

# Analysis of a “Hartal Economy”

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## FOREWORD

While there is no dispute that political instability is a deterrent to economic performance, it is perhaps an even more moot point in the context of frontier economies such as Bangladesh. As of March 2015, hartals have sustained for two months since January 6, and the damage to lives of citizens, property, productivity, business revenue, trade-competitiveness, has been staggering and unprecedented. The Bangladesh economy has grown at over 6% for ten straight years until this year, and this the year when many analysts and economists expected Bangladesh to near the 7% annual GDP growth rate. Such economic targets have taken a backseat however, in the context of the malaise that has gripped the country. Policy-makers, trade bodies, industry associations, regulators, conglomerates and average citizens are now forced to realign their respective priorities in the context of a “Hartal Economy.” This report aims to dissect the vagaries of a hartal economy by analyzing the impact of hartals through various sectoral and thematic prisms of Bangladeshi economic life. ■

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## QUANTIFYING GDP FOREGONE

Different multilateral donors, think tanks, business lobby groups, have tried to estimate the impact of hartals on the Bangladesh economy over the years. These attempts include the holistic approach used by the World Bank in 2001 (which converts the GDP to total working days annually and multiply this number with total hartal days to understand GDP foregone) and the Computable General Equilibrium model (CGE) used by the CPD since 2013. With regard to the total estimated impact, the numbers vary. The Center for Policy Dialogue, a leading national think-tank, in its 2013 report estimated annual GDP foregone at USD 1.0 billion due to hartals. Close to CPD's estimate was that of the Federation of Bangladesh Chambers of Commerce and Industries (FBCII) - the premier umbrella organization for businesses in Bangladesh - which assessed annual GDP foregone to be USD 1.3 billion in 2013. Meanwhile, more recently, the Dhaka Chamber of Commerce and Industry (DCCI), assuming a mean number for hartal days in a year, estimates that the GDP loses 6.5 percent due to countrywide hartals. According to a survey conducted by DCCI, each hartal costs USD 205 million per day or 0.2 percent of the GDP. Turning to estimates by international organizations, the World Bank estimated that in the 1990s, approximately 5% of Gross Domestic Product (GDP) has been lost annually due to hartals. A UNDP survey report showed that from 90/91 to 99/00, the average GDP loss was 4.5% annually.<sup>1</sup> While it is possible that estimates ranging from 4.5-5% of GDP from

the 90's is not applicable to the economic losses of more recent years wherein coping strategies have also evolved, it is also true that successive day-long hartals that have gripped the country since January 6, 2014, have also been unprecedented with regard to their severity and unbroken continuity.<sup>2</sup>

**Table 1: GDP Foregone**

Source	Percentage of GDP Foregone
World Bank	5% annually
UNDP	4.5% annually
DCCI	6.5% annually

## HARTAL & THE MACRO ECONOMY

In February of this year, the General Economics Division (GED) lowered the country's economic growth forecast under the Perspective Plan 2010-2020. For the next financial year (FY) 2015-16, the government's forecast was cut from 8.3 percent to 6.6 percent. Meanwhile for the subsequent fiscal years: FY2017, FY2018, FY2019 and FY2020, the growth forecasts have been lowered from 8.7 percent, 9.1 percent, 9.4 percent and 9.7 percent to 6.8 percent, 7.2 percent, 7.6 percent and 8.0 percent, respectively. The revision was attributed to the slower growth in the last couple of years (2013 and again in 2015), as a result of the ensuing political instability.<sup>3</sup>

**Table 2: GDP Growth Rate Forecasts**

Year	Growth Rate Forecast	Revised Forecast
FY2016	8.3%	6.6%
FY2017	8.7%	6.8%
FY2018	9.1%	7.2%
FY2019	9.4%	7.6%
FY2020	9.7%	8.0%

Meanwhile with regard to broader macroeconomic impact, the effect on credit growth has been noticeable. Private sector credit growth has been on the decline since the political impasse of 2013 which lowered the call money rate, created excess liquidity in the bank sector, and brought private sector investment to a grinding halt. These trends have worsened in FY2015. Between August 2014 and January 2015, excess liquidity has increased by 13 percent and call money rates pushed further downwards. The general principle with regard to consumption during days, weeks and months of hartal is that since people become more risk-averse, they invest in risk-free ventures, spend less and save more. However, supply also becomes more restricted because of disruptions in the supply chain and attacks on the transportation sector. Moreover, in the context of Bangladesh, lower global oil prices have borne in on the prevailing state of price distortion of commodities, creating an unstable price environment. While there have been price hikes for certain essentials such as onions and other vegetables, there have been unexpected declines for certain others, and cumulatively these have resulted in price instability.<sup>4</sup>

With regard to revenue collection, hartals have had a considerable impact as well. Given that in a country of 160 million people, only 1.8 million pay taxes, to suffer a revenue shortfall of BDT 80 billion (USD 1.02 billion) as of mid-February is inimical to growth. The government is also considering various tax incentives and programs to encourage tax payment. The

National Board of Revenue (NBR) and DCCI are in talks to organize an Income Tax Fair at the local government level to encourage citizens to pay taxes. Businesses meanwhile have requested the NBR to offer tax rebates to help relieve the cost pressures imposed by the ongoing blockades. To be specific, DCCI has already requested the NBR Chairman to consider a 50 percent rebate on all charges related to use of ports.<sup>5</sup>

And with regard to inward remittance from overseas destinations, which constitute a significant growth driver for the country, the flow declined by 5.0 per cent in February over the previous month. For February 2015, remittance fell by USD 1.18 billion, which was lower by USD 64.62 million compared to the January estimate. Hard-working Bangladeshi migrants overseas become reluctant to remit money home in the event of a prolonged crisis. A senior official at a leading private commercial bank (PCB), was quoted, “Political stability usually plays an important role in increasing the inward remittance flow, as a portion of the remittance is used in investment.” Although remittance inflow increased in the first six months of FY 15, “the trend was affected in January that continued until February.”<sup>6</sup>

## **A CLOSER LOOK AT FDI**

Foreign direct investment (FDI) is akin to a magic wand for development, especially for a capital-impooverished country like Bangladesh. In addition to contributing to the building up of physical capital, FDI leads to employment generation, enhancement of productive capacities, and

skill development of local populations through technology transfer and integration with the regional and global economy. Studies indicate that FDI inflows also have a strong positive correlation with higher exports, in the case of Bangladesh. FDI-financed organizations tend to export a greater proportion of their output than their local counterparts as such organizations usually have a higher degree of familiarity with international markets, global distribution channels, and organizational malleability to adapt to changing dynamics of global markets. Bangladesh has a variety of policies in place to attract FDI inflows, a case in point being Export Processing Zones (EPZ's). However, despite existing measures to attract higher FDI inflows, foreign companies consider several other factors before deciding to invest: quality of essential infrastructure, perception of investment friendliness, low-cost human capital, nearness to ports, etc. Another important factor that contributes to the rapid of growth of FDI in a frontier-emerging country is political stability.

Absence of political stability severely undermines foreign investors' confidence. Existing and potential investors revise their investment strategies and allocations in high-risk countries. As it is, underdeveloped infrastructure, inadequate power and energy, procedural and bureaucratic bottlenecks, scarcity of industrial land constitute binding constraints to the growth of FDI. To this mix, when one considers political instability as a prevailing factor, investor flight ensues. According to the Board of Investment (BoI), as of mid-February 2015, only one new

foreign direct investor registered for investment in January 2015. The total amount registered for is BDT 50 crore (USD 6.4 million) compared to last year's average monthly registration of BDT 2,500 crore (USD 320.5 million). In 2014, the total registered amount of foreign investment was USD 3,000 million, with real FDI being USD 1,640 million and re-investment being USD 700 million.

**Table 3: FDI Registration Comparison**

Monthly Average for 2014 (US\$ million)	FDI registered in January 2015 (US\$ million)
320.5	6.4

Bangladesh, which has historically received lower relative FDI compared to other South Asian countries (as a percentage of GDP for example), began to attract foreign interest around 2013 because of a lack of political turbulence up until that year. In fact, sustaining the growth impetus from previous years, Bangladesh received a total FDI inflow of USD 1.78 billion in 2013. This was equivalent to a 37.5% rise from the previous year. At that time, it appeared evident that FDI inflow would surpass the USD 2.0 billion hurdle in 2014 and 2015. In the words of Dr. Syed Abdus Samad, Executive Chairman of BoI, "We could have easily achieved this target for last year had there been no political unrest."<sup>7</sup> However, even the targeted FDI figures are well-short of levels achieved by comparable frontier economies such as Vietnam. According to the Metropolitan Chamber of Commerce and Industry (MCCI), the country requires at least USD 7.4 billion annually to spend on

infrastructural requirements to achieve middle-income country status by 2021, which is only six years away.<sup>8</sup>

## **HARTAL & TRANSPORT SECTOR**

The transport sector is usually one of the most directly impacted sectors as a result of hartal. Hartals constitute a tremendous toll on this sector with miscreants resorting to torching, vandalizing and entirely stopping the flow of transportation networks, be it trucks carrying goods between the capital city and the port, or both intra- and inter-city bus services as well as direct damage inflicted to railway services. This is notwithstanding the damage done to private cars and other vehicles through use of crude explosives, fire bombs or acts of arson, as have been rampant in the country since January.

Hartals also have a seriously disruptive impact on marine transportation and in particular ports. The Chittagong Port, which is the larger of the two primary ports in Bangladesh, stands flooded with containers of import cargo as inadequate freight transport has halted the delivery of containerized goods. It is estimated that about 28,000 TEUs of containers were awaiting delivery in the port sheds, as of mid-February. As of February 2015, the volume of export cargos being shipped declined from 2200 TEUs to 1600 TEUS, while the shipment of import cargos declined from 2200 TEUs to 1450 TEUs. According to the Vice President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Mr.

Shahidullah Azim, as of February, 300 to 350 trucks of readymade garments ply Chittagong port, against a total demand for 550 trucks. The remaining quantity of exports, around 30-40 percent, are being shipped through air transport, which costs around 12 times higher than sea freight. It is reported that exporters of RMG have incurred expenses of BDT 40-50 billion (USD 500-600 million) in January as a result of air shipment costs.

Meanwhile, sources at the Inland Container Depots Association (BICDA) attested to a 20% decline of shipment of export goods in only the first 10 days of February from last January. RMG exporters have also reported that certain European buyers have diverted their manufacturing work-orders from Bangladesh to other RMG-manufacturing countries. BGMEA Director, M. A. Wahab confirmed such worries for the sector. It is reported that Turkish buyers have been vocal in their concerns and are cutting down on their orders from Bangladesh.<sup>9</sup>

Other than exporters, importers have also been severely impacted by the hartals. For instance, as of February, over 6,000 cars have been stranded at ports as a result of importers being reluctant to take delivery of vehicles (for fear of vandalism en route to their final destinations). Mr. Habib Ullah Dawn, President of Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA), confirmed as much, “Most of us are afraid of attacks on the highway for the political unrest. That's why, taking delivery of cars from ports have become slow.” Of the total,

4,400 imported cars are stranded at Mongla port which handles reconditioned car imports from Japan mostly, while the rest are at the Chittagong port. Mr. Habib further opined, “We would much rather pay the fines than see our cars getting torched. We are suffering for no fault of ours.” He also estimated that sellers of reconditioned cars incur losses of BDT 30 crore (USD 3.8 million) a day as a result of the hartals.<sup>10</sup>

## **HARTAL & THE RMG SECTOR**

In addition to interrupted delivery of port cargo, the industrial sector in Bangladesh also suffers from suspension of production at factories. It is worthwhile to compare the days of shipment for goods from Bangladesh with those of competitor export-oriented countries. Generally, shipment from Bangladesh takes around 45 days, while for Cambodia, Vietnam and China, it is around 15-25 days. Shipment from Bangladesh takes longer during hartal days. Moreover, hartals also affect the cost of production due to restricted raw material sourcing and supply chain blockages, which when added to the increased costs of air freight, translates to significant rise in costs for businessmen.

As for the hartals of 2015, it is estimated that the RMG sector, the largest industrial sector in the country, has incurred losses of BDT 22,000 crore (USD 2.8 billion) as of February. The RMG sector in Bangladesh is worth USD 25 billion. According to the BGMEA, this sector has, as of February, faced order cancellations worth BDT 10,000 crore (USD 1.28 billion) and incurred

additional air freight expenses of BDT 918 crore (USD 118 million). Furthermore, the sector had to pay BDT 5,000 crore (USD 641 million) in fines for failing to ship their consignments on time. The BGMEA has also reported that the sector has foregone on 25% to 30% on new orders due to the hartals while cautious existing buyers have confirmed only 30-50% of their regular orders. In several cases, it is reported that RMG buyers are factoring in a risk premium at the time of order-negotiation and reducing cutting and making prices.<sup>11</sup> Calculating revenue foregone per day, the RMG sector has experienced BDT 360 Crore (USD 46.2 million) in losses for each day of hartal.

## **IMPACT ON SMALL BUSINESS**

The retail sector in Bangladesh comprises of informal outlets such as vendors, corner grocery stores, hawkers, small shops as well as larger, formal establishments and branded department stores. According to newspaper reports, the hartals have eroded 70 percent of retail sales across the country in January 2015, forcing many small and medium retailers to close their business. Due to fear of arson and bomb attacks, close to 2.4 million hawkers and street vendors have experienced a drastic fall in sales. Aarong, a leading fashion store, has experienced a 50% decline in sales in January compared to December. According to the Bangladesh Shop Owners’ Association that represents 2.5 million retailers, average sales per day have fallen from BDT 3,000 Crore (USD 385 million) to BDT 900 Crore (USD 115). A senior sales executive of Panna Electronics that sells products of Panasonic, reported a

precipitous drop in daily sales, from BDT 500,000 to BDT 40,000. In the lower-middle to middle-class neighborhoods of the city such as Farmgate, daily sales at a leading General Store have declined 65%.<sup>12</sup>

The result of the survey conducted 9 years ago are also illuminating with regard to the realities of small retailers during hartal periods in different parts of the city. In Mohammadpur, a low-to-income area, small retail stores have reported varying degrees of decline in sales: small grocery and variety stores 25%, drug stores 15%, tailor shops 30%, hardware stores 50% and bookstores 60%. Coping strategies also vary across these retail outfits. They usually attempt to make up for losses by extending their operating hours and on holidays. Tailors, furniture shops and other small manufacturing establishments use the time available to work on older orders. Machinists use the down time to manufacture machines for their own use, thus increasing their stock of capital goods. In Banani – a more upscale neighborhood – government markets faced a 60 to 70 percent drop in sales, since the government markets are required to be officially closed during hartals. In the more upscale neighborhoods, since most dwellers travel by car, they are also less likely to shop during hartal hours and risk vandalism or arson to their vehicles. Women in upscale neighborhoods are also less likely to shop during hartals, leading to a further drop in sales in such neighborhoods. Coping strategies in such areas were no different than those in lower-income areas.

However, across the board, these strategies were more applicable for hartals in previous years. Owing to the fact that the hartals of 2015 have been continuous since January 6, these coping strategies have been far from sufficient. Transportation costs have been higher in hartal-affected 2015 than in previous hartal years and price of stock has also risen, notwithstanding declines in available working capital and defaults on payments to creditors and suppliers, thus affecting profitability severely.<sup>13</sup>

### **IMPACT ON THE RURAL ECONOMY**

The rural economy is not particularly isolated from the impact of hartals either. Poorer sections of the rural community who often borrow to sustain livelihoods suffer during hartals by way of falling deeper into indebtedness. They also encounter health-related grievances as seriously ill patients can often face trouble in commuting long distances during hartals when they need medical attention not available in their vicinity. Moreover, because rural areas have become increasingly commercialized and integrated with urban centers, dwellers also encounter severe disruption in supply of inputs and other commodities from their suppliers. Among the farmer communities, wealthy farmers tend to be slightly less affected by hartals than poorer farmers since the former can afford to postpone harvesting crops or catching fish for one or two days. They are less dependent on daily sales for a livelihood.

It ought to be noted however that continuous hartals are equally disruptive to rich and

farmers. In general, the impact of hartals is similar across urban and rural areas. The role of information constitutes an important difference, however, as people in Bangladesh usually obtain information on hartals from radio, TV or word-of-mouth, which tends happen more slowly in rural parts of the country. Therefore, their coping strategies are compromised since information arrives to them later.

## **PERCEPTIONS OF RATING AGENCIES**

A significant achievement for Bangladesh was being rated by two of “Big Three” credit rating agencies, Fitch and Moody’s. These credit rating agencies rank the creditworthiness of borrowers, be it corporations or governments, using a standardized rating scale that measures expected investor loss in the event of default. In the case of a frontier-emerging country like Bangladesh, achieving a decent rating from any one of the Big Three credit rating agencies and being able to sustain it, is tantamount to growth in FDI as well as foreign portfolio investment (FPI).

Fitch was the most recent among the two rating agencies that assigned Bangladesh a credit rating. However, in August 2014, when it assigned a “BB” rating to Bangladesh, it had also presciently highlighted significant political risk as a key source of uncertainty for Bangladesh’s economic forecast. The international rating agency underscored that RMG is a foundational sector in Bangladesh’s growth strategy and constitutes 81 percent of exports and is equivalent to 15 percent of the

country’s GDP. The disproportionate impact of this sector on the country’s growth implies that a migration of export orders to competitor RMG-manufacturing countries as a result of Bangladesh’s current blockades could severely undermine Bangladesh’s long-term growth (while depleting the country’s current account and external balance in the short-run). The Rating agency had further posited that if political violence persisted and undermined daily economic activity, the Rating agency would consider that to be a credit negative.<sup>14</sup>

Meanwhile, Moody’s, which has maintained a respectable “Ba3” rating to Bangladesh for five years in a row, has recently hinted it may downgrade the said credit rating. A rating of “Ba3” implies a stable economic situation which was the case when Moody’s had assigned this rating five years earlier. The Rating agency in its most recent analysis titled “Credit Implications of Current Events,” said that the worsening political turmoil was negative for Bangladesh, as “it is weighing on the sovereign’s export performance, investment activity and headline growth.” As per Moody’s rating benchmark, “obligations rated Ba are judged to be speculative and are subject to substantial credit risk.” Moody’s adds numerical modifiers, e.g., 1, 2 and 3 to each generic rating classification and the modifier 3 assigned to Bangladesh indicates a ranking at the lower end of the generic rating category. If Bangladesh were to slip one rung below “Ba3”, it would be classified in the “B1” category, implying that Bangladesh’s international obligations

would be perceived as being subject to high credit risk.

The rating agency has further found that export growth which has historically been impervious to political trouble, has begun to deteriorate, growing by only 2.1 percent in the first seven months of FY 2015 (July-January). In the words of the rating agency, “Prolonged political unrest will likely weigh on export growth and hinder the country’s investment environment...The transport blockade has hindered factories’ ability to deliver goods to major ports.” Moody’s analysis also highlighted the Extended Credit Facility (ECF) support Bangladesh had acquired from the International Monetary Fund (IMF), worth about USD 900 million which also set in motion a significant economic reform program. Moody’s acknowledged that the country had already implemented “several important reforms” and in the process secured USD 644 million of the ECF funds but that “protracted political tensions also risk distracting the government from its economic reform program” and “the successful completion of the program involves the passage of further structural measures, including introduction of a new value-added tax and steps to improve the state-owned banking system.”<sup>15</sup>

## PERCEPTION OF THE PUBLIC

As far back as 2005, a report entitled “Beyond Hartals: Towards Democratic Dialogue in Bangladesh” published by the United Nations Development Programme (UNDP) carried an interesting opinion poll

that summarized that most citizens of Bangladesh do not believe that hartals are an effective medium of protest and they prefer other channels for expressing a party’s position. Although the report was published nearly 10 years earlier, it can be safely surmised that given Bangladesh’s continued growth during that time, and relative advances in literacy, education, media openness, and civil rights, the findings would largely apply in today’s setting. In the said poll - a survey of 3000 respondents in six urban divisions of Bangladesh - although respondents thought hartals constituted a legitimate democratic tool, 70 percent were more likely to opt for political alternatives to calling hartals.

Alternatives preferred to hartals among the respondents, included public rallies, discussion in the parliament, road marches, and sit-in demonstrations, thus underscoring a public demand for a peaceful channel through which to express one’s position. Moreover, most respondents of the survey considered hartal to be ineffective for enacting policy changes and an overwhelming majority (95%) regarded hartals as very negative or somewhat negative for the economy. Furthermore, 50% of the respondents believed that politicians acquired financial gain from calling hartals.<sup>16</sup> Although a survey of this magnitude and rigor has not been conducted for 2015, gleaning from newspaper reports, the commonly-held view appears to be that although political parties call hartals in the name of democracy, in reality, the effect of hartal, directly and indirectly, impinges on citizens in general and those belonging to

the lower-middle and lower-income brackets in particular.

## LOOKING AHEAD

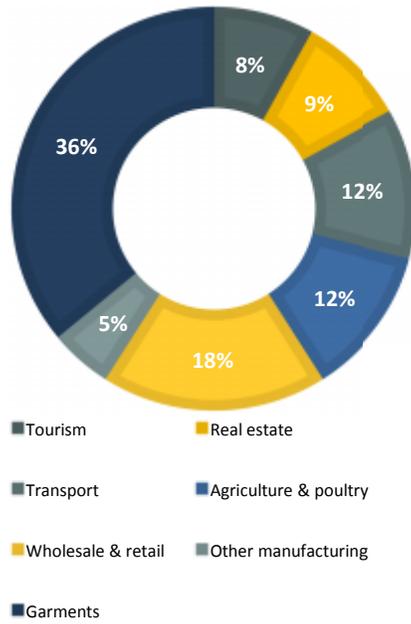
After nearly 58 days of ongoing political unrest that has gripped the economy, questions on how to end the ongoing crisis are foremost in the minds of authorities and citizenry alike. In addition to the heavy economic toll it has taken on the country, lives and safety of citizens are at stake. The hartals of 2015 have already claimed around 90 lives of citizens through acts of arson, fire-bombing, vandalism and other forms of violence. Since hartals have been in the past used as a democratic tool to disrupt dictatorships and authoritarianism in the subcontinent, the debate on the legality of allowing hartals has long gestated among law-makers. The debate appears to be gaining momentum at present, given the unprecedented toll the recent spate of hartals have had on lives, the economy and property of Bangladeshis.

On March 2, the High Court of Bangladesh issued a rule upon the Government and all 41 registered political parties to explain in four weeks why calling a blockade should not be declared illegal and unconstitutional. The country's leading industry and trade associations – FBCCI, BGMEA, Bangladesh Textiles Manufacturers and Exporters Association (BTMEA) and Bangladesh Knitwear Manufacturers and Exporters

Association (BKMEA) filed a writ petition seeking necessary orders from the High Court to impose reasonable restrictions to hartals. Following this petition, the High Court ordered all political parties to explain why calling a hartal without any prior notice should not be deemed unconstitutional and illegal. According to a recent estimate announced by the Prime Minister's Office, the country had incurred a cumulative loss of BDT 1,20,000 Crore or USD 15 billion dollars, which according to our estimates, appear to be a reasonable estimate, going by the WB methodology for computing economic loss (discussed earlier).

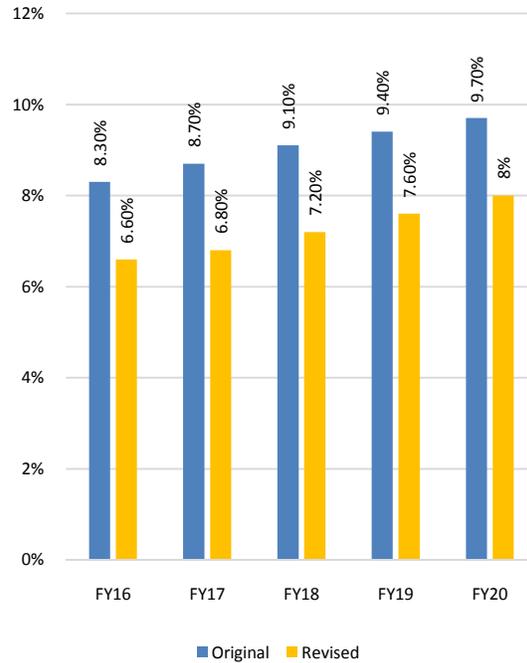
As such, given the sprawling and unregulated nature in which hartal violence has been conducted, it will pose a significant challenge for law-makers, law-enforcement, business organizations and government authorities to find a quick resolution to this impasse. Realistically, imposing restrictions on hartal such that elements of violence, prolonged disruption to economic activity, disruption to education, are rendered illegal may be a pragmatic short-term solution. In the long-run, the discussion on hartals and their place in political life require a more thorough scrutiny and debate involving all sections of citizenry, especially the poor and marginalized who tend to be the hardest-hit, as any long-term change in the prevailing hartal culture requires a realignment of citizen perception towards them.

**Graph 1: Sectors Hit Hard By Political Turmoil, in % total losses**



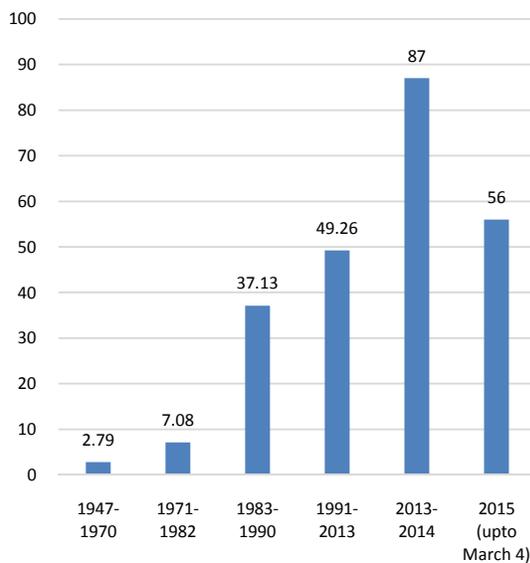
Source: The Daily Star

**Graph 2: GED Cuts Growth Projections**



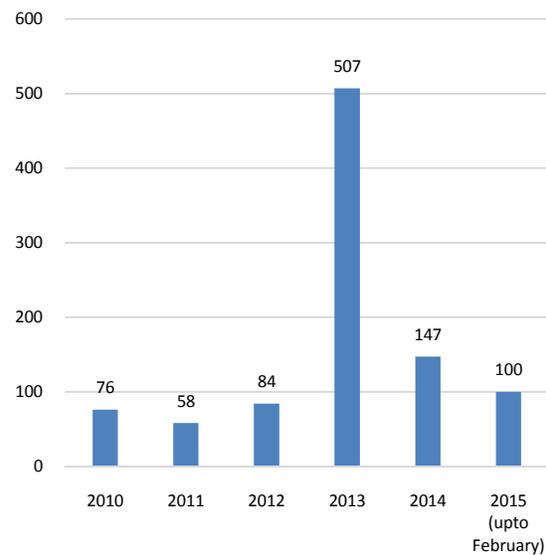
Source: The Financial Express

**Graph 3: Incidence of 'Hartals' per year**



Source: Sangbadpatre Hartalchitra by Ajoy Dasgupta; Ahmed, Imtiaz (2011); Odhikar; ASK and CPD

**Graph 4: Number of People Killed in Political Violence**



Source: ASK and CPD

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<sup>1</sup> Discussion on estimates was partially gleaned from a popular publication for the RMG sector “Textile Today”. Available at

<http://www.textiletoday.com.bd/magazine/619>

<sup>2</sup> Results of DCCI survey available at:

<http://www.bangladeshchronicle.net/index.php/2013/04/economy-counts-tk-1600cr-in-losses-for-each-hartal-dcci/>

<sup>3</sup> Discussion on MTMF available here:

<http://www.thefinancialexpress-bd.com/2015/02/13/80984>

<sup>4</sup> News report on price distortions for select commodities available here:

<http://www.thefinancialexpress-bd.com/2015/02/14/81085>

<sup>5</sup> Information on dialog between the NBR and DCCI available here:

<http://www.thefinancialexpress-bd.com/2015/02/12/80850>

<sup>6</sup> For details on recent remittance estimates and opinions regarding the decline:

<http://www.thefinancialexpress-bd.com/2015/03/03/83437>

<sup>7</sup> Opinion of BOI gleaned from:

<http://www.dhakatribune.com/bangladesh/2015/feb/09/fdi-tumbles-turmoil-weighs-investor-sentiment>

<sup>8</sup> Discussion on FDI targets by the MCCI available here:

<http://www.thedailystar.net/business/restoring-business-confidence-biggest-challenge-mcci-64811>

<sup>9</sup> For details on impact on Chittagong port, please see: <http://www.thefinancialexpress-bd.com/2015/02/12/80803>

<sup>10</sup> See for details on impact on car sellers:

<http://www.thedailystar.net/turmoil-batters-car-importers-65525>

<sup>11</sup> For details on how hartals have impacted the RMG sector:

<http://www.dhakatribune.com/business/2015/feb/12/rmg-losses-stand-tk22000cr-blockade#sthash.Zmx5xrV5.dpuf>

<sup>12</sup> News on retail sector slowdown:

<http://www.thedailystar.net/70pc-sales-gone-with-blockade-63856>

<sup>13</sup> The UNDP Report “Beyond Hartals: Towards Democratic Dialog in Bangladesh” is available here:

<http://www.un-bd.org/pub/unpubs/Beyond%20Hartals.pdf>

<sup>14</sup> For more on Fitch’s forecast for Bangladesh, see: <http://www.thefinancialexpress-bd.com/2015/01/19/76553>

<sup>15</sup> For response to Moody’s announcement from Government authorities:

<http://www.thefinancialexpress-bd.com/2015/02/15/81297>

<sup>16</sup> UNDP Report: <http://www.un-bd.org/pub/unpubs/Beyond%20Hartals.pdf>