

Bangladesh Statement:

Agenda Item 2: Special Body on Least Developed and Landlocked Developing Countries

Shortened

The overarching goal of the IPoA for the decade 2011-2020 is to overcome the structural challenges faced by the least developed countries in order to reduce poverty, achieve internationally agreed development goals and enabling graduation from the least developed country category. Guided by the overarching goal, national policies of least developed countries and international support measures during the decade will focus on the specific objectives with the aim of enabling half the number of least developed countries to meet the criteria for graduation by 2020. Each least developed country is supposed to translate policies and measures in the Programme of Action into concrete measures by integrating this Programme of Action into the national and sectoral development strategies and plans.

The IPoA contains 8 (eight) priority areas for action. Recognizing that development is a long-term process, the five year plan is cast in the context of a long-term development vision defined by the Bangladesh Government's Vision 2021 and the Perspective Plan (2010-2021). The Government believes that the economy has the inherent strength, capacity and potential for achieving middle income status by 2021. The Perspective Plan (2010-2021; first of its kind in Bangladesh) is in the process of implementation through two successive five year plans spanning the period FY2011- FY2020. The Sixth Plan of Bangladesh (FY2011-15), which came into operation from July 2010, puts accelerated growth with equity and social justice as the cornerstone of the underlying development strategy. Accelerating growth, decent job creation, human development and reductions of poverty, reducing income inequality and regional disparities are overarching goals of this Plan reflecting the priorities of IPoA. The main objective of the Sixth Five Year Plan i.e. to reduce and ultimately eradicate poverty will be achieved by following two specific paths. First, by accelerating economic growth and creating productive employment opportunities; and second, by ensuring distributive justice.

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Bangladesh is cited as one among very few countries that have consolidated their position both in growth and human development. In the last decade it has witnessed strong, stable growth and more than doubling of per capita income. Incidence of poverty and disparity has also been reduced remarkably. According to 'Household Income and Expenditure Survey 2010', poverty head count ratio has come down from earlier 41.0 percent to 31.5 percent. Moreover, In terms of major social indicators, Bangladesh has outperformed most of its regional peers and marked its success in achieving most of the Millennium Development Goals (MDGs). It has been pursuing an inclusive growth strategy for years that has paid off and its path of development is now a precedent to the world. A combination of socio-economic policies along with continued macro stability has contributed to the successes of Bangladesh. In last five years, even amidst global financial downturn and its aftermath Bangladesh economy has registered on average 6.2 percent growth.

Government has set a target to reduce poverty headcount ratio further down to 25 percent and 15 percent by 2013 and 2021 respectively. Towards this end, it focuses on achieving high growth, expanding sustained social safety net programs, reaching all the targets of Millennium Development Goals as early as 2017 and implementing its long term goals of Sixth Five Year Plan. It outlines a comprehensive medium-term strategy for poverty reduction through faster pro-poor economic growth. Broadly, it targets at pro-poor macroeconomic management, creating decent employment opportunities in home and abroad, and development of small and medium enterprises. It also aims at protection of the vulnerable people, regional balance, fundamental human rights, good governance and effective public service delivery. It further puts emphasis on strategies to tackle emerging issues like food security and climate change in the context of recent rise of prices of food grains in the world markets.

However, amidst ongoing financial crises Bangladesh faces an array of policy challenges for sustaining the momentum of growth. I would like to highlight major development challenges for Bangladesh. This snapshot will further help understand special needs of the country to carry forward its programmes for inclusive development.

- Bangladesh needs to accelerate GDP growth to 7.5 percent-8 percent in the medium term to achieve its long term development goals. And to reach the targets of high growth, it must enhance manufacturing-based export growth and overcome many hurdles standing in the way, including weak economic governance; overburdened land, power, port, and transportation facilities; and limited success in attracting foreign direct investments in manufacturing.
- In the face of stern and rising competition, we fall short of required physical and financial resources to make quick adjustment to changes in the production process and in other aspect of economies. Mostly, the country lacks in infrastructure, power, skill and technology which are prerequisites for reaping up full potentials of economic globalization.
- Deficits in infrastructure and paucity of relevant skills are also some serious constraints to resource mobilization as they impede the flow of foreign direct investment. In order to create a suitable environment for FDI inflow the country currently pursues removing supply constraints of the economy within shortest possible time. Public investment, therefore, is largely devoted to infrastructure building, power generation and human resource development.
- We also want to ensure job-creating growth. For that, we need to modernize our agriculture sector through greater technology and contract farming as agricultural sector continues to be an important source of employment generation and food security. On the manufacturing side, clearly the Ready Made Garments sector is our largest success story. Now we need to move up the value chain in this sector. Service sector is another area where our potentialities have remained underused.
- Presently, Bangladesh is well integrated to the outside world in terms of trade and cross-border labor movement. Often referred to as a mono-product export basket reflecting the dominance of garments, its export has to depend at the whims and caprices of global trade. Beside, long pending issues at the WTO restrains its trade to expand beyond limited items. Amidst various

trade uncertainties, it focuses on and incentivizes diversification of commodities and markets. On the global front, multilateral trade-talk which is currently at a halt needs to be expedited so as to ensure better access for the LDCs to the markets of developed economies. In addition, existing trade facilitation programs need to be expanded catering to the needs of LDCs.

- Global financial and security uncertainties at times buy bad times for remittance growth, and thus limit the economic prospects of countries. Considering remittance as a potential source of economic growth, skill development of migrant labors as per demand of the international labor market is particularly focused in our labor policy. However, the presence of various labor restrictions in the advanced economies also stands as a major barrier for Bangladesh to reap the full benefits of its 'population dividend'.
- In the changed global context, greater competitiveness for accessing to global concessionary funds is imposing financing limitations on developing economies. Bangladesh like many other developing countries needs extended financial and technical support for containing emerging risks of poverty and environment. To meet up its resource shortfall, Bangladesh also rests heavily on internal resource mobilization. In this respect, it has undertaken multifarious reform programs in the revenue sector. Furthermore, it puts emphasis on creating sound legal and institutional structure for accelerating public private partnership, mostly to finance transformational development projects;
- Against the backdrop of repeated global financial shocks and subsequent demand for rebalancing of global growth, regional connectivity has been brought to the mainstream of our development strategy. Now-a-days, Bangladesh is taking more vigorous standing different regional/sub-regional organizations. However, pooling of common resources for establishing greater regional connectivity remains a major challenge. Equally, development of early warning and surveillance system under the auspices of various umbrellas of regional cooperation, and finding innovative ways for macroeconomic policy coordination among neighborhood require greater attention.

- Climatic uncertainties and recent food price hikes in the global market have created new alarms for food security all over the world. The best way to increase food production and reduce food prices in long term is to increase agricultural productivity. Therefore, Bangladesh puts greater emphasis on increasing agricultural productivity in its concurrent economic policy. In the same regard, Bangladesh seeks ^{more} global assistance to have access to free or low-cost technology for increasing agricultural productivity.

Finally, the adoption of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011 -2020 is yet another solemn and renewed commitment of the global leadership towards the least developed countries. The POA lays down a roadmap for mitigating the sufferings of the weakest and poorest segment of the global population. In this context, I am ^{we are} particularly pleased to recall that that region's journey to Istanbul had started from Dhaka in January 2011 when we had adopted the Dhaka Outcome Document on the Brussels Programme of Action. This document was Asia Pacific region's contribution to the Fourth United Nations Conference on the Least Developed Countries, held in Istanbul in 2011. As a follow-up to the Fourth United Nations Conference on the Least Developed Countries and ESCAP resolution 68/2 on the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 in the Asia-Pacific region, the ESCAP, in cooperation with the Government of Cambodia, organized the Asia-Pacific Regional Meeting on the Implementation of the Istanbul Programme of Action, which was held in Siem Reap, Cambodia, from 17 to 19 December 2012. At the meeting, key stakeholders reviewed the implementation of the Istanbul Programme of Action. ^{We have full concurrence on the Siem Reap outcome} I sincerely thank ~~the~~ Dr. Noeleen Heyzer for her leadership and continued effort in this regard.