

Private investment, ADP spending at 10-year low, warns CPD

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Online Desk : Private investment in Bangladesh has fallen to a historic low, while implementation of the Annual Development Programme (ADP) has dropped to its weakest level in a decade, the Centre for Policy Dialogue (CPD) said on Saturday, raising concerns over jobs, growth and investor confidence. Presenting CPD's assessment of the economy at a programme in Dhaka, Executive Director Fahmida Khatun said the slowdown in investment has emerged as the most pressing challenge for the economy, as weaker investment directly translates into lower employment and subdued economic activity. Foreign direct investment has also declined to its lowest level in recent years, she added.

CPD noted that ADP implementation is currently the slowest in 10 years, reflecting delays in project execution and weaknesses in public expenditure management at a time of fiscal pressure. The think tank warned that prolonged delays could undermine growth prospects and the effectiveness of development spending. While food inflation has eased slightly, non-food inflation remains at an unacceptably high level, CPD said, arguing that price pressures have become structural in nature and cannot be controlled through higher interest rates alone.

The organisation urged the next elected government to continue banking sector reforms initiated by the interim administration, including measures to reduce default loans, strengthen regulation and restore depositor confidence. CPD also said revenue collection grew by 16.7% in the first half of the current fiscal year, driven mainly by income tax and VAT. However, it cautioned that meeting the full-year revenue target will remain challenging, highlighting the need for sustained reforms to stabilise the economy and revive investment.