

**BANGLADESH**  
**A.K.M. MASIHUR RAHMAN, Alternate Governor**

It is an honor for me to address the 34<sup>th</sup> Annual Meeting of the Board of Governors of the Asian Development Bank (ADB). My delegation joins the other speakers in congratulating the Chair on his election. My delegation sincerely thanks the people of Hawaii and government of the United States for the warm welcome and hospitality extended to us. On behalf of my Government and delegation, I record our appreciation for the leadership provided by President Chino to ADB. Last but not the least, we thank ADB staff for the efficient organization of the meeting.

The President and the participants in the Asian Development Fund (ADF) deserve our thanks for successful negotiation of the seventh ADF replenishment (ADF VIII), which will enable ADB to discharge its mandate. We thank the government of Japan for making the largest contribution - \$1.1 billion - about half the new contribution. Let me also thank Portugal and Singapore, which made their first contribution to ADF.

We note with satisfaction that total lending in 2000 increased by 17.5 percent (\$4,978.6 million to \$5,850.4 million) with ADF lending increasing at 48.8 percent and ordinary capital resources lending at 9 percent. However, disbursement declined by about 17 percent (\$4.8 billion to \$4.0 billion) reflecting lower disbursement for program loans in general and loans in response to the Asian economic crisis. The drop in disbursement has a lesson for us: it is possible to mobilize more resources for development and our efforts should be directed to that end; crisis need not be the only trigger for higher levels of resource inflow to borrowing countries.

There is some measure of gratification that Bangladesh, along with three other countries (the People's Republic of China, Pakistan and Viet Nam) benefited from net transfer of resources to ADF borrowers, which increased at a modest 1.5 percent. On the other hand, net transfer to the developing member countries declined rather dramatically from \$1.7 billion to \$3.7 million, while debt repayment by OCR borrowers exceeded loans to them, thanks to accelerated repayment. However, there remains a concern that even a slight deterioration of net transfer can affect us.

Adoption of poverty reduction as an overarching objective by ADB is a timely move - and we note that it converges with the development goal of my government. Bangladesh was among the first few countries to sign a Poverty Reduction Partnership Agreement with ADB. The agreement sets development goals and indicates assistance at \$450 million to \$500 million annually from ADB. Unfortunately, loans from ADB declined to \$225 million in 2000 from an annual average of \$300 million - a quarter less than the annual average and half of the indicated lower value of assistance. If ADB is to deal with poverty effectively, resources have to increase commensurately.

Bangladesh will soon have a general election. This will be the first time that an orderly and peaceful change of government through a free and fair election will take place. We have a unique system designed to ensure free and fair election. The

incumbent government resigns three months before the election; a nonpartisan caretaker government headed by a retired Chief Justice holds office for 90 days within which period the election is completed. An independent Election Commission is responsible for conducting the election; the administrative apparatus of the government is subject to control and direction of the Election Commission for the purpose of election.

The term of the caretaker government can be extended up to another 90 days in extraordinary circumstances.

Let me now invite your attention to some critical achievements of government:

- growth rate sustained at nearly 6 percent since 1997 and expected to accelerate this year;
- annual growth of agriculture exceeded 4.8 percent, aided by efficient supply of input and remunerative output price;
- growth of industrial sector at nearly 14 percent in fiscal year 2000, reversing slowdown following floods of 1998;
- export growth at more than 23 percent this year to December;
- growth of imports at nearly 23 percent with large proportion of capital machinery and industrial raw materials relative to consumer goods;
- low inflation below 2 percent measured on point-to-point basis;
- tax collection has increased by 23 percent this year to December; national saving and gross investment exceed 21 and 22 percent, respectively;
- enrolment of 96 percent at primary level with gender parity, and 92 percent at secondary stage with near gender parity;
- life expectancy of 60.6 years for all, removing the slight edge for men;
- affirmative actions by government to provide employment, income, shelter, and safety net to the weaker sections of the population, especially targeting women;
- several specific initiatives for empowerment of women such as election to local government institutions, employment in public service, and recruitment in defense service;
- capital market and financial sector reforms with improved recovery of loans and reduced nonperforming assets; and
- preparation of poverty reduction strategy besides partnership for poverty reduction with ADB.