

City's traffic mess costs country 2.5pc GDP loss

Staff Correspondent

The country losses 2.5 per cent Gross Domestic Production (GDP) directly due to traffic congestion caused by unplanned urbanisation in Dhaka city, said a research.

According to the research paper presented on Thursday on the second day of the Annual Bangladesh Institute of

Development Studies (BIDS) Conference on Development (ABCD) 2021, the total loss for the congestions would be up to 6 percent of the GDP considering the indirect effects.

Marking the 50 years of Bangladesh, Policy Research Institute (PRI) Director Dr Ahmed Ahsan presented the paper titled

SEE PAGE 2 COL 8

City's traffic

FROM PAGE 1

"Dhaka's Overgrowth and Its Cost" on the three-day event at a city hotel.

Dr Ahmed said, "Concentration of economic activity is often the result of efficient market forces, returns to scale, and agglomeration economies, forces that create urban centres and cities. These developments are central to growth."

He noted 1% urban development would ensure about 0.8% of the economic growth in Bangladesh.

"However, there are also economic limits to concentration. This is why cities don't grow in an unlimited way," he added.

Quoting the data of the Household Income and Expenditure Survey of the Bangladesh Bureau of Statistics, he said the rate of poverty reduction is reducing in urban areas.

The growth of real wage in urban areas reduced to 8% from 2017 which turned 12% in 2010, he added.