12.1	2.6	30.8	2.5
High Five Avg.	99.8	96.2	29.1	89.1	632.0	6.2	100.0	65.9
Low Five Avg.	36.2	19.0	2.4	37.4	0.0	-0.7	12.5	0.0

	Gender							
	Primary Completion Rate, Male, Percent	Primary Completion Rate, Female, Percent	Gross Enrollment Ratio, All Levels of Education, Male, Percent	Gross Enrollment Ratio, All Levels of Education, Female, Percent	Life Expectancy, Male, Years	Life Expectancy, Female, Years	Labor Force Participation Rate, Male, Percent	Labor Force Participation Rate, Female, Percent
Indicator Number	**15P1a**	**15P1b**	**15P2a**	**15P2b**	**15P3a**	**15P3b**	**15P4a**	**15P4b**
Bangladesh Data								
Latest Year (T)	2006	2006	2007	2007	2008	2008	2007	2007
Value Year T	54.1	58.6	48.0	49.4	65.2	67.4	84.5	57.2
Value Year T-1	57.4	62.4	47.9	49.0	65.0	67.0	85.7	56.9
Value Year T-2			47.4	48.3	64.4	66.4	85.9	56.7
Value Year T-3					63.8	65.8	86.1	56.4
Value Year T-4							86.3	56.1
Average Value, 5 year							85.7	56.7
Growth Trend							-0.5	0.5
Benchmark Data								
Regression Benchmark			59.5	52.9	60.1	62.8	88.1	65.1
Lower Bound			54.2	46.4	57.0	59.8	85.2	57.3
Upper Bound			64.7	59.5	63.1	65.8	91.1	72.9
Latest Year India	2006	2006	2007	2007	2007	2007	2007	2007
India Value Latest Year	88.0	83.1	65.6	59.3	63.1	66.4	81.5	34.2
Latest Year Vietnam	2001	2001			2007	2007	2007	2007
Vietnam Value Latest Year	105.0	99.6			72.3	76.2	76.0	69.3
LI-Asia	74.4	66.2	58.5	51.6	63.2	65.0	79.6	58.5
LI	58.5	47.6	55.7	45.7	54.6	57.5	84.1	60.5
High Five Avg.			103.0	109.9	78.8	84.8	91.3	85.9
Low Five Avg.			31.6	22.3	39.3	40.0	56.7	16.5

	Fiscal and Monetary Policy										
	Government Expenditure, Percent GDP	Government Revenue, excluding grants, Percent GDP	Money Supply Growth, Percent change	Inflation Rate, Annual Percent	Overall Budget Balance, Including Grants, Percent GDP	Composition of Government Expenditure (Wages and salaries), Percent	Composition of Government Expenditure (Goods and services), Percent	Composition of Government Expenditure (Interest payments), Percent	Composition of Government Expenditure (Subsidies and other current transfers), Percent	Composition of Government Expenditure (Capital expense), Percent	Composition of Government Expenditure (Other expense), Percent
Indicator Number	**21P1**	**21P2**	**21P3**	**21P4**	**21P5**	**21S1a**	**21S1b**	**21S1c**	**21S1d**	**21S1e**	**21S1f**
Bangladesh Data											
Latest Year (T)	2009	2009	2009	2009	2009	2008	2008	2008	2008	2008	2008
Value Year T	14.7	11.2	19.4	6.7	-3.6	15.6	9.2	13.7	22.3	24.4	14.8
Value Year T-1	15.9	11.0	17.6	9.9	-3.7	20.3	9.8	14.2	22.6	34.5	-1.4
Value Year T-2	14.1	10.5	17.1	7.2	-3.2	17.1	10.4	12.8	18.6	39.8	1.4
Value Year T-3	14.7	10.8	19.3	7.2	-3.3	17.0	10.0	12.1	17.5	43.2	0.2
Value Year T-4	15.0	10.6	16.7	6.5	-3.7	17.0	10.0	12.1	17.5	43.2	0.2
Average Value, 5 year	14.9	10.8	18.0	7.5	-3.5	17.4	9.9	13.0	19.7	37.0	3.0
Growth Trend	0.4	1.2		3.8	-0.4	0.0	-2.0	4.1	7.4	-13.7	
Benchmark Data											
Regression Benchmark		10.7	28.1	7.1	-3.9						
Lower Bound		6.9	20.0	4.8	-6.9						
Upper Bound		14.5	36.1	9.4	-0.9						
Latest Year India	2009	2009	2008	2008	2009						
India Value Latest Year	29.8	21.3	18.4	10.7	-11.4						
Latest Year Vietnam	2009	2009	2008	2008	2009					2008	
Vietnam Value Latest Year	22.8	27.6	20.3	25.6	-10.1					27.7	
LI-Asia			30.5	8.0							
LI		12.8	19.6	10.6	-2.8						
High Five Avg.		46.4	4,492.5	28.6	7.9						
Low Five Avg.		8.4	-1.1	1.4*	-8.2						

* global high excluding Zimbabwe

	Fiscal and Monetary Policy (cont'd)										
	Composition of Government Revenue (Taxes on income, profits and capital gains), Percent	Composition of Government Revenue (Taxes on goods and services), Percent	Composition of Government Revenue (Taxes on international trade), Percent	Composition of Government Revenue (Social contributions), Percent	Composition of Government Revenue (Other taxes), Percent	Composition of Government Revenue (Grants and other revenue), Percent	Composition of Money Supply Growth (Domestic credit to the public sector), Percent	Composition of Money Supply Growth (Domestic credit to the private sector), Percent	Composition of Money Supply Growth (Domestic credit to non-financial public enterprises), Percent	Composition of Money Supply Growth (Net foreign assets, reserves), Percent	Composition of Money Supply Growth (Other items net), Percent
Indicator Number	**21S2a**	**21S2b**	**21S2c**	**21S2d**	**21S2e**	**21S2f**	**21S3a**	**21S3b**	**21S3c**	**21S3d**	**21S3e**
Bangladesh Data											
Latest Year (T)	2008	2008	2008		2008	2008	2009	2009	2009	2009	2009
Value Year T	18.8	41.4	15.5		4.0	20.2	23.3	57.5	1.7	20.9	-3.4
Value Year T-1	17.9	41.2	16.9		4.5	19.4	29.1	101.8	-15.6	13.3	-28.6
Value Year T-2	16.1	41.4	17.6		4.8	20.1	14.3	64.4	7.5	35.3	-21.5
Value Year T-3	14.6	41.5	20.3		4.3	19.3	20.7	69.5	13.4	11.4	-14.9
Value Year T-4	13.9	41.6	20.9		4.5	19.1	17.0	74.3	10.2	10.8	-12.3
Average Value, 5 year	16.2	41.4	18.3		4.4	19.6	20.9	73.5	3.4	18.3	-16.2
Growth Trend	8.1	-0.1	-7.8		-1.7	1.2	9.8	-1.3		14.8	18.9
Benchmark Data											
Regression Benchmark	22.4	27.8	16.9	1.2	1.7	35.4					
Lower Bound	16.7	19.8	10.4	-3.6	-0.2	28.7					
Upper Bound	28.2	35.8	23.4	5.9	3.5	42.1					
Latest Year India	2008					2008	2008	2008	2008	2008	2008
India Value Latest Year	81.3					18.7	10.1	63.7		15.5	10.7
Latest Year Vietnam		2008				2008	2008	2008	2008	2008	2008
Vietnam Value Latest Year		86.9				13.1	11.8	70.1	29.1	6.8	-17.7
LI-Asia											
LI	13.1	32.1	18.2			31.2					
High Five Avg.	54.0	64.4	40.9	46.9	18.8	78.3					
Low Five Avg.	1.9	4.8	-1.6	0.4	0.0	3.9					

	Business Environment									
	Control of Corruption Index, -2.5 (Very poor performance) to +2.5 (Excellent performance)	Ease of Doing Business Index, Index Rank (1 - 183)	Rule of Law Index, -2.5 (Very poor performance) to +2.5 (Excellent performance)	Regulatory Quality Index, -2.5 (Very poor performance) to +2.5 (Excellent performance)	Government Effectiveness Index, -2.5 (Very poor performance) to +2.5 (Excellent performance)	Cost of Starting a Business, % GNI per Capita	Procedures to Enforce a Contract, Procedures	Procedures to Register Property, Procedures	Procedures to Start a Business, Procedures	Time to Enforce a Contract, Days
Indicator Number	**22P1**	**22P2**	**22P3**	**22P4**	**22P5**	**22S1**	**22S2**	**22S3**	**22S4**	**22S5**
Bangladesh Data										
Latest Year (T)	2008	2010	2008	2008	2008	2010	2010	2010	2010	2010
Value Year T	-1.10	119	-0.70	-0.82	-0.77	36.2	41	8	7	1,442
Value Year T-1	-1.08	115	-0.77	-0.86	-0.80	25.7	41	8	7	1,442
Value Year T-2	-1.32		-0.79	-0.87	-0.74	46.2	41	8	8	1,442
Value Year T-3	-1.31		-0.83	-0.95	-0.84	52.1	41	8	8	1,442
Value Year T-4	-1.42		-0.92	-1.05	-0.84	56.1	41	8	8	1,442
Average Value, 5 year	-1.25		-0.80	-0.91	-0.80	43.3	41	8	8	1,442
Growth Trend	6.92		6.27	5.91	2.16	-15.8	0	0	-4.0	0
Benchmark Data										
Regression Benchmark	-1.08	119.5	-1.08		-0.73	97.3	39.7	6.1	10.0	522.2
Lower Bound	-1.28	99.0	-1.33		-0.97	62.8	36.5	5.0	8.5	366.6
Upper Bound	-0.87	139.9	-0.83		-0.49	131.7	42.9	7.3	11.6	677.8
Latest Year India	2008	2010	2008	2008	2008	2010	2010	2010	2010	2010
India Value Latest Year	-0.37	133	0.12	-0.21	-0.03	66.1	46	5	13	1,420
Latest Year Vietnam	2008	2010	2008	2008	2008	2010	2010	2010	2010	2010
Vietnam Value Latest Year	-0.76	93	-0.43	-0.53	-0.31	13.3	34	4	11	295
LI-Asia	-1.15	133	-0.96	-0.85	-0.84	47.1	41.5	7.5	7.2	589.0
LI	-0.78	153	-0.94	-0.74	-0.84	96.8	40.0	6.0	9.7	515.0
High Five Avg.	2.39		1.96	1.88	2.20	931.1	54.0	13.2	18.5	1,611.6
Low Five Avg.	-1.64		-2.01	-2.30	-1.91	0.4	22.8	1.6	2.3	192.4

	Business Environment (cont'd)				
	Time to Register Property, Days	Time to Start a Business, Days	Total Tax Payable by Business, Percent operating profit	Business Costs of Crime and Violence, 1 (Significant costs) - 7 (No significant costs)	Senior Manager Time Spent Dealing with Government Regulations, Percent
Indicator Number	**22S6**	**22S7**	**22S8**	**22S9**	**22S10**
Bangladesh Data					
Latest Year (T)	2010	2010	2010	2009	2007
Value Year T	245	44	35.0	3.6	3.2
Value Year T-1	245	73	36.1	3.9	
Value Year T-2	425	74	37.0	3.5	
Value Year T-3	425	50	35.3	3.0	
Value Year T-4	425	50	35.3		
Average Value, 5 year	353	58	35.7		
Growth Trend	-16.5	1.2	0.1		
Benchmark Data					
Regression Benchmark	85.3	40.1	45.9	4.2	4.1
Lower Bound	42.4	17.0	33.7	3.7	1.8
Upper Bound	128.1	63.3	58.0	4.7	6.4
Latest Year India	2010	2010	2010	2009	2006
India Value Latest Year	44	30	64.7	5.2	6.7
Latest Year Vietnam	2010	2010	2010	2009	2005
Vietnam Value Latest Year	57	50	40.1	4.7	0.8
LI-Asia	97.7	56.8	35.6		
LI	73.0	31.0	46.0	3.8	
High Five Avg.	427.5	283.4	262.2	6.6	20.0
Low Five Avg.	2.3	4.3	8.8	2.1	2.5

	Financial Sector							
	Domestic Credit to Private Sector, Percent GDP	Interest Rate Spread, Percent	Money Supply (M2), Percent GDP	Stock Market Capitalization Rate, Percent GDP	Credit Information Index, 0 (Poor) - 6 (Excellent)	Legal Rights of Borrowers and Lenders, 0 (Very poor performance) - 10 (Excellent)	Real Interest Rate, Percent	Number of Microfinance Borrowers, Borrowers
Indicator Number	**23P1**	**23P2**	**23P3**	**23P4**	**23P5**	**23S1**	**23S2**	**23S3**
Bangladesh Data								
Latest Year (T)	2009	2008	2009	2009	2010	2010	2008	2007
Value Year T	35.4	6.7	48.3	16.3	2	7	3.8	21,699,000
Value Year T-1	34.8	6.8	45.6	14.5	2	7	5.5	24,757,000
Value Year T-2	32.2	6.2	44.8	8.7	2	7	5.9	
Value Year T-3	31.8	5.9	43.5	4.9	2	7	5.5	
Value Year T-4	30.2	7.6	40.9	5.7	2	7	6.9	
Average Value, 5 year	32.9	6.7	44.6	10.0	2	7	5.5	
Growth Trend	4.1	-1.1	3.8	31.7	0	0		
Benchmark Data								
Regression Benchmark	21.6	7.4	32.3	58.2	2.4	4.0	4.9	
Lower Bound	10.6	5.4	19.1	31.0	0.5	2.7	1.0	
Upper Bound	32.5	9.5	45.4	85.4	4.4	5.4	8.8	
Latest Year India	2008	2008	2008	2008	2010	2010	2008	2007
India Value Latest Year	54.5	7.3	89.4	56.9	4	8	6.3	9,910,000
Latest Year Vietnam	2008	2008	2008	2008	2010	2010	2008	2007
Vietnam Value Latest Year	90.6	3.1	109.8	10.6	4	8	-5.9	5,788,000
LI-Asia	22.7	6.6	37.3		1.0	5.2	9.2	
LI	12.6	12.3	25.5		1.0	3.0	10.4	
High Five Avg.	195.7	50.0	200.6	219.2	6.0	9.8	35.6	
Low Five Avg.	2.9	1.6	8.8	0.5	0.0	0.6	-20.7	

	External Sector										
	External Aid, Percent GNI	Current Account Balance, Percent GDP	Debt Service ratio, Percent Exports	Exports Growth, Goods and Services, Percent change	Foreign Direct Investment, Percent GDP	Gross International Reserves, Months of Imports	Gross Private Capital Inflows, Percent GDP	Present Value of Debt, Percent GNI	Remittance Receipts, Percent Exports	Total Trade, Percent GDP	Trade in Services, Percent GDP
Indicator Number	**24P1**	**24P2**	**24P3**	**24P4**	**24P5**	**24P6**	**24P7**	**24P8**	**24P9**	**24P10**	**24P11**
Bangladesh Data											
Latest Year (T)	2007	2009	2008	2008	2008	2008	2008	2007	2009	2008	2008
Value Year T	2.0	2.8	3.2	8.7	0.8	4.0	1.2	22.4	62.3	47.0	6.6
Value Year T-1	1.9	0.9	3.7	13.0	1.2	4.0	1.2		56.1	46.5	6.2
Value Year T-2	2.1	1.4	4.1	25.8	1.2	3.0	1.2		49.1	44.2	5.9
Value Year T-3	2.4	1.3	4.8	15.6	1.3	3.0	1.4		45.6	39.6	5.4
Value Year T-4	2.5	-0.9	5.0	12.5	0.7	4.0	0.8		44.5	36.3	4.9
Average Value, 5 year	2.2	1.1	4.2	15.1	1.0	3.6	1.2		51.5	42.7	5.8
Growth Trend	-6.9		-11.5	-9.1	2.3	2.9	7.1		8.8	6.8	7.3
Benchmark Data											
Regression Benchmark	2.6	-1.7	6.5	18.6	0.8	5.1	1.3	34.7	5.6	73.3	10.0
Lower Bound	-2.4	-7.0	1.5	9.2	-1.9	3.6	-1.2	12.8	-5.2	56.2	4.0
Upper Bound	7.6	3.6	11.6	27.9	3.4	6.6	3.7	56.5	16.4	90.3	16.1
Latest Year India	2007	2009	2007	2008	2008	2008	2008	2007	2008	2008	2008
India Value Latest Year	0.1	-1.5	5.4	0.0	3.1	10.0	-0.9	20.2	17.8	54.3	11.7
Latest Year Vietnam	2007	2009	2008	2007	2008	2007	2008	2007	2007	2007	2008
Vietnam Value Latest Year	3.7	-7.0	6.5	21.0	7.8	5.0	9.9	34.8	10.4	167.0	16.4
LI-Asia	6.9	-3.3	5.0	11.7	3.7	3.2		28.6	10.6	84.8	10.6
LI	12.6	-6.4	6.6	7.3	3.2	3.7	4.5	22.4	12.0	70.5	16.4
High Five Avg.	48.3	87.5	38.6		90.3	16.8	196.3	370.8	110.7	303.6	124.9
Low Five Avg.	0.0	-35.7	0.6		-2.3	0.3	-4.3	5.2	0.1	30.1	4.9

	External Sector (Cont'd)										
	Concentration of Exports, Percent	Inward FDI Potential Index, 0 (Very poor performance) to 1 (Excellent performance)	Net Barter Terms of Trade, Index: 2000 = 100	Real Effective Exchange Rate (REER), Index: 2000 = 100	Structure of Merchandise Exports (Agricultural raw materials exports), Percent	Structure of Merchandise Exports (Fuel exports), Percent	Structure of Merchandise Exports (Manufactures exports), Percent	Structure of Merchandise Exports (Ores and metals exports), Percent	Structure of Merchandise Exports (Food exports), Percent	Trade Freedom Index, 0 (Very poor) to 100 (Excellent)	Ease of Trading Across Borders Ranking, Index Rank (1 - 183)
Indicator Number	**24S1**	**24S2**	**24S3**	**24S4**	**24S5a**	**24S5b**	**24S5c**	**24S5d**	**24S5e**	**24S6**	**24S7**
Bangladesh Data											
Latest Year (T)	2007	2006	2007	2007	2006	2006	2006	2006	2006	2009	2010
Value Year T	84.2	0.1	69.1	83.8	1.6	0.8	91.3	0.3	5.9	40.2	107
Value Year T-1	88.5	0.1	73.6	84.7	1.7	0.6	91.2	0.2	6.2		108
Value Year T-2	80.0	0.1	78.5	88.1	1.3	0.5	91.9	0.2	6.2		
Value Year T-3	88.3	0.1	86.1	91.4	0.9	0.3	92.9	0.0	5.8	48	
Value Year T-4	90.7	0.1	92.1		1.0	0.3	89.7	0.0	6.8	34	
Average Value, 5 year	86.3	0.1	79.9		1.3	0.5	91.4	0.2	6.2		
Growth Trend	-1.5	-3.6	-7.3		15.3	24.1	0.2	63.3	-2.1		
Benchmark Data											
Regression Benchmark	41.1	0.1	91.8		3.5	0.2	59.8	1.7	13.9	61.7	112.6
Lower Bound	31.1	0.1	77.5		3.5	-4.9	47.5	-4.1	0.0	56.7	89.5
Upper Bound	51.1	0.1	106.1		3.5	5.3	72.0	7.5	27.7	66.8	135.7
Latest Year India	2008	2006	2007	2008	2007	2007	2007	2007	2007	2009	2010
India Value Latest Year	74.0	0.2	99.3	94.5	2.0	16.2	63.7	7.8	9.2	51.0	94
Latest Year Vietnam	2007	2006	2007	2008	2006	2006	2006	2006	2006	2009	2010
Vietnam Value Latest Year	42.3	0.2	92.0	121.9	4.1	24.4	51.2	0.7	19.3	63.4	74
LI-Asia	31.3		87.0							60.7	143
LI	60.8	0.1	96.1		3.7	1.0	17.9	1.6	38.5	65.7	148
High Five Avg.	97.5	0.5	120.7	145.0	44.3		94.9	55.1	95.0	90.3	
Low Five Avg.	7.3	0.1	70.2	59.6	0.0		0.9	0.0	0.4	13.8	

	Economic Infrastructure								
	Internet Users, Users per 1,000 people	Logistics Performance Index - Infrastructure, 1 (Poor) to 5 (Excellent)	Telephone Density, Fixed Line and Mobile, Telephones per 100 people	Overall Infrastructure Quality, 1 (Poor) to 7 (Excellent)	Quality of Infrastructure to Air Transport Infrastructure Index, 1 (Poor) to 7 (Excellent)	Quality of Infrastructure to Port Infrastructure Quality Index, 1 (Poor) to 7 (Excellent)	Quality of Infrastructure to Rail Development Index, 1 (Poor) to 7 (Excellent)	Quality of Infrastructure to Electricity Supply Index, 1 (Poor) to 7 (Excellent)	Roads, Paved, Percent
Indicator Number	**25P1**	**25P2**	**25P3**	**25P4**	**25S1a**	**25S1b**	**25S1c**	**25S1d**	**25S2**
Bangladesh Data									
Latest Year (T)	2008	2007	2008	2009	2009	2009	2009	2009	2003
Value Year T	4.0	2.3	28.7	2.5	3.4	3.0	2.3	1.8	9.5
Value Year T-1	2.9		22.4	2.2	3.4	2.6	2.3	1.9	
Value Year T-2	3.0		13.0	2.2	3.0	2.4	2.3	1.7	
Value Year T-3	2.0		6.6	2.5	2.7	2.5	2.4	1.9	
Value Year T-4	1.6		2.4						9.5
Average Value, 5 year	2.7		14.6						
Growth Trend	21.5		61.8						
Benchmark Data									
Regression Benchmark		2.4	21.0		3.7	2.4	2.5	2.7	41.5
Lower Bound		2.3	6.3		3.2	1.9	2.1	2.2	26.5
Upper Bound		2.6	35.7		4.2	2.9	2.8	3.2	56.6
Latest Year India	2008	2007	2008	2009	2009	2009	2009	2009	2002
India Value Latest Year	43.8	2.9	33.8	3.2	4.7	3.5	4.5	3.2	47.4
Latest Year Vietnam	2008	2007	2007	2009	2009	2009	2009	2009	
Vietnam Value Latest Year	239.0	2.5	61.4	2.8	4.1	3.3	2.8	3.3	
LI-Asia	7.8	2.1	12.8						
LI	11.8	2.1	13.9	2.5	3.4	2.6	1.7	2.6	
High Five Avg.	826.4	4.2	181.1	6.6	6.7	6.6	6.5	6.8	100.0
Low Five Avg.	1.8	1.5	2.5	1.8	2.5	1.6	1.1	1.6	9.4

	Science and Technology			
	FDI Technology Transfer Index, 1 (Poor) to 7 (Excellent)	Availability of Scientists and Engineers, 1 (Non existent) to 7 (Widely available)	Scientific and Technology Journal Articles, Articles per Million people	IPR Protection, 1 (Poorly enforced) to 7 (Among the best)
Indicator Number	**26P1**	**26P2**	**26P3**	**26P4**
Bangladesh Data				
Latest Year (T)	2009	2009	2005	2009
Value Year T	4.2	4.1	193.0	2.4
Value Year T-1	4.1	4.2	187.0	2.0
Value Year T-2	4.3	4.3	200.0	2.0
Value Year T-3	4.5	4.4	151.0	2.1
Value Year T-4			177.0	
Average Value, 5 year			181.6	
Growth Trend			3.9	
Benchmark Data				
Regression Benchmark	4.8	4.3		2.6
Lower Bound	4.5	4.0		2.3
Upper Bound	5.1	4.7		2.9
Latest Year India	2009	2009	2005	2009
India Value Latest Year	5.4	5.6	14,608.0	3.6
Latest Year Vietnam	2009	2009	2005	2009
Vietnam Value Latest Year	5.0	4.2	221.0	3.0
LI-Asia				
LI	4.5	3.6		2.9
High Five Avg.	6.1	5.9	75,711.9	6.2
Low Five Avg.	3.6	2.7	55.1	2.0

	Health								
	HIV Prevalence, Percent	Life Expectancy at Birth, Years	Maternal Mortality Rate, Deaths per 100,000 live births	Access to Improved Sanitation, Percent	Access to Improved Water Source, Percent	Births Attended by Skilled Health Personnel, Percent	Child Immunization Rate, Percent	Prevalence of Child Malnutrition, Weight for Age, Percent	Public Health Expenditure, Percent GDP
Indicator Number	**31P1**	**31P2**	**31P3**	**31S1**	**31S2**	**31S3**	**31S4**	**31S5**	**31S6**
Bangladesh Data									
Latest Year (T)	2007	2008	2005	2006	2006	2007	2007	2007	2006
Value Year T	<0.1	66.3	570	36.0	80.0	18.0	89.0	41.0	1.0
Value Year T-1		65.9				20.1	89.0		0.9
Value Year T-2		65.3					89.0	39.2	1.0
Value Year T-3		64.8				13.2	84.5	42.7	1.0
Value Year T-4						14.0	78.5	40.9	0.9
Average Value, 5 year							86.0		1.0
Growth Trend							3.0		1.8
Benchmark Data									
Regression Benchmark	0.2	61.3	589.4	43.1	68.7	42.0	83.7	34.1	1.3
Lower Bound	-1.3	58.5	462.8	34.0	61.8	33.1	77.6	29.5	0.5
Upper Bound	1.8	64.2	715.9	52.3	75.5	50.9	89.9	38.8	2.1
Latest Year India	2007	2007	2005	2006	2006	2006	2007	2006	2006
India Value Latest Year	0.3	64.7	450	28.0	89.0	46.6	64.5	43.5	0.9
Latest Year Vietnam	2007	2007	2005	2006	2006	2006	2007	2006	2006
Vietnam Value Latest Year	0.5	74.2	150	65.0	92.0	87.7	87.5	20.2	2.1
LI-Asia		64.3	570.0	33.0	80.0	22.7	81.0	40.8	1.7
LI	1.6	56.4	820.0	31.0	65.0	45.2	77.2	26.3	2.1
High Five Avg.	21.8	81.6	1,720.0	100.0	100.0		99.0		11.9
Low Five Avg.	0.1	43.3	2.6	8.4	35.0		37.7		0.5

	Education									
	Net Primary Enrollment Rate, Total, Percent	Net Primary Enrollment Rate, Female, Percent	Net Primary Enrollment Rate, Male, Percent	Primary Completion Rate, Total, Percent	Youth Literacy Rate, Total, Percent	Youth Literacy Rate, Male, Percent	Youth Literacy Rate, Female, Percent	Net Secondary Enrollment Rate, Total, Percent	Gross Tertiary Enrollment Rate, Total, Percent	Expenditure on Primary Education, Percent GDP
Indicator Number	**32P1a**	**32P1b**	**32P1c**	**32P2**	**32P3a**	**32P3b**	**32P3c**	**32P4**	**32P5**	**32S1**
Bangladesh Data										
Latest Year (T)	2006	2006	2006	2006	2007	2007	2007	2007	2007	2006
Value Year T	86.5	89.8	83.4	56.3	72.1	71.1	73.2	40.7	7.2	1.0
Value Year T-1	86.2	89.1	83.5	59.8				40.1	6.8	1.0
Value Year T-2								39.6	6.0	0.9
Value Year T-3								41.0	5.5	1.1
Value Year T-4								44.2	6.0	1.1
Average Value, 5 year								41.1	6.3	1.0
Growth Trend								-1.9	5.6	-2.9
Benchmark Data										
Regression Benchmark	78.2	77.5	80.5		79.9	80.1	83.8	33.2	7.9	
Lower Bound	71.8	70.7	74.4		70.6	75.0	72.0	25.0	1.1	
Upper Bound	84.7	84.3	86.5		89.2	85.3	95.5	41.5	14.7	
Latest Year India	2006	2006	2006	2006	2007	2007	2007		2006	2006
India Value Latest Year	88.7	86.8	90.4	85.7	82.1	86.7	77.1		11.8	1.2
Latest Year Vietnam	2001	2001	2001	2001				2001	2001	2006
Vietnam Value Latest Year	93.4	90.7	96.0	102.3				62.0	9.5	1.7
LI-Asia	83.3			70.4				35.5	5.1	1.2
LI	57.7	52.3	63.4	56.5	77.8	82.4	75.7	28.5	2.3	1.7
High Five Avg.	99.4	99.2	99.4		99.9	99.9	99.9	97.1	79.6	6.5
Low Five Avg.	41.4	36.0	46.7		48.0	56.3	39.5	10.6	0.6	0.2

	Education (cont'd)			
	Educational Expenditure per Student, Primary, Percent, GDP per capita	Educational Expenditure per Student, Secondary, Percent, GDP per capita	Educational Expenditure per Student, Tertiary, Percent, GDP per capita	Pupil-teacher Ratio, Primary School, Pupils per Teacher
Indicator Number	**32S2a**	**32S2b**	**32S2c**	**32S3**
Bangladesh Data				
Latest Year (T)	2007	2007	2007	2007
Value Year T	11.2	15.9	39.9	44.8
Value Year T-1	9.1	16.2	46.2	47.5
Value Year T-2				47.3
Value Year T-3		14.6	46.7	
Value Year T-4		14.2	35.8	
Average Value, 5 year				
Growth Trend				
Benchmark Data				
Regression Benchmark	8.5	13.5	44.1	36.9
Lower Bound	5.3	7.4	-7.3	32.5
Upper Bound	11.7	19.6	95.5	41.2
Latest Year India	2005	2005	2005	2004
India Value Latest Year	8.9	16.7	57.8	40.2
Latest Year Vietnam				2007
Vietnam Value Latest Year				20.4
LI-Asia				41.2
LI	13.8			44.9
High Five Avg.	28.6	50.3	519.9	62.8
Low Five Avg.	6.5	6.8	7.9	10.5

	Employment and Workforce						
	Labor Force Participation Rate, Total, Percent	Rigidity of Employment Index, 0 (Minimum rigidity) to 100 (Maximum rigidity)	Size of the Labor Force, People	Growth of the Labor Force, Annual percent change	Unemployment Rate, Percent	Economically Active Children, (Ages 7-14), Percent	Firing Costs, Weeks of wages
Indicator Number	**33P1**	**33P2**	**33P3a**	**33P3b**	**33P4**	**33P5**	**33S1**
Bangladesh Data							
Latest Year (T)	2008	2010	2008	2008	2006	2006	2010
Value Year T	71.1	28	75,980,896	2.3	4.2	16.2	104
Value Year T-1	71.2	28	74,245,432	1.8			104
Value Year T-2	71.6	28	72,939,956	2.4			104
Value Year T-3	71.7		71,197,683	2.5	4.3	17.5	
Value Year T-4	71.6		69,441,626	2.6			
Average Value, 5 year	71.4		72,761,119	2.3			
Growth Trend	-0.2		2.2				
Benchmark Data							
Regression Benchmark	77.2	35.2	72,000,000	2.8	3.7	20.3	
Lower Bound	72.6	26.4	70,443,522	2.3	0.7	12.3	
Upper Bound	81.7	44.0	73,556,478	3.3	6.6	28.4	
Latest Year India	2007	2010	2007	2007	2005	2005	2010
India Value Latest Year	58.6	30.0	446,965,362	1.7	3.1	4.2	56
Latest Year Vietnam	2007	2010	2007	2007	2008	2006	2010
Vietnam Value Latest Year	72.6	21.0	44,888,354	2.1	2.4	21.3	87
LI-Asia	71.5	24.0	11,870,601	2.4			89
LI	71.7	31.0	4,466,054	3.0		37.0	36
High Five Avg.	87.1	70.3	314,722,458	7.4	29.7		242
Low Five Avg.	43.7	0.0	51,478	-0.9	2.1		0.0

	Agriculture							
	Agriculture Value Added per Worker, US Dollars, Constant 2000	Cereal Yield, Kilograms per hectare	Growth in Agricultural Value-Added, Percent change	Fertilizer Consumption, 100 grams per hectare of arable land	Agricultural Policy Costs Index, 1 (Excessively burdensome) to 7 (Balances all interests)	Crop Production Index, Index: 1999-2001 = 100	Livestock Production Index, Index: 1999-2001 = 100	Agricultural Export Growth, Percent change
Indicator Number	**34P1**	**34P2**	**34P3**	**34P4**	**34S1**	**34S2**	**34S3**	**34S4**
Bangladesh Data								
Latest Year (T)	2005	2007	2007	2005	2009	2005	2005	2006
Value Year T	346	3,828	4.6	1,886	4.1	111.0	105.1	21.6
Value Year T-1	340	3,796	4.9	1,630	4.0	105.0	105.1	52.7
Value Year T-2	328	3,682	2.2	1,654	4.1	107.1	105.1	59.7
Value Year T-3	320	3,439	4.1	1,947	3.9	102.8	104.6	3.0
Value Year T-4	308	3,480	3.1	1,800		100.7	100.7	-10.3
Average Value, 5 year	329	3,645	3.8	1,783		105.3	104.1	25.3
Growth Trend	3.0	2.9		-0.8		2.2	0.9	
Benchmark Data								
Regression Benchmark	292.5	3,337	4.3	444.1	3.9	110.2	114.7	47.2
Lower Bound	-680	2,797	0.5	-207.2	3.6	103.1	109.1	-4.3
Upper Bound	1,265	3,878	8.1	1,095	4.2	117.3	120.4	98.8
Latest Year India	2005	2007	2007	2005	2009	2005	2005	2007
India Value Latest Year	402	2,529	4.9	1,290	3.7	103.0	114.2	19.8
Latest Year Vietnam	2005	2007	2007	2005	2009	2005	2005	2006
Vietnam Value Latest Year	313	4,716	3.4	3,007	4.4	123.9	136.1	60.0
LI-Asia	314	3,517	3.6	678		113.8	110.3	
LI	237	1,316	3.7	65	3.8	107.7	109.7	22.9
High Five Avg.	50,342	7,695	15.7	17,297	5.2	142.7	155.4	362,806.9
Low Five Avg.	76	438	-374.7	3	2.6	70.4	85.4	-59.8

Technical Notes

The following technical notes identify the source for each indicator, provide a concise definition, indicate the coverage of USAID countries, and comment on data quality where pertinent. For reference purposes, a CAS code is also given for each indicator. In many cases, the descriptive information is taken directly from the original sources, as cited.

STATISTICAL CAPACITY

Statistical Capacity Indicator

Source: World Bank, updated annually, at http://go.worldbank.org/20WZB3DB90

Definition: Provides and evaluation of a country's' statistical practice, data collection activities and key indicator availability against a set of criteria consistent with international recommendations. The score ranges from 0 to 100 with a score of 100 indicating that the country meets all the criteria.

Coverage: Data are available for the vast majority of USAID countries.

CAS Code # 01P1

GROWTH PERFORMANCE

Per capita GDP, in Purchasing Power Parity Dollars

Source: IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

Definition: This indicator adjusts per capita GDP measured in current international dollars for differences in purchasing power, using an estimated exchange rate reflecting the purchasing power of the various local currencies.

Coverage: Data are available for about 65 USAID countries.

CAS Code #11P1

Per capita GDP, in current US Dollars

Source: IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

Definition: GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers plus any product taxes, less any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P2

Real GDP Growth

Source: IMF World Economic Outlook database, updated every six months; latest country data from IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm

Definition: Annual percentage growth rate of GDP at constant local currency prices

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P3

Growth of Labor Force Productivity

Source: World Development Indicators. Estimated by calculating the annual percentage change of the ratio of GDP (constant 2000 US$) (NY.GDP.MKTP.KD) to the population ages 15 and older who participate in the labor force, which in turn is the product of the total population (SP.POP.TOTL) times the product of the percentage of the population in this age group 15 or older (SP.POP.1564.IN.ZS + SP.POP.65UP.TO.ZS) and the labor force participation rate (SL.TLF.CACT.ZS).

Definition: Labor productivity is defined here as the ratio of GDP (in constant prices) to the size of the working age population age 15 and older that participate in the labor force.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 11S1

Investment Productivity, Incremental Capital-Output Ratio (ICOR)

Source: International benchmark data computed from World Development Indicators most recent publication year, based on the five-year average of the share of fixed investment (NE.GDI.FTOT.ZS) and the five-year average GDP growth (NY.GDP.MKTP.KD.ZG). Updated figures for the target country are computed from IMF Article IV consultation reports.

Definition: The ICOR shows the amount of capital investment incurred per extra unit of output. A high value represents low investment productivity. The ICOR is calculated here as the ratio of the investment share of GDP to the growth rate of GDP, using five-year averages for both the numerator and denominator.

Coverage: Data are available for about 81 USAID countries.

CAS Code #11S2

Gross Fixed Investment, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm; international benchmark from the World Development Indicators, most recent publication series NE.GDI.FTOT.ZS.

Definition: Gross fixed investment is spending on replacing or adding to fixed assets (buildings, machinery, equipment and similar goods).

Coverage: Data are available for about 84 USAID countries.

CAS Code # 11S3

Gross Fixed Private Investment, Percentage of GDP

Source: IMF Article IV consultation report, for latest country data www.imf.org/external/np/sec/aiv/index.htm; World Development Indicators, for international comparison data (explanation below). The estimation of this indicator involves taking the difference between gross fixed capital formation (percent of GDP) (NE.GDI.FTOT.ZS) and government

capital expenditure (percent of GDP). The latter term is the product of government capital expenditure (percent of total expenditure) (GB.XPK.TOTL.ZS) and total government expenditure (percent of GDP) (GB.XPD.TOTL.GD.ZS).

Definition: This indicator measures gross fixed capital formation by nongovernment investors, including spending for replacement or net addition to fixed assets (buildings, machinery, equipment, and similar goods).

Coverage: Available from World Development Indicators 2004 for about 38 USAID countries. Starting in 2005, WDI no longer reports government capital expenditure, which is needed to compute this variable. The reason is that the World Bank has adopted a new system for government finance statistics, which switches from reporting budget performance based on cash outlays and receipts, to a modified accrual accounting system in which government capital formation is a balance sheet entry, and only the consumption of fixed capital (that is, a depreciation allowance) is treated as an expense. The template will include this variable when the required data can be obtained from IMF Article IV consultation report or national data sources. Group and regression benchmarks will be computed from WDI 2004 (since group averages tend to be relatively stable).

Data Quality: National statistics offices may have different methodologies for breaking down total government expenditure into current and capital components. In particular, the data on "development expenditure" in many countries include elements of current expenditure.

CAS Code #11S4

POVERTY AND INEQUALITY

Human Poverty Index

Source: UNDP, Human Development Report http://hdrstats.undp.org/indicators/18.html for most recent edition.

Definition: The index measures deprivation in terms of not meeting target levels for specified economic and quality-of-life indicators. Values are based on (1) percentage of people not expected to survive to age 40, (2) percentage of adults who are illiterate, and (3) percentage of people who fail to attain a "decent living standard," which is subdivided into three (equally weighted) separate items: (a) percentage of people without access to safe water, (b) percentage of people without access to health services, and (c) percentage of underweight children. The HPI ranges in value from 0 (zero deprivation incidence) to 100 (high deprivation incidence).

Coverage: Data are available for about 60 USAID countries.

CAS Code #12P1

Income Share, Poorest 20 Percent

Source: World Development Indicators, most recent publication series SI.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternative source for target countries: the country's Poverty Reduction Strategy Paper: http://www.imf.org/external/np/prsp/prsp.asp

Definition: Share of total income or consumption accruing to the poorest quintile of the population.

Coverage: Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code # 12P2

Percentage of Population Living on Less than $1.25 PPP per Day

Source: World Development Indicators, most recent publication series SI.POV.DDAY, original data from Development Research Group. Alternative source for target countries: the country's Poverty Reduction Strategy Paper:

http://www.imf.org/external/np/prsp/prsp.asp

Definition: The indicator captures the percentage of the population living on less than $1.25 a day at 2005 international prices. As a result of revisions in PPP exchange rates, poverty rates for individual countries cannot be compared with poverty rates reported in WDI editions prior to 2009.

Coverage: Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 40 USAID countries.

Data Quality: Poverty data originate from household survey questionnaires that can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3

Poverty Headcount, National Poverty Line

Source: World Development Indicators, most recent publication series SI.POV.NAHC. Alternative source: the country's Poverty Reduction Strategy Paper: http://www.imf.org/external/np/prsp/prsp.asp

Definition: The percentage of the population living below the national poverty line. National estimates are based on population-weighted estimates from household surveys

Coverage: Data available for only 19 countries for 2000 or later; data are available for about 49 countries going back to 1997. For most target countries, data can be obtained from the PRSP.

Data Quality: Measuring the percentage of people below the "national poverty line" has the disadvantage of limiting international comparisons because of differences in the definition of the poverty line. Most lower-income countries, however, determine the national poverty line by the level of consumption required to have a minimally sufficient food intake plus other basic necessities.

CAS Code #12P4

PRSP Status

Source: World Bank/IMF. A list of countries with a Poverty Reduction Strategy Paper can be found at http://www.imf.org/external/np/prsp/prsp.asp

Definition: Yes or no variable showing whether a country has (or not) completed a PRSP (introduced by the World Bank and IMF to ensure host-country ownership of poverty reduction programs).

Coverage: All countries having PRSPs are so indicated.

CAS Code #12P5

Percent of Population below Minimum Dietary Energy Consumption

Source: UN Millennium Indicators Database at http://millenniumindicators.un.org/unsd/mdg/Data.aspx, based on FAO estimates.

Definition: Proportion of the population in a condition of undernourishment. The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out light physical activity.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 12S1

ECONOMIC STRUCTURE

Employment or Labor Force Structure

Source: World Development Indicators, most recent publication series SL.AGR.EMPL.ZS for agriculture, series SL.IND.EMPL.ZS for industry, and series SL.SRV.EMPL.ZS for services. Alternative source: CIA World Fact Book: https://www.cia.gov/library/publications/the-world-factbook/index.html

Definition: Employment in each sector is the proportion of total employment recorded as working in that sector. Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Agriculture includes hunting, forestry, and fishing. Industry includes mining and quarrying (including oil production), manufacturing, electricity, gas and water, and construction. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

Coverage: Data are available for about 37 USAID countries. For most target countries, data can be obtained from PRSP.

Data Quality: Employment figures originate with International Labor Organization. Some countries report labor force structure instead of employment, thus the data must be checked carefully before comparisons are made.

CAS Code #13P1

Output Structure

Source: World Development Indicators, most recent publication series NV.AGR.TOTL.ZS for value added in agriculture as a percentage of GDP; series NV.IND.TOTL.ZS for the share of industry; and NV.SRV.TETC.ZS for the share of services.

Definition: The output structure is composed of value added by major sector of the economy (agriculture, industry, and services) as percentages of GDP, where value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. Value added is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Agriculture includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Industry includes manufacturing, mining, construction, electricity, water, and gas. Services include wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services.

Coverage: Data are available for about 86 USAID countries.

Data Quality: A major difficulty in compiling national accounts is the extent of unreported activity in the informal economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money. This production is estimated indirectly using estimates of inputs, yields, and area under cultivation. This approach can differ from the true values over time and across crops. Ideally, informal activity in industry and services is measured through regular enterprise censuses and surveys. In most developing countries such surveys are infrequent, so prior survey results are extrapolated.

CAS Code #13P2

DEMOGRAPHY AND ENVIRONMENT

Adult Literacy Rate

Source: World Development Indicators, most recent publication series SE.ADT.LITR.ZS, based on UNESCO calculations.

Definition: Percentage of people ages 15 and older who can read and write a short, simple statement about their daily life.

Coverage: Data are available for about 66 USAID countries.

Data Quality: In practice, literacy is difficult to measure. A proper estimate requires census or survey measurements under controlled conditions. Many countries estimate the number of illiterate people from self-reported data, or by taking people with no schooling as illiterate.

CAS Code # 14P1

Youth Dependency Rate

Source: World Development Indicators, most recent publication series.

Definition: Youth dependency rate is calculated as the percentage of the population below age 15 (WDI SP.POP.0014.TO.ZS) divided by the working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2a

Elderly Dependency Rate

Source: World Development Indicators, most recent publication series.

Definition: This is calculated as percentage of the population over age 65 (WDI SP.POP.65UP.TO.ZS) divided by working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2b

Environmental Performance Index

Source: Center for International Earth Science Information Network (CIESIN) at Columbia University, and the Center for Environmental Law and Policy at Yale University. http://epi.yale.edu/CountryScores.

Definition: The Environmental Performance Index (EPI) is a composite index of national environmental protection, which tracks (1) environmental health, (2) air quality, (3) water resources, (4) biodiversity and habitat, (5) productive natural resources, and (6) sustainable energy. The index is a weighted average of these six policy categories, with more weight given environmental health, (i.e., EPI = 0.5 × environmental health + 0.1 × (air quality + water resources + productive natural resources + biodiversity and habitat + sustainable energy)). The index values range from 0 (very poor performance) to 100 (very good performance).

Coverage: Data are available for about 80 USAID countries.

Data quality: The 2006 pilot EPI and 2008 EPI differ in several structural and substantive areas. As a result comparison between both years are not appropriate.

CAS Code #14P3

Population Size and Growth

Source: World Development Indicators, most recent publication series SP.POP.TOTL for total population, and series SP.POP.GROW for the population growth rate.

Definition: Total population counts all residents regardless of legal status or citizenship—except refugees not permanently settled in the country of asylum. Annual population growth rate is based on the de facto definition of population.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 14P4

Population Living In Urban Areas

Source: World Development Indicators, most recent publication series SP.URB.TOTL.IN.ZS.

Definition: Urban population is the share of the total population living in areas defined as urban in each country. The calculation considers all residents regardless of legal status or citizenship, except refugees.

Coverage: Data are available for about 86 USAID countries.

Data Quality: The estimates are based on national definitions of what constitutes an urban area; since these definitions vary greatly, cross-country comparisons should be made with caution.

CAS Code #14P5

Resource Depletion, Percent GNI

Source: World Development Indicators, most recent publication series: NY.ADJ.DNGY.GN.ZS (energy), NY.ADJ.DMIN.GN.ZS (minerals), NY.ADJ.DFOR.GN.ZS (forests). Sum of energy depletion + mineral depletion + net forest depletion, as a percentage of gross national income.

Definition: Resource depletion, as a percent of GNI is an indicator of environmental sustainability.

Energy depletion is equal to the product of unit resource rents and the physical quantities of energy extracted. It covers crude oil, natural gas, and coal.

Mineral depletion is equal to the product of unit resource rents and the physical quantities of minerals extracted. It refers to bauxite, copper, iron, lead, nickel, phosphate, tin, zinc, gold, and silver.

Net forest depletion is calculated as the product of unit resource rents and the excess of roundwood harvest over natural growth.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Though each component is itself constructed from an estimate, the methodology is reasonably sound. Note however, the World Bank does not provide an estimate of soil depletion.

CAS Code #14P6

GENDER

Primary Completion Rate, Male and Female

Source: World Development Indicators, most recent publication series: SE.PRM.CMPT.MA.ZS (male), SE.PRM.CMPT.FE.ZS (female). Based on data from United Nations Education, Scientific, and Cultural Organization (UNESCO) Institute of Statistics.

Definition: Primary completion rate is the percentage of students completing the last year of primary school. It is calculated by taking the total number of students in the last grade of primary school, minus the number of repeaters in that grade, divided by the total number of children of official graduation age.

Coverage: Data are available for about 128 USAID countries.

Data Quality: Completion rates are based on data collected during annual school surveys, typically conducted at the beginning of the school year. The indicator does not measure the quality of the education.

CAS Code #15P1

Gross Enrollment Ratio, All Levels of Education, Male and Female

Source: United Nations Organization for Education, Science, and Culture UNESCO: http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0

Definition: The number of students enrolled in primary, secondary, and tertiary levels of education by gender, regardless of age, expressed as a percentage of the population of official school age for the three levels by gender.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment ratios are based on data collected during annual school surveys, typically conducted at the beginning of the school year.

CAS Code #15P2

Life Expectancy, Male and Female

Source: Estimated from UNDP Human Development Indicators: http://hdrstats.undp.org/en/indicators/117.html and http://hdrstats.undp.org/en/indicators/116.html.

Definition: The number of years a newborn male or female infant would live if prevailing patterns of age and sex-specific mortality rates at the time of birth were to stay the same throughout the child's life.

Coverage: Data are available for about 85 USAID countries.

CAS Code #15P3

Labor Force Participation Rate, Male and Female

Source: World Development Indicators, most recent publication series: SL.TLF.CACT.MA.ZS (male)

SL.TLF.CACT.FE.ZS (female). Based on data from International Labour Organization (ILO)

Definition: The proportion of the population ages 15 and older that is economically active: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #15P4

FISCAL AND MONETARY POLICY

In the World Development Indicators for 2005, the World Bank adopted the Government Finance Statistics 2001 system for government budget statistics, switching from data based on cash outlays and receipts to a system with revenues booked on receipt and expenses booked on accrual, in accordance with the IMF's Government Financial Statistics (GFS) Manual, 2001. On the revenue side, the changes are minor, and comparisons to the old system may still be valid. There is a major change, however, in the reporting of capital outlays, which are now treated as balance sheet entries; only the annual capital consumption allowance (depreciation) is reported as an expense. Hence, the data on total *expense* is not comparable to the former data on total *expenditure*. In addition, WDI 2005 now provides data on the government's cash surplus/deficit; this differs from the previous concept of the overall budget balance by excluding net lending minus repayments (which are now a financing item under net acquisition of financial assets). Most countries do not use the new GFS system, so country coverage of fiscal data in WDI

2005 is limited. For this reason, the template continues to use data from IMF Article IV consultations and domestic country websites on a cash outlays and receipts system.

Government Expenditure, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm;

Definition: Total expenditure of the central government as a percent of GDP.

Coverage: Data available for about 70 percent of USAID countries.

CAS Code # 21P1

Government Revenue, excluding grants, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm ; World Development Indicators for benchmarking data (GC.REV.XGRT.GD.ZS). Original data from the IMF, Government Finance Statistics Yearbook and data file, and World Bank estimates.

Definition: Government revenue includes all revenue to the central government from taxes and non-repayable receipts (other than grants), measured as a share of GDP. Grants represent monetary aid going to the central government that has no repayment requirement.

Gaps: Data missing for about 24 USAID countries.

CAS Code # 21P2

Growth in Broad Money Supply

Source: Latest country data are from national data sources or from IMF Article IV consultation report: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are from World Development Indicators, most recent publication, series FM.LBL.MQMY.ZG. Original source of WDI data is IMF, International Financial Statistics, and World Bank estimates.

Definition: Average annual growth rate in the broad money supply, M2 (money plus quasi-money) measured as the change in end-of-year totals relative to the preceding year. M2 comprises the sum of currency outside banks, checking account deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. M2 corresponds to the sum of lines 34 and 35 in the IMF's International Financial Statistics.

Coverage: Data are available for about 81 USAID countries.

CAS Code #21P3

Inflation Rate

Source: IMF World Economic Outlook database, updated every six months, at http://www.imf.org/external/ns/cs.aspx?id=28

Definition: Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specific intervals.

Coverage: Data are available for about 85 USAID countries.

Data Quality: For many developing countries, figures for recent years are IMF staff estimates. Additionally, data for some countries are for fiscal years.

CAS Code # 21P4

Overall Budget Balance, Including Grants, Percentage of GDP

Source: For countries using the new GFS system (see explanation at the beginning of this section), benchmarking data on the government's cash surplus/deficit are obtained from World Development Indicators, most recent publication series GC.BAL.CASH.GD.ZS. For countries that are not yet using the new system, benchmarking data on the overall budget balance are obtained from WDI 2004, series GB.BAL.OVRL.GD.ZS. Latest country data are obtained from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: The cash surplus/deficit is revenue (including grants) minus expenses, minus net acquisition of nonfinancial assets. This is close to the previous concept of *overall budget balance*, differing only in that it excludes net lending (which is now treated as a financing item, under net acquisition of financial assets).

For countries that are not using the new GFS system, the template will continue to focus on the ***overall budget balance***, using data from the alternative sources indicated above. The overall budget deficit is defined as the difference between total revenue (including grants) and total expenditure.

Both concepts measure the central government's financing requirement, which must be met by domestic or foreign borrowing. As noted above, they differ in that the new cash surplus/deficit variable excludes net lending (which is usually a minor item).

Coverage: Data are available in WDI 2006 for less than half USAID countries.

CAS Code # 21P5

Composition of Government Expenditure

Source: The latest country and benchmark data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: Central government expenditure, broken down into the following six categories: (1) wages and salaries; (2) goods and services; (3) interest payments; (4) subsidies and other current transfers; (5) capital expenditures; and (6) other expense.

Coverage: Data are available for the majority of USAID countries

Data Quality: Many countries report their revenue in noncomparable categories. Budget data are compiled by fiscal year. If the fiscal year differs from the calendar year, ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S1

Composition of Government Revenue

Source: The latest country and comparison country data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are taken directly from WDI 2005 database: (1) taxes on goods and services (% of revenue), series GC.TAX.GSRV.RV.ZS; (2) taxes on income, profits and capital gains (% of revenue), series GC.TAX.YPKG.RV.ZS; (3) taxes on international trade (% of revenue), series GC.TAX.INTT.RV.ZS; (4) other taxes (% of revenue), series GC.TAX.OTHR.RV.ZS; (5) social security contributions (% of revenue), series GC.REV.SOCL.ZS; and (6) grants and other revenue (% of revenue), series GC.REV.GOTR.ZS.

Definition: Breakdown of central government revenue sources by categories outlined above. Each source of revenue is expressed as a percentage of total revenue.

Coverage: Data are available for about 46 USAID countries.

Data Quality: Many countries report their revenue in noncomparable categories. If the fiscal year differs from the calendar year, then the ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S2

Composition of Money Supply Growth

Source: Constructed using national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: Identifies the sources of the year-to-year change in the broad money supply (M2), disaggregated into five categories: (1) net domestic credit to the public sector, (2) net domestic credit to the private sector, and (3) net foreign assets (reserves), (4) net credit to non-financial public enterprises, and (5) other items, net. Each component is expressed as a percentage of the annual change (December to December) in M2.

Coverage: Data are available for about 86 USAID countries.

CAS Code # 21S3

BUSINESS ENVIRONMENT

Control of Corruption Index

Source: World Bank Institute
http://www.govindicators.org

Definition: The Control of Corruption index is an aggregation of various indicators that measure the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).
This is also an MCC indicator, under the criterion of ruling justly. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Coverage: Data are available for nearly all USAID countries.

Data Quality: This indicator uses perception and opinions gathered from local businessmen as well as third-party experts; thus, the indicator is largely subjective. Also standard errors are large. For both reasons, international comparisons are problematic, though widely used.

CAS Code # 22P1

Ease of Doing Business Index

Source: World Bank, Doing Business Indictors http://www.doingbusiness.org/

Definition: The Ease of Doing Business index ranks economies from 1 to 183. The index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business: starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22P2

Rule of Law Index

Source: World Bank Institute, http://www.govindicators.org

This indicator is based on the perceptions of the legal system, drawn from 12 data sources.

Definition: The Rule of Law index is an aggregation of various indicators that measure the extent to which agents have confidence in and abide by the rules of society. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

Coverage: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. Using the index to track a country's progress over time is also difficult because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in its legal environment.

CAS Code #22P3

Regulatory Quality Index

Source: World Bank Institute;

http://www.govindicators.org

Definition: The regulatory quality index measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. It is computed from survey data from multiple sources. The index values range from -2.5 (very poor performance) to +2.5 (excellent performance).
This is also an MCC indicator, under the criterion of encouraging economic freedom. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Gaps: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code #22P4

Government Effectiveness Index

Source: World Bank Institute, http://www.govindicators.org

Definition: This index, based on 17 component sources, measures **"**the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies." The index values range from -2.5 (very poor performance) to +2.5 (excellent performance).

Coverage: Data are available for nearly all USAID countries.

CAS Code #22P5

Cost of Starting a Business

Source: World Bank, Doing Business; Starting a Business category:
http://www.doingbusiness.org/ExploreTopics/StartingBusiness/

Definition: Legally required cost to starting a simple limited liability company, expressed as percentage of GNI per capita.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S1

Procedures to Enforce a Contract

Source: World Bank, Doing Business; Enforcing Contracts category: http://www.doingbusiness.org/ExploreTopics/EnforcingContracts/

Definition: The number of procedures required to enforce a valid contract through the court system, with *procedure* defined as any interactive step the company must take with government agencies, lawyers, notaries, etc. to proceed with enforcement action.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S2

Procedures to Register Property

Source: World Bank, Doing Business; Registering Property category: http://www.doingbusiness.org/ExploreTopics/RegisteringProperty/

Definition: Number of procedures required to register the transfer of title for business property. A procedure is defined as any step involving interaction between a company or individual and a third party that is necessary to complete the property registration process.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S3

Procedures to Start a Business

Source: World Bank, Doing Business; Starting a Business category: http://www.doingbusiness.org/ExploreTopics/StartingBusiness/

Definition: The number of procedural steps required to legalize a simple limited liability company. A procedure is an interaction of a company with government agencies, lawyers, auditors, notaries, and the like, including interactions required to obtain necessary permits and licenses and complete all inscriptions, verifications, and notifications to start operations.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S4

Time to Enforce a Contract

Source: World Bank, Doing Business; Enforcing Contracts category: http://www.doingbusiness.org/ExploreTopics/EnforcingContracts/

Definition: Minimum number of days required to enforce a contract through the court system.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S5

Time to Register Property

Source: World Bank, Doing Business; Registering Property category: http://www.doingbusiness.org/ExploreTopics/RegisteringProperty/

Definition: The time required to accomplish the full sequence of procedures to transfer a property title from the seller to the buyer when a business purchases land and a building in a peri-urban area of the country's most populous city. Every required procedure is included whether it is the responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S6

Time to Start a Business

Source: World Bank, Doing Business; Starting a Business category: http://www.doingbusiness.org/ExploreTopics/StartingBusiness/

Definition: The number of calendar days needed to complete the required procedures for legally operating a business. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S7

Total Tax Payable by Business

Source: World Bank, Doing Business, Paying Taxes Category: http://www.doingbusiness.org/ExploreTopics/PayingTaxes/

Definition: The amount of taxes payable by a medium-sized business in the second year of operation, expressed as share of commercial profits. The total amount of taxes is the sum of all the different taxes payable after accounting for deductions and exemptions. The taxes withheld but not paid by the company are excluded. The taxes included can be divided into five categories: profit or corporate income tax, social security contributions and other labor taxes paid by the employer, property taxes, turnover taxes and other small taxes (such as municipal fees and vehicle and fuel taxes). Commercial profits are defined as sales minus cost of goods sold, minus gross salaries, minus administrative expenses, minus other deductible expenses, minus deductible provisions, plus capital gains (from the property sale) minus interest expense, plus interest income and minus commercial depreciation.

Coverage: Data are available for nearly all USAID countries

CAS Code #22S8

Business Costs of Crime, Violence and Terrorism Index

Source: Global Competitiveness Report, World Economic Forum, http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm.

Definitions: The index measures executives' perceptions of the business costs of terrorism in their respective country. Executives grade, on a scale from 1 to 7, whether crime, violence and terrorism impose (1) significant costs on business, or (7) do not impose significant costs on business.

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult, because the data are based on executive perceptions.

CAS Code #22S9

Senior Manager Time Spent Dealing with Government Regulations

Source: World Bank Enterprise Surveys, Bureaucracy section, www.enterprisesurveys.org

Definitions: Average percentage of senior managers' time that is spent in a typical week dealing with requirements imposed by government regulations such as taxes, customs, labor regulations, licensing and registration, and dealings with officials, and completing forms.

Coverage: Data available for about 80 USAID countries.

Data Quality: Same-timeframe comparisons between countries may be difficult; 15-20 enterprise surveys are conducted per year, with country updates expected approximately every three to five years. Surveys are taken of hundreds of entrepreneurs per country who describe the impact of their country's investment climate on their firm.

CAS Code #22S10

FINANCIAL SECTOR

Domestic Credit to Private Sector, Percentage of GDP

Source: IMF-International Financial Statistics financial section, where available; IMF Article IV consultation reports or national data sources for latest country data; World Development Indicators, most recent publication series FS.AST.PRVT.GD.ZS for benchmarking data. The WDI data originate with the IMF, International Financial Statistics and data files, and World Bank estimates.

Definition: Domestic credit to private sector refers to end of year financial resources provided to the private sector, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries, these claims include credit to public enterprises.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 23P1

Interest Rate Spread

Source: World Development Indicators, most recent publication series FR.INR.LNDP. Original data from IMF, International Financial Statistics and data files.

Definition: The difference between the average lending and borrowing interest rates charged by commercial or similar banks on domestic currency deposits.

Coverage: Data are available for about 66 USAID countries.

CAS Code # 23P2

Money Supply, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series FM.LBL.MQMY.GD.ZS. WDI data originate from IMF, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

Definition: Money supply (M2), also called broad money, is defined as the end of year nonbank private sector's holdings of notes, coins, and demand deposits, plus savings deposits and foreign currency deposits. Ratio of M2 to GDP is calculated to assess the degree of monetization of an economy.

Coverage: Data are available for about 81 USAID countries.

Data Quality: In some countries M2 includes certificates of deposits, money market instruments, and treasury bills.

CAS Code # 23P3

Stock Market Capitalization Rate, Percentage of GDP

Source: World Development Indicators, most recent publication, series CM.MKT.LCAP.GD.ZS.

Definition: This variable is defined as the market capitalization, also known as market value (the share price times the number of shares outstanding), of all the domestic shares listed on the country's stock exchange as a percentage of GDP.

Coverage: Data are available for about 54 USAID countries.

CAS Code # 23P4

Credit Information Index

Source: World Bank, Doing Business; Getting Credit Category: http://www.doingbusiness.org/ExploreTopics/GettingCredit/

Definition: The credit information index measures rules affecting the scope, accessibility and quality of credit information available through either public or private credit registries. The index ranges from 0 to 6, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions.

Coverage: Data are available for nearly all USAID countries.

Data Quality: The indicator is subjective, as it is based on an opinion poll.

CAS Code # 23P5

Legal Rights of Borrowers and Lenders Index

Source: World Bank Doing Business; Getting Credit category: http://www.doingbusiness.org/ExploreTopics/GettingCredit/ The index is based on data collected through research of collateral and insolvency laws supported by survey data on secured transactions laws.

Definition: The index measures the degree to which collateral and bankruptcy laws facilitate lending. It ranges in value from 0 (very poor performance) to 10 (excellent performance). It includes three aspects related to legal rights in bankruptcy, and seven aspects found in collateral law.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 23S1

Real Interest Rate

Source: World Development Indicators, most recent publication series FR.INR.RINR.

Definition: Real interest rate is the lending interest rate adjusted for inflation, as measured by the GDP deflator.

Coverage: Data are available for about 68 USAID countries.

CAS Code # 23S2

Number of Active Microfinance Borrowers

Source: The Mix Market.

http://www.mixmarket.org/en/demand/demand.quick.search.asp.

Definition: An aggregate of the number of current borrowers from microfinance institutions as reported by microfinance institutions to The Mix Market.

Coverage: Data are available for about 68 USAID countries.

Data Quality: Data are only available for those microfinance institutions that report to the Mix Market and data are not always updated in a timely fashion.

CAS Code # 23S3

EXTERNAL SECTOR

Aid, Percentage of GNI

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series DT.ODA.ALLD.GN.ZS.

Definition: The indicator measures official development assistance from OECD countries and official aid from non-OECD countries, as a percentage of the recipient's gross national income.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data do not include aid given by recipient countries to other recipient countries, and may not be consistent with the country's balance sheets, because data are collected from donors.

CAS Code #24P1

Current Account Balance, Percentage of GDP

Source: Latest country data from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from IMF World Economic Outlook (WEO) database, most recent edition, based on IMF balance of payments statistics and IMF local currency GDP figures.

Definition: Current account balance is the sum of net exports of goods, services, net income, and net current transfers. It is presented here as a percentage of a country's gross domestic product.

Coverage: Data are available for about 79 USAID countries.

CAS Code # 24P2

Debt Service ratio

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series DT.TDS.DPPG.XP.ZS, based on World Bank, Global Development Finance data.

Definition: The debt service is the sum of interest and principal payments actually paid in foreign currency, goods, or services in a given year, expressed as a percentage of exports of goods and services. Service exports include cross-border income payments, but exclude workers' remittances. It covers only long-term public and publicly guaranteed debt and repayments (repurchases and charges) to the IMF.

Coverage: Data are available for about 77 USAID countries.

Data Quality: See data quality comments to the Present value of debt, percent of GNI regarding quality of debt data reported.

CAS Code # 24P3

Exports Growth, Goods and Services

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series NE.EXP.GNFS.KD.ZG, based on World Bank national accounts data, and OECD National Accounts data files.

Definitions: Annual growth rate of exports of goods and services based on constant local currency units. Exports include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments.

Coverage: Data are available for about 81 USAID countries.

CAS Code # 24P4

Foreign Direct Investment, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series BX.KLT.DINV.DT.GD.ZS, based on IMF, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

Definition: Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy.

Coverage: Data are available for about 82 USAID countries.

CAS Code #24P5

Gross International Reserves, Months of Imports

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series FI.RES.TOTL.MO.

Definition: Gross international reserves comprise holdings of monetary gold, special drawing rights (SDRs), the reserve position of members in the IMF, and holdings of foreign exchange under the control of monetary authorities expressed in terms of the number of months of imports of goods and services.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24P6

Gross Private Capital Inflows, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm Benchmarking data derived from the International Financial Statistics (sum of lines 78BED and 78BGD, divided by GDP).

Definition: Gross private capital inflows are the sum of the direct and portfolio investment inflows recorded in the balance-of-payments financial account. The indicator is calculated as a ratio to GDP in U.S. dollars.

Coverage: Information on coverage is not easily accessible.

Data Quality: Capital flows are converted to U.S. dollars at the IMF's average official exchange rate for the year shown.

CAS Code #24P7

Present Value of Debt, Percentage of GNI

Source: World Development Indicators, most recent publication series DT.DOD.PVLX.GN.ZS, based on Global Development Finance data.

Definition: Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service

payments due on public, publicly guaranteed, and private non-guaranteed long-term external debt over the life of existing loans. The indicator measures the value of debt relative to the GNI.

Coverage: Data are available for about 80 USAID countries.

Data Quality: The coverage and quality of debt data vary widely across countries because of the wide spectrum of debt instruments, the unwillingness of governments to provide information, and a lack of capacity in reporting. Discrepancies are significant when exchange rate fluctuations, debt cancellations, and rescheduling occur.

CAS Code # 24P8

Remittances Receipts, Percentage of Exports

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are obtained from World Development Indicators, most recent publication and remittances data compiled by the World Bank at http://go.worldbank.org/QOWEWD6TA0. The figure is constructed by dividing workers' remittances (receipts), by exports of goods and services, WDI series BX.GSR.GNFS.CD.

Definition: Workers' remittances are current transfers by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The indicator is the ratio of remittances to exports.

Coverage: Data are available for all USAID countries.

CAS Code # 24P9

Trade, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series NE.TRD.GNFS.ZS.

Definition: The sum of exports and imports of goods and services divided by the value of GDP, all expressed in current U.S. dollars.

Coverage: Data available for about 84 USAID countries.

CAS Code # 24P10

Trade in Services, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from the World Development Indicators, most recent publication, series BG.GSR.NFSV.GD.ZS.

Definition: Trade in services is the sum of service exports and imports divided by the value of GDP, all in current U.S. dollars.

Coverage: Data available for about 80 USAID countries.

CAS Code # 24P11

Concentration of Exports

Source: Constructed with ITC COMTRADE data by aggregating the value for the top three export product groups (SITC Rev.3) and dividing by total exports. Raw data: http://comtrade.un.org/db/dqBasicQuery.aspx

Definition: The percentage of a country's total merchandise exports consisting of the top three products, disaggregated at the SITC (Rev. 3) 3-digit level.

Coverage: Available for about 74 USAID countries.

Data Quality: Smuggling is a serious problem in some countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other nonreporting countries; transshipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

CAS Code # 24S1

Inward FDI Potential Index

Source: UNCTAD. Indicator is available at http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2472&lang=1.

Definition: Inward FDI Potential Index measures an economy's attractiveness to foreign investors, capturing factors (apart from market size) that are expected to have an impact. The index ranges in value from 0 (for very poor performance) to 1 (for excellent performance). It is an unweighted average of the scores of 12 normalized economic and social variables.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24S2

Net Barter Terms of Trade

Source: World Development Indicators, most recent publication, series TT.PRI.MRCH.XD.WD

Definition: Net barter terms of trade are calculated as the ratio of the export price index to the corresponding import price index measured relative to the base year 2000.

Coverage: Data are available for about 51 USAID countries.

CAS Code # 24S3

Real Effective Exchange Rate (REER)

Source: IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm;

Definition: The REER is an index number with base 2000=100, which measures the value of a currency against a weighted average of foreign currencies. It is calculated as the nominal effective exchange rate divided by a price deflator or index of costs. The IMF defines the REER so that an increase in the value represents a real appreciation of the home currency, and a decrease represents a real depreciation.

Coverage: Information on coverage is not easily accessible.

Data Quality: Changes in real effective exchange rates should be interpreted with caution. For many countries the weights from 1990 onward take into account trade in 1988-90, and an index of relative changes in consumer prices is used as the deflator.

CAS Code # 24S4

Structure of Merchandise Exports

Source: World Development Indicators, most recent publication. Exports from five categories are used: Food exports series TX.VAL.FOOD.ZS.UN; Agricultural raw materials exports series TX.VAL.AGRI.ZS.UN; Manufactures exports series TX.VAL.MANF.ZS.UN; Ores and metals exports series TX.VAL.MMTL.ZS.UN; and Fuel exports series TX.VAL.FUEL.ZS.UN.

Definition: This indicator reflects the composition of merchandise exports by major commodity groups—food, agricultural raw materials, fuels, ores and metals, and manufactures.

Coverage: Data are available for about 78 USAID countries.

Data Quality: The classification of commodity groups follows the Standard International Trade Classification (SITC) revision 1, but most countries report using later revisions of the SITC. Tables are used to convert data reported in one system to another and this may introduce errors of classification. Shares may not sum to 100 percent because of unclassified trade.

CAS Code # 24S5

Trade Freedom Index

Source: Index of Economic Freedom, Heritage Foundation: http://www.heritage.org/Index/. The Trade Policy Score (index) is one component of the Index of Economic Freedom.

Definition: The index measures the degree to which government hinders the free flow of foreign commerce, based on a country's weighted average tariff rate (weighted by imports from the country's trading partners), with adjustments for non-tariff barriers. The countries are ranked on a 0-to-100 scale, with a higher score representing greater freedom (low barriers to trade)—a switch from the 5-1 ranking of previous Indexes (in which lower numbers denoted greater freedom).

Coverage: Data are available for about 83 USAID countries.

Data Quality: The index is subjective and at times inconsistent in its treatment of tariffs.

CAS Code # 24S6

Ease of Trading Across Borders Ranking

Source: World Bank, Doing Business, Trading Across Borders category: http://www.doingbusiness.org/ExploreTopics/TradingAcrossBorders/

Definitions: The 183 economies covered by the Doing Business report are ranked on the ease with which one may import into and export out of the economy. The ranking is based on a simple average of the economy's ranking on each of the composite indicators for Trading Across Borders: number of documents to import and export, cost to import and export, and time to import and export.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 24S7

ECONOMIC INFRASTRUCTURE

Internet Users per 100 people

Source: World Development Indicators, most recent publication series IT.NET.USER.P2, derived from the International Telecommunication Union database.

Definition: Indicator quantifies the number of Internet users, defined as those with access to the worldwide network, per 100 people.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 25P1

Logistics Performance Index, Infrastructure

Source: World Bank, Logistics Performance Index (LPI) www.worldbank.com/lpi. The Infrastructure Quality is one component of the Logistics Performance Index.

Definition: The LPI ranks countries on a scale of 1 to 5 (lowest to highest) in terms of IT, telecommunications and transportation infrastructure. It is based on a survey of more than 800 logistics professionals who each operate in at least eight countries.

Coverage: Data are available for about 80 USAID countries.

CAS Code # 25P2

Telephone Density, Fixed Line and Mobile per 100 people

Source: World Development Indicators, most recent publication series IT.TEL.TOTL.P3, derived from the International Telecommunication Union database.

Definition: The indicator is the sum of subscribers to telephone mainlines and mobile phones per 100 people. Fixed lines represent telephone mainlines connected to the public switched telephone network. Mobile phone subscribers refer to users of cellular-based technology with access to the public switched telephone network.

Coverage: Data are available for about 88 USAID countries.

CAS Code #25P3

Overall Infrastructure Quality Index

Source: Global Competitiveness Report, World Economic Forum http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm.

Definition: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether general infrastructure in their country is poorly developed (1) or among the best in the world (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code # 25P4

Quality of infrastructure—Railroads, Ports, Air Transport and Electricity

Source: Global Competitiveness Report, World Economic Forum http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm.

Definitions: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether railroads, ports, air transport, and electricity are poorly developed (1) or among the best in the world (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #25S1

Roads, paved (% total)

Source: World Development Indicators, most recent publication series IS.ROD.PAVE.ZS

Definitions: Paved roads are roads surfaced with crushed stone (macadam) and hydrocarbon binder or bituminized agents, with concrete, or with cobblestones.

Coverage: Data are available for nearly all USAID countries.

CAS Code #25S2

SCIENCE AND TECHNOLOGY

FDI Technology Transfer Index

Source: Global Competitiveness Report, World Economic Forum http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm.

Definition: The index measures executives' perceptions of FDI as a source of new technology for the country. Executives grade, on a scale from 1 to 7, whether foreign direct investment in their country brings little new technology (1), or is an important source of new technology (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code # 26P1

Availability of Scientists and Engineers Index

Source: Global Competitiveness Report, World Economic Forum http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm.

Definitions: The index measures executives' perceptions of the availability of scientists and engineers in their respective country. Executives grade, on a scale from 1 to 7, whether scientists and engineers in their country are nonexistent (1) or rare, or widely available (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #26P2

Science and Technology Journal Articles, per Million People

Source: World Development Indicators, most recent publication, series IP.JRN.ARTC.SC

Definitions: The indicator refers to published scientific and engineering articles in physics, biology, chemistry, mathematics, clinical medicine, biomedical research, engineering and technology, and earth and space sciences per one million population.

Coverage: Data are available for about 82 USAID countries.
CAS Code #26P3

IPR Protection Index

Source: Global Competitiveness Report, World Economic Forum http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm.

Definitions: The index measures executives' perceptions of the availability of the quality of intellectual property rights protection in their respective country. The scale ranges from 1(for poorly enforced) to 7 (among the best in the world).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #26P4

HEALTH

HIV Prevalence

Source: UNAIDS for most recent country data: http://data.unaids.org/pub/GlobalReport/2008/20080813_gr08_prev1549_1990_2007_en.xls . World Development Indicators, most recent publication for benchmark data, series SH.DYN.AIDS.ZS.

Definition: Percentage of people ages 15–49 who are infected with HIV.

Coverage: Data are available for about 79 USAID countries.

Data Quality: UNAIDS/WHO estimates are based on all available data, including surveys of pregnant women, population-based surveys, household surveys conducted by Kenya, Mali, Zambia, and Zimbabwe, and other surveillance information.

CAS Code # 31P1

Life Expectancy at Birth

Source: World Development Indicators, most recent publication, (SP.DYN.LE00.IN)

Definition: Life expectancy at birth indicates the number of years a newborn infant would live on average if prevailing patterns of mortality at the time of his or her birth were to stay the same throughout his or her life.

Coverage: Data are available for about 88 USAID countries.

Data Quality: Life expectancy at birth is estimated on the basis of vital registration or the most recent census/survey. Extrapolations may not be reliable for monitoring changes in health status or for comparative analytical work.

CAS Code # 31P2

Maternal Mortality Rate

Source: UN Millennium Indicators Database, http://millenniumindicators.un.org/unsd/mdg/Data.aspx based on WHO, UNICEF and UNFPA data.

Definition: The indicator is the number of women who die during pregnancy and childbirth, per 100,000 live births.

Coverage: Data are available for about 87 USAID countries.

Data Quality: Household surveys attempt to measure maternal mortality by asking respondents about survival of sisters. The estimates pertain to 12 years or so before the survey, making them unsuitable for monitoring recent changes.

CAS Code # 31P3

Access to Improved Sanitation

Source: World Development Indicators, most recent publication, series SH.STA.ACSN.

Definition: The indicator is the percentage of population with at least adequate excreta disposal facilities (private or shared, but not public) that can effectively prevent human, animal, and insect contact with excreta.

Coverage: Data are available for about 82 USAID countries.

CAS Code #31S1

Access to Improved Water Source

Source: World Development Indicators, most recent publication series SH.H2O.SAFE.ZS

Definition: The indicator is the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, or rain water collection.

Coverage: Data are available for about 83 USAID countries.

Data Quality: Access to drinking water from an improved source does not ensure that the water is adequate or safe.

CAS Code # 31S2

Births Attended by Skilled Health Personnel

Source: World Development Indicators, most recent publication, series SH.STA.BRTC.ZS.

Definition: The indicator is the percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period, to conduct interviews on their own, and to care for newborns.

Coverage: Data are available for about 62 USAID countries.

Data Quality: Data may not reflect improvements in maternal health; maternal deaths are underreported; and rates of maternal mortality are difficult to measure.

CAS Code # 31S3

Child Immunization Rate

Source: World Development Indicators, most recent publication, estimated by averaging two series: Immunization, DPT (% of children ages 12–23 months) (SH.IMM.IDPT) and Immunization, measles (% of children ages 12–23 months) (SH.IMM.MEAS).

Definition: Percentage of children under one year of age receiving vaccination coverage for four diseases: measles and diphtheria, pertussis (whopping cough), and tetanus (DDPT).

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S4

Prevalence of Child Malnutrition—Weight for Age

Source: World Development Indicators, most recent publication, series SH.STA.MALN.ZS.

Definition: The indicator is based on the percentage of children under age five whose weight for age is more than minus two standard deviations below the median for the international reference population ages 0–59 months.

Coverage: Data are available for about 55 USAID countries.

CAS Code # 31S5

Public Health Expenditure, Percentage of GDP

Source: Latest data for host country is obtained from the MCC: http://www.mcc.gov/mcc/selection/scorecards/index.shtml;

International benchmarking data from World Development Indicators, most recent publication (SH.XPD.PUBL.ZS), based on World Health Organization, World Health Report, and updates and from the OECD, supplemented by World Bank poverty assessments and country and sector studies.

Definition: Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds.

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S6

EDUCATION

Net Primary Enrollment Rate—Female, Male and Total

Source: UNESCO Institute for Statistics, http://stats.uis.unesco.org/ReportFolders/reportfolders.aspx

Definition: The indicator measures the proportion of the population of the official age for primary, secondary, or tertiary education according to national regulations who are enrolled in primary schools. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment rates are based on data collected during annual school surveys, which are typically conducted at the beginning of the school year, and do not reflect actual rates of attendance during the school year. In addition, school administrators may report exaggerated enrollments because teachers often are paid proportionally to the number of pupils enrolled. The indicator does not measure the quality of the education provided.

CAS Code # 32P1

Primary Completion Rate—Total

Source: World Development Indicators, most recent publication, series SE.PRM.CMPT.ZS (total). Based on data from United Nations Education, Scientific, and Cultural Organization (UNESCO) Institute of Statistics.

Definition: Primary completion rate is the percentage of students completing the last year of primary school. It is calculated by taking the total number of students in the last grade of primary school, minus the number of repeaters in that grade, divided by the total number of children of official graduation age.

Coverage: Data are available for about 128 USAID countries

CAS Code # 32P2

Youth Literacy Rate—Female, Male, and Total

Source: World Development Indicators, most recent publication, series SE.ADT.1524.LT.ZS.

Definition: The indicator is an estimate of the percent of people ages 15–24 who can, with understanding, read and write a short, simple statement on their everyday life.

Coverage: Data are available for about 67 USAID countries.

Data Quality: Statistics are out of date by two to three years.

CAS Code #32P3

Net Secondary Enrollment Rate, Total

Source: World Development Indicators, most recent publication, series SE.SEC.NENR. Based on data from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics.

Definitions: Net enrollment ratio is the ratio of children of official school age based on the International Standard Classification of Education 1997 who are enrolled in school to the population of the corresponding official school age. Secondary education completes the provision of basic education that began at the primary level and aims at laying the foundations for lifelong learning and human development by offering more subject- or skill-oriented instruction using more specialized teachers.

Coverage: Not available for draft.

Data Quality: Break in series between 1997 and 1998 due to change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code #32P4

Gross Tertiary Enrollment Rate, Total

Source: World Development Indicators, most recent publication, series SE.TER.ENRR. Based on data from the UNESCO Institute for Statistics.

Definitions: Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age

group that officially corresponds to the level of education shown. Tertiary education, whether or not to an advanced research qualification, normally requires, as a minimum condition of admission, the successful completion of education at the secondary level.

Coverage: Not available for draft.

Data Quality: Break in series between 1997 and 1998 due to change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code #32P5

Expenditure on Primary Education, Percentage of GDP

Source: Millennium Challenge Corporation: http://www.mcc.gov/mcc/selection/scorecards/index.shtml;

Definition: The indicator is the total expenditures on education by all levels of government, as a percent of GDP.

Coverage: Data are available for about 58 USAID countries.

Data Quality: ;he MCC obtains the data from national sources through U.S. embassies.

CAS Code #32S1

Educational Expenditure per Student, Percentage of GDP per capita—Primary, Secondary and Tertiary

Source: World Development Indicators, most recent publication series SE.XPD.PRIM.PC.ZS (primary); SE.XPD.SECO.PC.ZS (secondary); and SE.XPD.TERT.PC.ZS (tertiary).

Definition: Public expenditure per student (primary, secondary or tertiary) is defined as the public current expenditure on education divided by the total number of students, by level, as a percentage of GDP per capita.

Coverage: Data are available for about 50, 47, and 45 USAID countries (for primary, secondary, and tertiary expenditure, respectively).

Data Quality: Education statistics should be interpreted with caution because the data are out of date by 2 or 3 years; also, the statistics reflects solely public spending, generally excluding spending by religious schools, which play a significant role in many developing countries. Data for some countries and for some years refer to spending by the ministry of education only.

CAS Code # 32S2

Pupil-teacher Ratio, Primary School

Source: World Development Indicators, most recent publication series SE.PRM.ENRL.TC.ZS.

Definition: Primary school pupil-teacher ratio is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment).

Coverage: Data are available for about 76 USAID countries.

Data Quality: The indicator does not take into account differences in teachers' academic qualifications, pedagogical training, professional experience and status, teaching methods, teaching materials and variations in classroom conditions – all factors that could also affect the quality of teaching/learning and pupil performance.

CAS Code # 32S3

EMPLOYMENT AND WORKFORCE

Labor Force Participation Rate

Source: World Development Indicators, most recent publication series: SL.TLF.CACT.ZS. Based on data from International Labour Organization (ILO).

Definition: The proportion of the population ages 15 and older that is economically active: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P1

Rigidity of Employment Index

Source: World Bank, Doing Business, Employing workers category: http://www.doingbusiness.org/ExploreTopics/EmployingWorkers/

Definition: Rigidity of employment index is a measure of labor market rigidity constructed as the average of the Difficulty of Hiring index, Rigidity of Hours index and Difficulty of Firing index. Index ranges in value from 0 (minimum rigidity) to 100 (maximum rigidity).

Coverage: Data are available for nearly all USAID countries.

Data Quality: Subindices are compiled by the World Bank from survey responses to in-country specialists.

CAS Code # 33P2

Size and Growth of the Labor Force

Source: Size of labor force from World Development Indicators (SL.TLF.TOTL.IN); annual percentage change calculated from size data.

Definition: The indicator measures the size of the labor supply, and its annual percent change. Labor force is made up of people who meet the International Labor Organization definition of the economically active population: all people who are able to supply labor for the production of goods and services during a specified period, including both the employed and the unemployed. Although national practices vary in the treatment of groups such as the armed forces and seasonal or part-time workers, in general, the labor force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P3

Unemployment Rate

Source: World Development Indicators, most recent publication series SL.UEM.TOTL.ZS.

Definition: The unemployment rate refers to the share of the labor force that is without work but available for and seeking employment. For this purpose, informal sector workers and own-account workers (including subsistence farmers) are counted as employed.

Coverage: Data are available for about 50 USAID countries.

Data Quality: Definitions of labor force and unemployment differ by country, making international comparisons inaccurate.

CAS Code # 33P4

Economically Active Children, Percentage Children Ages 7-14

Source: World Development Indicators, most recent publication series SL.TLF.0714.ZS. Derived from the Understanding Children's Work project based on data from ILO, UNICEF, and the World Bank.

Definitions: Economically active children refer to children involved in economic activity for at least one hour in the reference week of the survey.

CAS Code # 33P5

Firing Costs, Weeks of Wages

Source: World Bank, Doing Business, Employing Workers Category: http://www.doingbusiness.org/ExploreTopics/EmployingWorkers/ .

Definitions: The firing cost indicator measures the cost of advance notice requirements, severance payments, and penalties due when terminating a redundant worker, expressed in weekly wages. One month is recorded as 4 and 1/3 weeks.

Coverage: Data available for nearly all USAID countries.

CAS Code # 33S1

AGRICULTURE

Agriculture Value Added per Worker

Source: World Development Indicators, most recent publication series EA.PRD.AGRI.KD, derived from World Bank national accounts files and Food and Agriculture Organization, Production Yearbook and data files.

Definition: Agriculture value added per worker is a basic measure of labor productivity in agriculture. Value added in agriculture measures the output of the agricultural sector (ISIC divisions 1–5)—forestry, hunting, fishing, cultivation of crops, and livestock production—less the value of intermediate inputs. Data are in constant 2000 U.S. dollars.

Coverage: Data are available for about 80 USAID countries.

CAS Code # 34P1

Cereal Yield

Source: World Development Indicators, most recent publication series AG.YLD.CREL.KG based on Food and Agriculture Organization Production Yearbook and data files.

Definition: Cereal yield, measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data on cereal yield may be affected by a variety of reporting and timing differences. The FAO allocates production data to the calendar year in which the bulk of the harvest took place. But most of a crop harvested near the end of a year will be used in the following year. Cereal crops harvested for hay or harvested green for food, feed, or silage, and those used for grazing, are generally excluded. But millet and sorghum, which are grown as feed for livestock and poultry in Europe and North America, are used as food in Africa, Asia, and countries of the former Soviet Union. So some cereal crops are excluded from the data for some countries and included elsewhere, depending on their use.

CAS Code # 34P2

Growth in Agricultural Value-Added

Source: The latest country data are taken from national data sources or from IMF Article IV consultation reports: http://www.imf.org/external/np/sec/aiv/index.htm. The benchmarking data are from World Development Indicators, most recent publication series NV.AGR.TOTL.KD.ZG

Definition: The indicator measures the annual growth rate for agricultural value added, in constant local currency. Regional group aggregates are based on constant 2000 U.S. dollars. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. It is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

Coverage: Data are available for about 84 USAID countries.

CAS Code # 34P3

Fertilizer Consumption (100 grams per hectare of arable land)

Source: World Development Indicators, most recent publication series AG.CON.FERT.ZS, derived from Food and Agriculture Organization Production Yearbook and data files.

Definition: Fertilizer consumption (100 grams per hectare of arable land) measures the quantity of plant nutrients used per unit of arable land. Fertilizer products cover nitrogenous, potash, and phosphate fertilizers (including ground rock phosphate). Traditional nutrients--animal and plant manures--are not included. The time reference for fertilizer consumption is the crop year (July through June). Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded.

Coverage: Data available for

CAS Code #34P4

Agricultural Policy Costs Index

Source: Global Competitiveness Report, World Economic Forum http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm.

Definition: The index measures executives' perceptions of agricultural policy costs in their respective country. Executives grade, on a scale from 1 to 7, whether the cost of agricultural policy in a given country is excessively burdensome (1), or balances all economic agents' interests (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code # 34S1

Crop Production Index

Source: World Development Indicators, most recent publication series AG.PRD.CROP.XD, based on FAO statistics.

Definition: Crop production index shows agricultural production for each year relative to the period 1999–2001 = 100. The index includes production of all crops except fodder crops. Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period.

Coverage: Data are available for about 85 USAID countries.

Data Quality: Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period 1999–2001. The FAO obtains data from official and semiofficial reports of crop yields, area under production, and livestock numbers. If data are not available, the FAO makes estimates. To ease cross-country comparisons, the FAO uses international commodity prices to value production expressed in international dollars (equivalent in purchasing power to the U.S. dollar). This method assigns a single price to each commodity so that, for example, one metric ton of wheat has the same price regardless of where it was produced. The use of international prices eliminates fluctuations in the value of output due to transitory movements of nominal exchange rates unrelated to the purchasing power of the domestic currency.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 34S2

Livestock Production Index

Source: World Development Indicators, most recent publication series AG.PRD.LVSK.XD, based on FAO.

Definition: Livestock production index shows livestock production for each year relative to the base period 1999–2001=100. The index includes meat and milk from all sources, dairy products such as cheese, and eggs, honey, raw silk, wool, and hides and skins.

Coverage: Data are available for about 85 USAID countries.

Data Quality: See comments on the Crop Production Index.

CAS Code # 34S3

Agriculture Export Growth

Source: World Development Indicators, most recent publication series TX.VAL.AGRI.ZS.UNs, Agricultural raw materials exports (% of merchandise exports), based on World Bank staff estimates from the COMTRADE database maintained by the United Nations Statistics Division; and series TX.VAL.MRCH.CD.WT, Merchandise exports (current US$), based on data from the World Trade Organization.

Definitions: Agricultural raw materials comprise SITC section 2 (crude materials except fuels), excluding divisions 22, 27 (crude fertilizers and minerals excluding coal, petroleum, and precious stones), and 28 (metalliferous ores and scrap). Merchandise exports show the f.o.b. value of goods provided to the rest of the world valued in U.S. dollars. Data are in current U.S. dollars. The indicator is calculated by multiplying agricultural raw materials by merchandise exports. The annual growth rate is then calculated from the resulting series.

Coverage: Not available for draft.

CAS Code # 34S4