



Strong economic growth in Bangladesh in recent years has led to positive development outcomes across all areas. However, the COVID-19 pandemic has affected every sector of the country. CGIAR researchers have estimated the economic impact of COVID-19 in Bangladesh, and the effects of the pandemic on food security.

ECONOMIC IMPACT OF COVID-19

During the lockdown period (April to May 2020), Bangladesh's [gross domestic product](#) (GDP) was assessed to have fallen by 29 percent (US\$15.8 billion). The national poverty rate was estimated to have increased by a staggering 25 percentage points, with 42 million more people temporarily living below the national poverty line. The impact on exports was extensive, resulting in a decline of approximately 50 percent.

The change in GDP in the agri-food sector relative to a non-COVID-19 scenario was 8.2 percent (US\$1.3 billion). The food services sector was estimated to have declined by 46 percent, resulting in US\$300 million in losses. Losses occurred in the poultry and dairy sectors. Losses were also reported for beverages and sugar crops due to a decline in consumer demand, primarily as a result of the closure of hotels and restaurants.

The GDP for the processing of meat, fish, and fruit and vegetables is expected to decline by 25, 24 and 14 percent, respectively, following

the lockdown, driven by falling consumer demand. Modelling results show a decline in exports as a consequence of lower demand for export crops such as jute and cut flowers. Households in income quintiles three to five had around a 29 percent decline in income, while households in quintiles one and two had a 26 percent income decline.

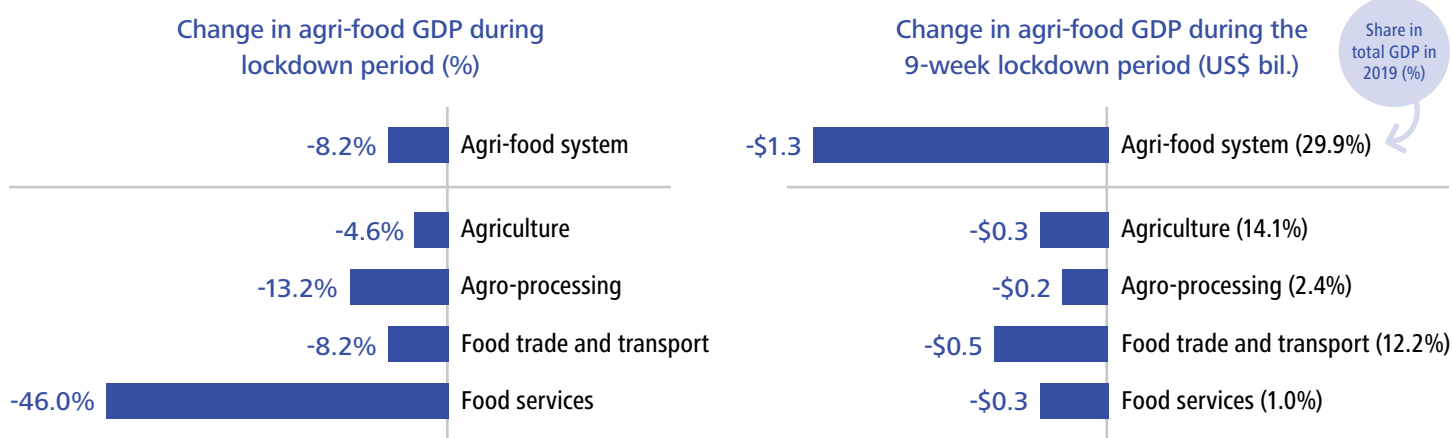
MITIGATION MEASURES TAKEN BY THE GOVERNMENT AND THEIR EFFECTS

The government initially declared a ten-day public holiday from March 26, 2020, which was extended seven times, finally ending on May 30. After this date, social distancing measures were introduced and lockdown measures were gradually eased.

Government tax measures included removing import duties on medical and protective items and tax exemptions on certain business incomes. One of the earliest fiscal policies was the announcement of a BDT 50 billion (US\$577 million) stimulus package for export-oriented industries. US\$8 billion was allocated to increase public expenditure, formulate a stimulus package, widen social safety net coverage and increase monetary supply. In the last quarter of 2020, the government released more than BDT 18.31 billion (US\$211 million) to the Bangladesh Bank, with the intention to pay cash incentives to exporters.

Two agricultural policies were introduced: farm input subsidies and targeted rural income support. The government allocated BDT 90 billion

Figure 1: Changes in agri-sector GDP following lockdown



Source: [Dorosh et al. 2020](#)

(US\$1 billion) in the 2021 budget to subsidize the fertilizer sector. The Bangladesh Bank announced a re-financing scheme of BDT 50 billion (US\$577 million) to inject capital into the agriculture sector, with credit from the fund being disbursed with 5 percent interest. Small- and medium-scale farmers in rural areas are eligible for loans from the fund.

Core social protection policies included cash transfers, including the distribution of BDT 1.11 billion (US\$13.25 million) in stipend and tuition fees to 209,674 bachelor's degree students.

CGIAR COVID-19-RELEVANT WORK IN BANGLADESH

Food and nutrition security

Scientists from CGIAR and the Food and Agriculture Organization of the United Nations conducted a second rapid assessment of [food and nutrition security](#) in the context of COVID-19 in Bangladesh. Recommendations from the study include financial inclusion for the poorest; alternative marketing and food distribution pilots; shortening the domestic supply chain; the promotion of mechanization; technology advancements; and diversification of international supply chains.

Assessment of COVID-19 impacts on aquatic food value chains

To assess the [evolving impacts of the COVID-19 pandemic](#), scientists conducted a multi-country survey of fish supply chain actors which included Bangladesh to evaluate the availability and price of aquatic foods and production inputs. The findings highlight the importance of homestead food/fish production and food preservation practices in securing access to nutritious foods, particularly during economic shocks or food shortages.

Key indicators for monitoring food system disruptions caused by the pandemic

With Bangladesh as a case study, CGIAR discussed the building blocks of a [comprehensive monitoring system](#) to prioritize and design interventions that respond to food system disruptions from COVID-19 and preemptively avoid further adverse effects.

COVID-19-induced economic loss and ensuring food security for vulnerable groups

A CGIAR study examined the food security and welfare impacts of the COVID-19-induced lockdown on workers in both the [farm and non-farm sectors](#) in Bangladesh. Findings suggest that the government should extend the emergency safety network program to include almost all marginalized households, or consider loosening restrictions in the agriculture sector.

The effects of COVID-19 on seed systems for genetically improved farmed tilapia (GIFT)

High-frequency surveys have been used to assess the impacts of COVID-19 on seed systems for GIFT. The surveys showed that fish seed systems for GIFT were adversely affected on both the supply and demand side.

Digital interventions to support food security and nutrition during the pandemic

Scientists in Bangladesh employed creative technology and distribution techniques to ensure that nutritious [orange-fleshed sweet potatoes](#) are reaching families during the pandemic. Working with Parmeeda – a leading online seller of safe and fresh food – they sold sweetpotato through Facebook, reaching more than 4,000 people.

Impact of COVID-19 on the rice value chain

A CGIAR policy brief on COVID-19's impacts on the [rice value chain](#) advises that a 'system approach' is needed to mitigate the impacts of the crisis. Key recommendations include minimizing supply chain disruptions; ensuring access to input and output markets; providing access to agricultural services; promoting digital services; expanding social safety nets; and investing in rice research.

The CGIAR COVID-19 Hub is led by the CGIAR Research Program on Agriculture for Nutrition and Health. To learn more, visit www.a4nh.cgiar.org/covidhub/

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