



H. E. Tipu Munshi, MP
Hon'ble Commerce Minister
Government of the People's Republic of Bangladesh

Guest of Honour and Keynote Speaker
at
the Inaugural Ceremony
of the 55th Annual General Meeting (AGM) of the Federation of Nepalese
Chambers of Commerce & Industry (FNCCI)
and
Industry Commerce Day
10 April 2021

Statement by Hon'ble Commerce Minister of Bangladesh as
the Guest of Honour and Keynote Speaker at the Inaugural

**Ceremony of the Federation of Nepalese Chambers of Commerce & Industry
(FNCCI)'s 55th Annual General Meeting (AGM) and Industry Commerce Day,
10 April 2021 (Virtual)**

**Excellency Mr. K. P. Sharma Oli, Right Honourable Prime Minister of Nepal and the
Chief Guest of the Inaugural Ceremony,
Distinguished Ministers,
Mr. Shekhar Golchha, President, FNCCI,
Distinguished guests,
Ladies and Gentlemen,**

Let me first thank the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) for inviting me at the Inaugural Ceremony of the 55th AGM of FNCCI which is also celebrated as the Industry Commerce Day. I feel honored to be invited as the key note speaker in a program where the Right Hon'ble Prime Minister of Nepal is present as the Chief Guest. I had been eagerly waiting for this event, but I had to cancel the visit because of the recent surge of the pandemic in Bangladesh. Nepal, the daughter of the Himalayas, has got the highest peak on earth and the range of sky-touching mountains have made this country amazingly beautiful. The natural and cultural beauty of Nepal has created a special place in my heart. But unfortunately, I missed out to enjoy the beauty this time. My apology for not being able to join you today.

I take this opportunity to convey my appreciation to political leadership of Nepal and also the business community in forging a great bondage of friendship between the two very close neighbors in the region. We just witnessed the outcomes of a great visit by Rt Hon'ble President of Nepal to Bangladesh on the occasion of birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

Distinguished guests,

This year is particularly significant for us as we are having the twin celebrations of the birth centenary as well as the Golden Jubilee of our independence. The presence of the Rt Hon'ble President to our celebrations was a matter of great happiness for the people of Bangladesh and is the reflection of the most cordial relations between Bangladesh and Nepal. Following the footsteps of the Father of the Nation, the present government of Hon'ble Prime Minister Sheikh Hasina attaches highest importance on its relationship with

neighboring countries. This has become more of a necessity in the current times as we are facing multiple challenges and disruptions caused by COVID-19 pandemic.

Ladies and Gentlemen,

Bangladesh attaches utmost importance to its relations with Nepal. The people of Bangladesh recall with deep gratitude the unstinting moral and material support extended by the political leadership and the people of Nepal in our War of Liberation in 1971. Our two countries and peoples are bound together by ties of history, culture and language. During the Rt Honorable President's visit, we signed four instruments which will further strengthen our bonds of friendship in areas of trade, tourism, connectivity and people-to-people contact. A further boost is expected when we will be able to sign the long pending Preferential Trade Agreement (PTA) and Bilateral Investment Promotion and Protection Agreement (BIPPA) between the two countries. We are also working in expanding our existing road, rail, and air connectivity. Collaboration in hydropower generation in Nepal and promotion of tourism in Bangladesh are some of the new avenues of mutual interest with immense potentials for enhanced cooperation. In the trade front, both Bangladesh and Nepal are making gradual progress. The volume of trade is increasing. But in consideration of trade potential of the two countries, we should go at a faster pace. Through our bilateral cooperation we expect to take it to a new height.

Distinguished Guests,

Let me brief you about some developments that have taken place at home front. Like Nepal Our GDP growth is mentionable. Bangladesh has **achieved such high growth rate** alongside maintaining macroeconomic stability with stable inflation, low public debt, and greater resilience to external shocks. Over the last four years, Bangladesh has been sustaining a remarkable economic growth rate of over 7 percent. The GDP grew at a record rate of 8.15 percent in FY2018-19, which was also the highest among the countries in the Asia and Pacific region. Due to the outbreak of the COVID-19 pandemic both globally and in Bangladesh, the growth rate in FY2019-20 has slightly been reduced to 5.24 percent. Recent developments in Bangladesh have been widely praised and lauded internationally and regarded as the 'role model for development'. Alongside, Bangladesh has achieved remarkable progress in social indicators over the past decades. It has succeeded in reducing the poverty and infant mortality rates and increasing the average life expectancy and the literacy rate.

Respected Dignitaries,

Continuous efforts and inclusive development policies pursued by the Government of Sheikh Hasina have made it possible to **ensure inclusive economic growth** by making sure that benefit of economic growth reaches all. Growth has been aligned with women empowerment & Small and Medium Enterprises (SMEs) and those initiatives have helped us in moving forward in our journey. It needs to be mentioned that both the coverage and the budget allocation for social safety net and social protection have been increasing every year. At present more than a quarter of the families in the country have now been brought under the social security program. In terms of budget allocation, the government has allocated Taka 955.74 billion for the program in FY21, which is 16.83 percent of total budget and 3.01 percent of GDP.

Distinguished Dignitaries,

In the area of Trade Bangladesh has undertaken a strategic policy.

You are aware that Bangladesh attained unparalleled progress in the area of Readymade Garments export. This was possible because of the policy and enterprise support provided by the Government from time to time. To name some of these supports I may mention:

- Providing Bonded Warehouse and Duty Drawback Facilities
- Reduction of Direct Tax Rates
- Providing Cash Incentives to export performers
- Continuous Public-Private Interaction for overcoming challenges
- Helping industries to cope up with Sustainability Compact
- Keeping close contacts with the importers of RMG

Apart from Ready Made Garments Sector we have chalked out specific policy measures in some thrust sectors which hold out good prospects for us. These are pharmaceuticals, leather and footwear products, Light Engineering, ICT, Recyclable Plastics products and Shipbuilding Sectors. Each of the sectors is expected to boost up our external sector performance, specifically export. Bangladesh produces pharmaceuticals of world-class standards and is considered as an emerging hub of generic drugs exporting to 146 countries around the world. This base for pharmaceutical manufacturing is strong, due to the price and quality competitiveness. Bangladesh has already started setting up a state-of-the-art Active Pharmaceutical Ingredient (API) Park in Munshigonj near Dhaka.

Distinguished guests,

In Bangladesh from the beginning of the pandemic, we have significantly expanded social safety nets coverage to absorb the shocks of the pandemic. In order to face the adverse effect of Covid-19 Pandemic, the government formulated a combat policy combining both fiscal and monetary policies. Appropriate initiatives have been taken by the Government to stimulate economic activities and export to address slowdown of economic activities. Since the advent of Covid till now Government has allocated US\$14.6 billion for 23 Sectors.

Some of the support measures include:

- The National board of revenue has allowed duty- and tax-free import of all sorts of protective devices and medical supplies to combat corona virus since March 2020.
- Bangladesh Bank has allowed import of industrial machinery, raw materials, essential commodities, medical supplies on deferred payment basis.
- The Government suspended the interest payment by the borrowers to the commercial bank and allocated fund for the banks for non-receipt of interest
- US\$ 588 Million special fund for salary support to export oriented manufacturing industry workers.
- US\$ 3.9 Billion working Capital loans for the affected industries and service sector with Interest Subsidy from fiscal resource spread over two financial year FY2019-2020 and FY 2020-2021.
- US\$ 2.4 Billion Working Capital loans for the SMEs including the cottage industries with Interest Subsidy from fiscal resource spread over two financial year FY2019-2020 and FY 2020-2021
- Enlarging the Export Development fund to US\$ 5 Billion with only 1.75% interest to support import of raw material for export purpose.

Distinguished guests,

You are aware that riding on the performance of the garments industry and remittances sent by the expatriate workers, we have had a favourable current account balance over the past few years. You will be happy to note that despite the pandemic we are well on track to achieve the Sustainable Development Goals (SDGs). Despite many challenges, we are on way to build a “Shonar Bangla” free from poverty and exploitation, as envisioned by the Father of our Nation. Bangladesh nowadays is show-cased as a role model for socio-economic development. Our government is making all out efforts under the dynamic leadership of Prime Minister Sheikh Hasina to achieve the SDGs by 2030 and transform Bangladesh to a developed country by 2041. We are the first ever country to meet all three thresholds at the time of LDC graduation.

Ladies and Gentlemen,

We are aware that graduation would pose a lot of challenges. Upon graduation, certain entitlements and international support measures (ISMs) accorded to us as LDCs will gradually become unavailable after specific transition periods. Some of those ISMs are market access privileges and various special and differential treatment (S&DT) provisions with respect to trade, concessions and priority access to development financing, and other modes of developmental support.

Considering the challenges of LDC graduation the Government of Bangladesh has formulated a strong national transition strategy to facilitate a smooth transition. We have in the meantime formed a very high-powered committee under the direct supervision of Prime Minister's Office to implement the strategies to attain sustainable development goals and absorbing the shocks of graduation.

In this connection, let me highlight some points that our government has already taken for sustainable and equitable growth to facilitate smooth graduation. Some of the initiatives are:

- Looking for gainful trade deals/ FTAs for the post-graduation period
- The LDC group in the WTO has requested for extending the LDC specific facilities (DFQF, S&DT, TRIPS waiver) for an extended period after graduation
- Relaxing rule of origin criteria for graduated LDCs for an extended period of time
- Initiative for Industry - government - academia collaboration to face graduation with sufficient preparation
- Getting ready for the post LDC scenario - making necessary reforms and changes in local regulations and policies alongside sector-wise structural reforms
- Looking for greater South - South cooperation
- Tariff rationalization and increasing efficiency of internal resource-mobilization

Distinguished guests,

While focusing on increasing our productivity and competitiveness, we have given utmost priority to market diversification, technological advancement, skill development and up gradation of infrastructure. In addition, our government is in continuous engagements with development partners. Similarly, we are working closely with EU on human and labour rights issues to continue enjoying preferential market access under the GSP/GSP plus. We have established Special Economic Zones and IT parks, expanded the EPZs to attract FDI

and domestic investment. The global investors have started focusing on Bangladesh as one of the emerging economies.

Distinguished Ladies and Gentlemen,

With the vision to develop a sustainable public service infrastructure in Bangladesh through private sector participation, PPP Authority has been working directly under the Prime Minister's Office with our Honorable Prime Minister being the Chairperson of the Governing Body. Building on a strong regulatory base with a clear set of policies and guidelines, the PPP Authority has overseen the expansion of the PPP pipeline to 80 (eighty) projects of different sectors, with an estimated investment value of US\$29 billion, at different stages of development and delivery. Bangladesh has now developed one of the largest and most active PPP programmes in emerging markets and we expect this momentum to accelerate with further projects being processed within shorter timescales.

Ladies and Gentlemen,

To sustain the economic growth, we have taken up some mega projects across the country. A dream project of Padma Bridge connecting the capital with the south will soon be opened. This was constructed with our own resources. We are also implementing mega projects for a nuclear power plant, an under-water tunnel, a deep sea port and a metro rail for the capital. When completed, these will hugely increase the business competitiveness of Bangladesh in the post- graduation period. Our robust policy of Public Private Partnership (PPP) has facilitated the development of core sector public infrastructure and services. In the process, investment in infrastructure has risen from around 2% to 6% of GDP.

Ladies and Gentlemen,

You will definitely agree with me that three main areas need to be emphasized for leading a nation to coveted development. The areas are:

- Human Resource Mobilization including optimum use of demographic dividend
- Ensuring macro-economic stability through proper policy formulation and implementation of inclusivity of all
- Developing physical infrastructure like- Four dimensional communication (Rail, Road, River and Air); Port Facilities, Power and electricity; Information Communication Technology Infrastructure (Setting up of 28 Hi-tech Parks); Physical infrastructure (Developing 100 Economic Zones)

Bangladesh, under the charismatic leadership of our Prime Minister Sheikh Hasina, could make an unprecedented and unparalleled combination of all the above dimensions in appropriate proposition and in timely manner. In my opinion this has made up the success story of Bangladesh.

Distinguished Ladies and Gentlemen,

It is very heartening to learn that Nepal is also in the process of graduation from LDC status. We must acknowledge that the robust private sectors and the strong business communities of both the countries shall have a bigger responsibilities and role in developing strategies to cope up with the challenges during and after the graduation process. I am confident that by sharing experiences and strategies, both the countries will be benefitting from each other. I am also confident that by sharing experiences and strategies, the business communities of Bangladesh and Nepal would be able to harness the potentials of each other's complementarities and we will be able to contribute to each other's socio-economic developments.

To conclude, I once again apologize my inability to be with you in person today. But I would keep it in the top priority to visit your beautiful country at the earliest as soon as the Covid situation improves.

I wish Federation of Nepalese Chamber of Commerce and Industry's AGM all success.

I thank you all.