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Editor's Desk

This February 2019 issue of Thinking Aloud focuses on "Perspectives on Macroeconomics" and presents articles based on the papers presented at the First SANEM Macroeconomics Workshop held on 19 January 2019 in Dhaka. The first article titled "Bangladesh's macroeconomic challenges" explores the critical macroeconomic challenges for the Bangladesh economy which include growth acceleration and maintenance, containing inflationary pressure, exchange rate management, maintaining a stable balance-of-payment regime, and pursuing effective monetary and fiscal policies. The second article titled "Rethinking macroeconomic policy: from a neoliberal framework to a development perspective" emphasizes the need for modification of the neoliberal policy framework to reflect developing country circumstances. The third article titled "The economics of the twin deficits hypothesis" suggests that a positive causal relationship running from budget to current account deficit can be referred to as a mechanism through which a rise in the budget deficit causes a corresponding rise in the current account deficit. The fourth article titled "The effect of exchange rate on export of Bangladesh: A time series analysis" estimates the short run as well as long run effect of the Real Exchange Rate (RER) on real export earnings of Bangladesh using time series data for the period from 1972 to 2016. The fifth article titled "Impact of fiscal and monetary policies on budget deficit in Bangladesh" empirically investigates how budget deficit responds when a combination of monetary and fiscal instruments is being considered in Bangladesh. The sixth article titled "Role of tertiary education on economic growth of Bangladesh: A time series analysis" estimates a conventional growth model while emphasizing the role of gross tertiary enrollment ratio using time series data from 1971 to 2016. The seventh article titled "Does US Federal Funds Rate affect other economies? Evidence from Bangladesh" attempts to evaluate the long run impact of change in the United States Federal Funds Rate on Bangladesh interest rate spread using a Vector Error Correction Model. The fourth page covers events that took place in the month of January.

Inside this issue

Editor:
Selim Raihan

Associate Editors:
Sunera Saba Khan
Zubayer Hossen
Wasim Ahmed Dony

Bangladesh's macroeconomic challenges

Selim Raihan

There are six major macroeconomic challenges for the Bangladesh economy. First, accelerating economic growth and maintaining high economic growth over the coming years will remain a big challenge. Two major drivers of economic growth in Bangladesh have been, the readymade garments exports and remittances. The dividends from these drivers of growth are likely to decline in the future. There is a need to find new drivers of growth through diversification of the economy and developing productive capacities. In these contexts, stimulating private investment in diversified economic sectors and ensuring efficient public investment remain uphill tasks.

Second, containing inflation is a critical challenge. Bangladesh has been able to avoid high inflationary pressure since 2011. The overall inflation rate has remained below 7%. In recent years, the inflation rate is less than 6%. However, there are three concerns with respect to the inflation situation in Bangladesh: (i) the overall inflation rate hides the sudden as well as intermittent steep rise in food prices, especially the price of rice, which affects the poor people; (ii) as the overall inflation rate is a weighted sum of the food and non-food inflation, there are concerns that the non-food inflation in Bangladesh is underestimated due to inappropriate representation of the non-food items and their prices in the calculation of inflation rates; (iii) the overall low inflation rate at the national level may not reflect the true picture of the high inflationary pressure faced by different low-income groups as their consumption baskets and related prices are likely to be different from the national averages. Given these concerns, containing inflationary pressure for low-income people will remain a challenge for Bangladesh in the wake of further growth acceleration.

Third, the management of the exchange rate is a crucial area of concern. Though, for long, Bangladesh has been able to maintain a relatively stable exchange rate regime, the exchange rate in recent times is alleged to be over-valued. In recent years, while Bangladesh's major competitors in the global market, such as China, Vietnam, India, and Sri Lanka, have experienced significant depreciation of their currencies against US dollar, Bangladeshi taka remained quite stable. The analysis of the real effective exchange rate in Bangladesh also shows a misaligned exchange rate regime which, together with high tariff rates on imports, leads to significant anti-export bias. In other words, the current exchange rate and trade policies are not favorable for rapid export expansion in Bangladesh. However, one important point to note here that, while the importance of the correction of anti-export bias for export promotion and diversification cannot be undermined, such correction alone cannot by itself be sufficient to trigger 'auto' large supply response in terms of expanding export volumes and diversifying the export basket. A number of supply-side constraints, in terms of weak infrastructure, the high cost of capital, lack of access to credit, and lack of skilled human resources can prevent local producers from expanding exports, and the lack of an enabling business environment can strangle entrepreneurship and innovation. Therefore, the policy options and support measures for exports are much more difficult and involved than the mere correction of anti-export bias.

Fourth, the surged balance-of-payment deficit in recent years remains a big concern for the stability of the macroeconomy. Over the past two years, the economy has been witnessing high growth rate in imports, while the growth rates in exports and remittances have been subdued and unstable, which has led to widening trade deficit and current account deficit. Though the current volume of foreign reserve can meet the import demand of around five months, the volume of the foreign reserve has been on a declining trend since the financial year of 2017. Given the projections of high import demand for construction and industrial raw materials in the coming days on the one hand and unstable global trading environment, thus creating uncertainties for both export and remittance growth, on the other hand, managing a stable balance-of-payment regime will remain a big challenge for the Bangladesh economy. One important lesson, Bangladesh can learn from the experiences of the successful countries from southeast Asia, is that attracting large scale foreign direct investment (FDI) can ease the pressure on balance-of-payment. Bangladesh is yet to be successful in attracting large-scale FDI. The amount of annual FDI inflow in recent years is only around 2.5 billion US$ while the country needs more than 10 billion US$ FDI annually to achieve many of its development goals. Therefore, enabling the environment for ensuring large-scale FDI remains a critical task ahead.

Fifth, while the monetary policy by the Bangladesh Bank has been, in general, able to maintain a so-called stable 'status quo', it has failed to generate a big push for accelerating private investment. A number of banking scams and escalation of non-performing loans show a major institutional weakness of the financial sector and pose a threat to macroeconomic stability. The high cost of credit is a reflection of the inefficient banking system which discourages inclusive financing. Therefore, the challenge of the monetary policy is more of an institutional issue rather than any narrowly-focused effort to lowering of the interest rate.

Finally, though the country has been able to maintain a stable fiscal deficit of around 5% of GDP over a long time period, in a regime of low tax-GDP ratio of around 10%, this has only been possible through keeping the vital social expenditures, like public expenditure on education, health and social protection, at very low levels. However, as the country aspires to achieve stiff development goals in the coming years, public spending on education, health and social protection has to be raised substantially. There is no denying that with such a low tax-GDP ratio many development aspirations will remain unrealized. Though the country has undertaken several reforms to improve tax collection, they have remained unsuccessful due to various institutional weaknesses and vested political patronage. The fiscal policy process thus needs a strong political commitment to simplifying tax systems, strengthening tax administration, and broadening the tax base under a wider reform agenda.

Dr. Selim Raihan. Email: selim.raihan@gmail.com

Rethinking macroeconomic policy: from a neoliberal framework to a development perspective

Iyanatul Islam

Neoliberal macroeconomics emerged in the advanced economies in the 1970s. It grew out of a debate between Keynesian economists and their critics ('new classical' economists). These ideas were exported to the developing world through the conduit of major financial institutions (most notably IMF/WB). Developing economies hosted 958 structural adjustment programmes (SAPs) in the 1980s and 1990s. The SAPs played an important role in the restoration of macroeconomic stability but were less successful in fostering sustainable growth and structural transformation.

The intellectual foundation of neoliberal macroeconomics rests on the view that the primary role of the government is to stabilize expectations about the future of forward-looking economic agents. This is best done by making a credible commitment to 'nominal anchors'. These nominal anchors take the form of numerical targets pertaining to inflation, debts, deficits and external sustainability. The key proposition is that a credible commitment to these targets fosters macroeconomic stability which, in turn, is essential for growth and structural transformation. A key aspect of neoliberalism is that a fully flexible labour market ensures full employment and provides scope for macroeconomic policy instruments to play their due role. Hence, the implication is that one should aim to remove regulatory impediments to the labour market, such as minimum wages and employment protection legislation. Neoliberal macroeconomics favours independent central banks that make counter-cyclical adjustments to the interest rate in order to maintain the medium-term inflation target. This should be combined with either fully floating or fully fixed exchange rate regimes supplemented by an open capital account. Fiscal policy should be geared towards maintaining debts and deficits within numerical limits, with an independent fiscal council exercising an oversight role. However, confidence in neoliberal macroeconomic policy has been shaken by the global financial crisis of 2007 followed by the global recession of 2008-2009. The IMF has led the initiative to 'rethink' macroeconomic policy in the post-crisis era, but this literature reflects the concerns of advanced economies.

The neoliberal policy framework should be modified to reflect developing country circumstances. While certain institutional innovations – such as independent, but democratically accountable, central banks and fiscal councils are useful - a rigid adherence to numerical targets pertaining to inflation, debts and deficits should be eschewed in light of evidence that such targets are not robust. One should aim for a range that can accommodate estimation errors and country-specific circumstances. Central bankers should look beyond inflation targets and find credible ways to support growth, employment creation and poverty reduction objectives. This is perhaps best achieved through the promotion of financial inclusion. The available evidence also suggests a case for prudent management of the exchange rate and the capital account in order to attenuate the incidence of macroeconomic volatility.

Fiscal policy should move beyond a focus on fiscal targets to harness resources from multiple sources to sustainably support investments in health, education, infrastructure and social protection and to respond proactively to smooth business cycles. Finally, the idea of a fully deregulated labour market should be modified to take account of evidence that what matters are well-designed and appropriately enforced regulations that strike the right balance between protecting the rights of workers and the interests of the business community.

Dr. Iyanatul Islam, Adjunct Professor, Griffith Asia Institute, Griffith University, Australia. Email: i.islam@griffith.edu.au

The economics of the twin deficits hypothesis

Muntasir Murshed

The indispensable role of public expenditure in stabilizing the economy, following a recessionary or an inflationary gap, has been expansively acknowledged by the Keynesian school of thought as well as also partially put forward in the subsequent views of the New Keynesian and Post-Keynesian economists. It is accepted that the development projects in the emerging economies are often pinned down courtesy the aggravation of their respective fiscal deficit; thus obliging those nations to be dependent on the inflows of foreign development assistance and other sources of foreign currencies for the financing of the governments' proposed development expenditure. Although such incoming foreign capitals are effective in curbing the fiscal shortfalls, these can also exert adverse externalities on the economy, particularly through deterioration of the current account deficit. This simultaneous worsening of the budget and current account deficits is referred to as the twin deficits hypothesis, whereby the direction of causality is presumed to be stemming from the former to the later. The twin deficits syndrome first came into the limelight during the 1980s following the sustained deterioration of these two deficits in the USA.

The twin deficits phenomenon can be primarily understood from the nature of the correlative and causal associations between a nation's budget and current account balances. Firstly, a positive causal relationship running from budget to current account deficit can be referred to as a mechanism through which a rise (or fall) in the budget deficit causes a corresponding rise (or fall) in the current account deficit. Thus, in such circumstances, fiscal consolidation via cuts to reduce the fiscal deficit can effectively result in smaller current account deficits as well. Secondly, a causal association in the opposite direction can also be exhibited which can be referred to as the *reverse causation* whereby the association cannot be termed as the twin deficit hypothesis despite both the deficits moving in the same direction. This particular phenomenon can also be explained by the national income accounting equation in which a current account deficit, viewed in the form of an escalation in the net exports, is often associated to a fall in the aggregated demand, diminishing economic growth and consequently an aggravation of the budget deficit simultaneously. Finally, a feedback causal nexus between these two deficits can also be witnessed whereby it is not possible to target a reduction in the current account deficit by controlling the escalation of the budget deficit.

A steady budget deficit is often considered to be one of the key attributes of economic affliction providing significance to the prime importance of enhancing the degrees of economic and financial openness in order to facilitate the inflow of foreign capitals that are pertinent for bridging the fiscal deficits. In addition, escalation of the current account deficits arising due the growth of the total monetary value of imports outpacing that of exports is also a concern since such current account imbalances are expected to hinder the economic development drives of the government. Such negative trends in the fiscal budgets and the current account balances are some of the most common features of most developing nations to which Bangladesh is no exception. Ever since its inception in 1971, the nation has embarked on widespread structural reforms with the objective of curbing public sector shortfalls, successfully mitigating external deficits and, in the process, stabilizing its macroeconomic environment.

Muntasir Murshed, Research Analyst, BIDS.
Email: muntasir.murshed@northsouth.edu

The effect of exchange rate on export of Bangladesh: A time series analysis

Jonaed

The real exchange rate is an important indicator for measuring the global competitiveness, macroeconomic stability as well as economic growth of a country. It has a significant influence on a countries' foreign trade and hence on its export. Historical data shows that the Bangladeshi taka has a depreciating trend over time. Macroeconomic theory implies that, as a result of depreciation of domestic currency, domestic goods are relatively cheaper for foreigners and thus the demand for exports increase. . This study investigates the effect of exchange rate on export of Bangladesh.

Bangladesh has undertaken several export and exchange rate related policies over time. After independence in 1971, Bangladesh's currency continued to be pegged to UK's pound sterling. Later, it became the intervention currency. The intervention currency was swapped to the USD in 1985 as the official trades in Bangladesh took place in the USD rather than the pound sterling. To establish institutional control, in May 1975, a remarkable step towards efficient exchange management took place with a massive devaluation. Since then Bangladesh devalued her currency about 130 times from 1972 to 2002 to illuminate the balance of payment deficits. Bangladesh started using the floating exchange rate from May 2003. Bangladesh has taken many innovative trade policies to establish and expand the export-oriented industry and import substitution industry. In order to attain higher growth, Bangladesh liberalized her markets during the late '70s. The consequence was a significant rise in exports since the 1990s.

This study estimates the short run as well as long run effect of the Real Exchange Rate (RER) on real export earnings of Bangladesh using time series data for the period from 1972 to 2016. The ADF and the Phillips-Perron test confirm that all the variables are stationary in first difference. In case of the Johansen cointegration test, Trace statistics and Maximal Eigen Value statistics confirms the presence of cointegrating equation and the estimated cointegration equation implies that in the long run an appreciation of the real exchange rate causes a decrease in real export earnings. We also found that increase in real domestic GDP and real World GDP has a positive impact on Export. Vector Error Correction Model (VECM) implies that there is no short run adjustment between RER and Export, and Wald test also confirm that there is no short run causality running from RER, domestic GDP and world GDP to Export. The Granger causality test statistic reveals that, there is unidirectional long run causality between RER and Export.

The estimated results indicate that the RER has a significant negative relationship on real export earnings in the long run and in the short run there is no causal relationship. In the long run, real devaluation/depreciation of exchange rate has been positively associated with improvement of real Export earnings. Thus, depreciation/devaluation of currency as a whole seems to be beneficial for Bangladeshi exports. However, economists discourage continual depreciation as highly volatile exchange rate makes macroeconomic variables such as inflation, interest rate, narrow & broad money supply etc. unstable. As Bangladesh operates its exchange rate policy under managed floating exchange rate system, a stronger official market is required so that the speculators cannot bring a total collapse in the currency market.

Jonaed, Research Associate, SANEM. Email: jonaed.1971@gmail.com

Impact of fiscal and monetary policies on budget deficit in Bangladesh

Zubayer Hossen and Farhan Khan

Since its independence, Bangladesh has performed remarkably well in terms of socio-economic development regardless of socio-political obstacles. It is one of the frontline countries who has achieved most of the Millennium Development Goals before the timeline 2015. In the coming years, Bangladesh desires to achieve the Sustainable Development Goals and therefore, a mammoth challenge of inclusive development is waiting for the nation. However, budget deficit may detain the process of achieving sustainable growth. Thus, a sound combination of macroeconomic policies is immensely important to mitigate the unintended burden of budget deficit.

Risks are always associated in the time of policy formulation. Risks may appear for different reasons such as misjudgment of the economic scenario, external shocks or any sort of random errors. Therefore, as a rule of thumb, policy-makers do not always solely rely on single instrument rather they focus on a combination of instruments to mitigate the risks as much as possible. This is also known as policy balancing. Given this information, the prime objective of this study is to empirically investigate how budget deficit responds when a combination of monetary and fiscal instruments is being considered in Bangladesh.

A simple linear model has been constructed where budget deficit is the objective variable. Two groups of explanatory variables have been considered and these are fiscal instruments (public expenditure and tax revenue) and monetary instruments (inflation and exchange rate). Multiple sources have been considered for collecting annual data set (FY1993-1994 to FY2017-2018) namely Ministry of Finance, National Board of Revenue, Bangladesh Bureau of Statistics and World Development Indicators. According to the results of robust econometric techniques, it has been found that the proposed model is stable. From the long run estimation results, it is evident that both fiscal and monetary instruments have a significant impact on budget deficit. Public expenditure positively affects budget deficit whereas, tax revenue is negatively associated with budget deficit. In contrast, inflation has a positive relationship with budget deficit where the exchange rate is inversely correlated with budget deficit. The results of this empirical investigation call for different policy measures.

As it can be seen that monetary instruments affect budget deficit, it is highly recommended that inflation and exchange rate should be kept under strong monitoring so that any unpleasant divergent from the current situation can be avoided. On the other hand, budget deficit and public expenditure are positively associated. However, implementing contractionary fiscal policy may disrupt the development process. Bangladesh rather has to emphasize on increasing the public spending, especially in the areas of health, education and skills training. Such upsurge in spending has to be met mostly by tax revenue. Tax-GDP ratio for Bangladesh is one of the lowest in the world and it has to be improved. Otherwise, the budget deficit will increase at an even increasing rate. Therefore, the focus has to be given on increasing tax revenue by widening tax base, introducing different types of taxes and building responsiveness through tax awareness campaign.

Zubayer Hossen, Research Economist, SANEM.
Email: zubayerhossen14@gmail.com
Farhan Khan, Research Assistant, SANEM.
Email: farhan.khan008@northsouth.edu

Role of tertiary education on economic growth of Bangladesh: A time series analysis

Sayema Haque Bidisha, S M Abdullah and Md. Nazmul Hossain

For the last decade of so, Bangladesh has been able to maintain consistently high rate of growth with impressive performance in a number of socio-economic indicators. However, it is often argued that, in terms of skill component of its population, the country faces a number of challenges. In addition, 'quality' of the labor force, in terms of education, skill and training is crucial for enjoying the benefits of demographic transition of its population.

In the context of Bangladesh, the quarterly labor force Survey (LFS) 2016/17 data revealed that, despite improvements over time, still a very small percentage (4.2 percent with 5.8 percent male and 2.6 percent female) of working age population possesses tertiary education. In terms of exposure to vocational training, the picture is also not that optimistic and only around 1.7 percent (2.2 male and 1.3 female) of those who are above 15 years of age have received some form of training. Therefore, although the country has performed rather satisfactorily as far as the enrolment of primary and secondary education is concerned, it is lagging behind when the question is about tertiary enrolment. Such a low level of tertiary enrolment can be considered as an impediment towards employability in decent jobs and for human capital accumulation and economic growth.

Against this backdrop, while exploiting time Series data from 1971 to 2016 (Sources: WDI, HNPS, World Bank), an effort has been made to estimate a conventional growth model while emphasizing the role of gross tertiary enrollment ratio. Here, growth of gross fixed capital formation, growth of population within 15 to 64 years of age and gross enrolment in tertiary education have been used to explain real GDP growth of Bangladesh. After performing essential stationary check and lag length tests, cointegration analysis revealed that tertiary enrollment rate has significant positive impact on economic growth in the long run. Based on our analysis, a threshold analysis of simple optimization revealed that the growth maximizing level of tertiary enrollment rate of Bangladesh is around 25 percent. Our analysis thus reveals that, Bangladesh is yet to be on the frontier of tertiary enrollment and a significant effort is required in this context for maximizing economic growth of the country.

Based on our analysis, a number of recommendations for human resource development, emphasizing particularly on tertiary education can be considered. For example, the government must increase its budgetary allocation in education and can also introduce a number of cost minimizing approaches like those of introduction of two shifts in technical institutes and degree level colleges, partnerships with development partners or NGOs etc. For addressing the unemployment problem and the issue of quality employment, policies need to be aligned to modernize tertiary education and emphasis should be given to match with the demand side while offering market based education at educational institutes and training centers. A number of initiatives like provision of cheap accommodation and transportation services at the educational institutes should be considered with greater emphasis for addressing the constraints of females in accessing tertiary education.

Dr. Sayema Haque Bidisha, Professor of Economics, University of Dhaka and Research Director, SANEM. Email: sayemabidisha@gmail.com
S M Abdullah, Assistant Professor of Economics, University of Dhaka. Email: abdullahsonnet@gmail.com
Md. Nazmul Hossain, Assistant Professor of Economics, University of Dhaka. Email: hossain_29@yahoo.com

Does US federal funds rate affect other economies? evidence from Bangladesh

Towhid Iqram Mahmood and Sunera Saba Khan

Bangladesh is an emerging economy with an increased foreign direct investment post 1990. Despite the fact that the United States (US) is one of Bangladesh's biggest foreign investors from whom Bangladesh gets the largest export revenue, Bangladesh was not highly affected by the global recession inundated from the US. The study attempts to assess the effect of US interest rate volatility on Bangladesh economy. Mainly it focuses on how change in US interest rates affect Bangladesh in the Long-run. Our hypothesis is, if there has not been any impact of the global recession on Bangladesh in the short-run, there must be some long run impact of such rates. However, studies show that Bangladesh was safe from the global recession solely because of the remittance sent by the labor force working abroad. Still there are possibilities of impact of this change in US interest rates on the economy as it impacts exchange rates in the developed as well as emerging economies in the world.

In the United States, the Federal Funds Rate (FFR) is the interest rate at which depository institutions (banks and credit unions) lend reserve balances to other depository institutions overnight, on an uncollateralized basis. The Federal Reserve uses open market operations to influence the supply of money in the U.S. economy to make the federal funds effective rate follow the federal funds target rate. Data shows how Federal Funds Rate has been used to control macroeconomic variables in the US when needed. If we take a closer look at the FFR in times of recession, we can see that the federal reserve has reduced it in times of recession to increase the pace of their economy. As a reduced FFR provides incentive to invest in the market instead of keeping it in the financial institutions, the Federal Reserve keeps the FFR low. Juxtaposition to that, an increase in FFR controls inflation in the US economy and increases liquidity of Banks.

In times of an increase in the FFR, US has seen funds flying in from outside of the country in order to get the benefit of an increased interest rate. Several studies have shown how capital inflow has increased in the US economy in times of increased FFR. This in turn makes the US currency stronger and currencies flying in from other economies weaker.

With this study we intend to evaluate this impact of FFR on Bangladesh's economy. Initial results show an increase in the FFR shrinks the interest rate spread (IRS) for Bangladesh in the long run, an increase in the FDI/GDP ratio shrinks the IRS in the long run and an increase in the Savings/GDP ratio expands the IRS in the long run. These results are concomitant to the contemporary literature on the issue of US interest rate's effect on other economies. Interestingly the impact of Savings/GDP ratio is negative in the short-run but positive in the long-run on IRS. This shows the unrealistic price caps set by the private banks in the long run that discourages private investment and increases the non-performing loan to GDP ratio in Bangladesh. At the policy level we suggest to scrutinize the US FFR to forecast Bangladesh's long run growth and monitoring of lending rates to have a strong investment environment in Bangladesh.

Towhid Iqram Mahmood, Research Economist, SANEM. Email: towhid.iqram@gmail.com
Sunera Saba Khan, Research Economist, SANEM.
Email: suneraecondu@gmail.com

Featured Article

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SANEM Day 2019

Short Course on Impact Evaluation

South Asian Network on Economic Modeling (SANEM) organized a two-day long program titled “Short Course on Impact Evaluation” during January 9-10, 2019. The course was conducted by Mr. Moogdho Mahzab who is pursuing his PhD from University of Virginia, USA and also an associate of SANEM. Young researchers and academicians from different organizations participated in the training program. The training facilitated sessions on different techniques of impact evaluation. The participants learned about important economic techniques used in policy research design. Upon successful completion of the training, the participants were awarded with certificates by Dr. Selim Raihan, Executive Director of SANEM and Mr. Mahzab.

New recruitment and farewell of Research Associates at SANEM

The SANEM family, this month, welcomes Jonaed, Fahmida Haq Majumdar, Mir Ashrafun Nahar, Nurun Naher, and Nadeera Sultana as Research Associates. At the same time, the family bids farewell to Senior Research Associate Andilip Afroze, who is going to pursue her PhD in Labor Economics from Queensland University of Technology, Australia.

First SANEM Macroeconomics Workshop

South Asian Network on Economic Modeling (SANEM) organized a workshop entitled “First SANEM Macroeconomics Workshop” on January 19, 2019 at Hotel Lake Breeze, Gulshan, Dhaka. At the inaugural session, Dr. Selim Raihan, Executive Director of SANEM and Professor of Economics at the University of Dhaka started with his welcome remarks. Dr. Atiur Rahman, former Governor, Bangladesh Bank chaired the workshop while Professor Shamsul Alam, Member (Senior Secretary), General Economics Division, Bangladesh Planning Commission was present as the special guest. Dr. Iyanatul Islam, Adjunct Professor, Griffith Asia Institute, Griffith University and Former Branch Chief, ILO, Geneva was present as the keynote speaker. Dr. Rahman chaired both the technical sessions while Dr. Sayema Haque Bidisha, Professor of Economics at the University of Dhaka and Research Director of SANEM was the discussant in the first session. Dr. Bazlul Haque Khondker, Professor of Economics at the University of Dhaka and Chairman of SANEM co-chaired the second session. Along with the keynote paper, six research papers were presented in the workshop.

15th South Asian Economics Students’ Meet 2019 held in Colombo, Sri Lanka

Dr. Selim Raihan, Executive Director of South Asian Network on Economic Modeling (SANEM) attended the 15th South Asian Economics Students’ Meet (SAESM) 2019. During his visit to Colombo, he appeared in two panel discussion sessions titled “South Asia in Three Decades” and “South Asia Economic Focus” as a panelist. Both the panels were moderated by Ali Hasanain, Professor of Economics, Lahore University of Management Sciences. Dr. Martin Rama, Chief Economist for the South Asia region of the World Bank was the chief guest of the program. This year’s SAESM was held during January 21-26, 2019 and was organized by the Department of Economics, University of Colombo in association with SAESM India and SAESM Pakistan. This year, the theme was “Development in South Asia: Challenges and Opportunities”. The team Bangladesh won five best paper awards in their sub-themes.

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