



BANGLADESH

Md. Ashadul Islam, Temporary Alternate Governor

Mr. Chairman, Honorable Governors, President of ADB, Excellencies and distinguished guests and Ladies and Gentlemen.

It is a great pleasure and honor for me and my delegation to be here in the Republic of Fiji for the 52nd Annual Meeting of the Board of Governors of the Asian Development Bank.

First of all, I would like to thank the Government and the people of Fiji for their warm welcome and generous hospitality since our arrival here. I would also like to take this opportunity to express my sincere thanks to the ADB for arranging such a wonderful gathering. On the auspicious occasion of its 52nd Annual Meeting, I wish to convey my heartiest felicitations to President Takehiko Nakao for his dynamic leadership and to his team for their unrelenting efforts towards ADB's substantive accomplishments in accelerating growth and reducing poverty in Asia and the Pacific. The bright idea of giving a theme "Prosperity through Unity" appears to me to be very thoughtful and appropriate, indeed.

Excellencies and distinguished delegates,

Please allow me to briefly touch upon the development situation of Bangladesh. You will be happy to note that under the dynamic and visionary leadership of Hon'able Prime Minister Sheikh Hasina, daughter of the father of the nation Bangabandhu Sheikh Mujibur Rahman, Bangladesh has made significant progress in different areas and achieved remarkable success in socio-economic development. The country has a vision of becoming a middle income country by 2021 and a prosperous and developed country by 2041. In order to achieve these developmental milestones the government has articulated strategies in our perspective plan (2010-2021), 7th Five Year Plans, and sectoral plans and newly developed Delta Plan 2100. The government adopted Delta Plan 2100 with the aim to ensure water and food security, economic progress and sustainable development through managing climate change scenario. Under this plan the government is going to implement 80 projects in the first phase, out of which 65 are for infrastructure development and the rest is for institutional capacity building. There will be massive construction of 16,616 km embankment in the coastal areas for protection of coastal belt of the country from disaster. However, these goals are aligned with the SDGs 2030.

Excellencies,

Bangladesh is one of the fastest growing economies in South Asia with a growth rate of about 6.5% in the last 10 years having one of the best gender parity and human development indicators in South Asia. Poverty has reduced to 22%. The GDP growth is rising at a sustained rate and now it is more than 7 percent for the last three consecutive years. According to the 'Asian Development Outlook 2019' the GDP of Bangladesh is expected to grow by 8 percent and our target is set to grow by 8.13% during the year 2018-19 which will put Bangladesh as one of the top five performers globally. Annual export registered at \$34.8 billion and import stood at \$47 billion. The forex reserve is \$32.2 billion. The per capita income is \$1,752 from a mere \$318 in 1972 and the Ministry of Planning has set the target to increase per capita

income to \$1,909 by the end of this year. In terms of GDP Bangladesh has been the 43rd largest economy and as per the report 'the most powerful economies in the world by 2050' constructed by PwC, in terms of purchase power Bangladesh will become the 23rd largest economy in the world.

You are aware that Bangladesh has achieved a significant milestone meeting all the graduation criteria from LDC to Developing Country by UN Economic and Social Council. The country is on track by completing all the ground works for implementing the SDGs, embedding the global development agenda into the 7th five year plan, mapping of Ministries by goals and targets, data gap analysis, preparing sector strategy and action plans, SDG financing strategy and SDG monitoring and evaluation Framework. The formerly renowned chief economist of World Bank Mr. Kaushik Basu described Bangladesh's progress as one of the most remarkable and unexpected success stories" of South Asia. Bangladesh is considered a global role model for development. You will be pleased to know that we have been able to improve the quality of lives of our people through adopting and implementing effective public policy. We require more investment in energy, power, transportation and human resource development to reach to double digit GDP growth rate, essential for achieving SDGs and tackling graduation challenges. The government has been developing 100 Economic Zones, High tech Park, Software Technology Park and also facilitated public private investment in emerging industries for employment and development. The main features of the economic zones are easy access to land, air and sea transportation, abundance of cheap and hardworking labour and robust investment protection mechanisms in the zones which derives from modern and efficient infrastructure, general fiscal and non-fiscal concessions to the investors and better governance due to 'one window' service and elimination of red-tape and bureaucratic delays. These zones are kept separate from the Domestic Tariff Area (DTA) by fiscal barriers and provide internationally competitive duty-free environment for export production at low cost which is attracting both local and foreign investors.

Much emphasis has been given on technical education and ICT education. The Government has also attached huge importance in attaining inclusive growth, gender parity and reduction in rural urban disparity.

There are several drivers which made such success possible. One of them is Bangladesh's export driven economic growth strategy. Export oriented industrial development, supported by the timely and appropriate measures like export incentives, tax incentives, and establishment of export processing zone, gave Bangladesh an opportunity to utilize its abundant and relatively cheaper labor force, including female labor. Moreover the Government has created a favorable environment investment climate for foreign investors. "The One-Stop Service Act 2018" is helping removing all difficulties investors face before starting their businesses. Bangladesh Investment Development Authority (BIDA) is providing 15 services including clearance certificates related to foreign borrowing, import recommendations, and appointment of foreign employees—under the one-stop service. Six organizations – BIDA, Bangladesh Bank, NBR, Rajuk, the Bangladesh Electrification Board, and the Office of the Chief Controller of Imports and Exports – are providing the services. The one-stop service will basically be all service in an automated and digitalized format, for investors to access through a single window. BIDA also has undertaken massive reform programs. The Supreme Court, 18 ministries, and 25 different organizations are helping to improve in all the 10 criteria set in the Ease of Doing Business Index.

You are also aware that Bangladesh has gradually shifted the basis of its economy from agriculture to manufacturing and services, the lack of export and manufacturing diversification is a concern. Bangladesh has not fully exploited its potential yet. The export base remains excessively reliant on ready-made garments. However, prospects for alternative goods-

including leather goods, processed foods, pharmaceuticals, light engineering, and ship building—are promising, but remain to be exploited. Again, Bangladesh has not fully utilized its geographical advantages—linking South Asia with Southeast and East Asia. Export shares to these growing neighboring economies are still at nascent stage.

‘Digital Bangladesh’ as announced by the Hon’ble Prime Minister in 2009 to introduce digital technology came to force through using information technology platform around 200 public services being delivered to people at their doorsteps.

Bangladesh is one of the leading pioneers in using state-of-the-art financial technology (fintech) that is making financial inclusion faster than ever. Mobile phones and alternate banking channels, such as agent banking are bringing millions of individuals into the formal financial system, meaning they have bank accounts or mobile money account for the first time. At the same time due to reform of monetary policy of the Central Bank the transmission channels have improved dramatically which is providing hope for a more inclusive and vibrant economy for Bangladesh.

Bangladesh has now become a member of 53rd member satellite club through launching Bangabandhu satellite-1. By 2023 we hope to launch 5G system and bring the value of internet and mobile usage to a reasonable level.

As per election manifesto, the government is in the process to strengthen the human rights commission, the Anti-Corruption Commission, the media and the judiciary focusing parliament as the center of all state activities. The government is committed to ensure accountability in all of administration by making administrative system service and welfare oriented. The government has also adopted zero tolerance policy against corruption. By introducing modern information and technology, the country is trying to bring down the scope of corruption gradually to zero. The government has also taken effective steps to stop militancy, terrorism, drugs, extortion, illegal occupation and communalism from the country.

Bangladesh has already demonstrated its competence as a nation in implementing mega projects. The mega projects include the Padma Bridge, Metro Rail, Rooppur Nuclear Power Plant, Rampal Coal-based Power Plant, Deep Sea Port, Dhaka Mass-Rapid Transit Project, LNG Terminal, Moheshkhali Matarbari Integrated Infrastructure Development Program, Pyara Sea Port, Padma Setu Rail Link and Chittagong to Cox’s Bazar rail line project. The work of these projects is progressing very fast. The LNG supply from the LNG terminal has already started in the national grid. Once completed these mega projects will give Bangladesh extra advantage in terms of regional connectivity, improved transportation and energy security.

Bangladesh has prioritized its importance on human development capacity and skilled manpower as it is considered the most important means of fostering inclusive growth. The country is creating more opportunities for increased access to education and skills development. The government has increased allocation in the national budget for the education sector gradually. This year it is around 53,054 crore taka which is 2% of the GDP. Raising budgetary allocations for the education and skills sector, strengthening vocational education, and making higher education more accessible and affordable are targeted. We need more investments to improve the quality of education.

One of the main obstacles in implementing our plans is disasters due to climate change. We have already taken initiatives to build sustainable infrastructures aligning our budget with disaster. We have synchronized the goal of the Seventh Five-Year Plan with SDGs so that SDGs are easily achievable and we could able to implement our development plans. Our

government is working hard to eliminate hunger, poverty and all forms of discrimination so as to transform the country a middle income country by 2030 and a developed country by 2041.

Excellencies, Ladies and gentlemen,

It is a great concern for us that we had to host more than a million forcibly displaced Myanmar nationals, Rohingyas who took shelter in Bangladesh. This influx of more than one million Rohingyas from Myanmar to Bangladesh is indeed a considerable stress on our development efforts. We sincerely acknowledge ADB's urgent support of \$100 million. I call upon the international community to come forward in support of these forcibly displaced people for a permanent solution.

In our journey towards achieving our goal, we have a critical challenge ahead- that is, adverse climate change which has multifaceted impacts resulting excessive rains, untimely droughts, floods, cyclones, salt intrusion in the coastal belt, though we had contributed nothing to the impairment of climate change. Climate change induced disasters are causing millions of lives, creating extreme poverty and thus challenging the development trajectory harshly. That leads to migration of our people rural to urban area- posing threats to the capacities of cities and creating "Climate Refugee" within the country. I would appeal to whole international community through you for doing something collectively to save the people and planet- otherwise all our development effort would be meaningless.

Ladies and Gentlemen,

Let me turn my attention back to the ADB annual meeting. I would like say that global economic expansion will come from strong external demand, which is supported by a further pickup in growth this year in the major industrial economies and robust domestic demand. South Asia remains the fastest growing of all sub-regions. Growth in the sub-region rose to 6.8% in 2019 from 6.7% in 2018. In India growth slipped from 7.2% in 2017 to 7% in 2018. Bangladesh's growth accelerated to 7.86% in FY 2018 from 7.28% in the previous year and is expected to reach 8% in FY 2019 and 2020. Most countries in South Asia are expected to improve their growth rate. India is also expected to increase growth rate to 7.2% in 2019 and 7.3% in 2020 because of recovery in agriculture and domestic demand. Across the South Asia region, domestic demand will remain as the key sustainer of growth.

I am pleased to acknowledge ADB's contribution to socio-economic development in Asia and the Pacific region through promotion of inclusive economic growth, environmental sustainability and regional integration. However, more can be done to keep pace with the aspirations of the people. The region remains home to over 1.24 billion of the world's poor who live on less than \$3.20 a day; 326 million of these people live on less than \$1.90 a day and are classified as extremely poor. Income inequality in the region has worsened and social disparity continues to remain in access to education, health services, electricity, water resources, and sanitation in several countries. There is a critical need to further strengthen ADB's efforts towards ending poverty and reducing inequality by the year 2030. ADB needs to scale up its programmes for job creation, improving education and training, providing health care services, securing agricultural expansion and ensuring social protection.

I would like to appreciate ADB's partnership with Bangladesh. ADB provides support in all the important sectors of the country with special focus on energy, transportation, connectivity, education and health and promoting regional cooperation and integration. In addition to the financial resources, ADB strengthens its role as knowledge provider, ensure more proactive role for research, and disseminate knowledge.

We know that through ADB's Strategy 2030, ADB now approaching differentiated way, which refers to the country needs and key priorities. As per the 7th five year plan of Bangladesh ADB is targeting for long-term financing in the private sector where ADB prefers for co-financing and value addition. In this point, I would like to suggest ADB to focus more on innovative financing like impact bond, SDG bond, Green bond, Blended financing for creating more opportunities leaving no one behind. ADB might also consider for concessional assistance mobilizing new sources of capital through innovative financing options for private sector so that it creates access to easy financing. Moreover, access to finance both for women and youth need to be well planned to reap the benefits of demographic dividend and ensuring gender equality.

Bangladesh has to make some extraordinary efforts in its economic and social development programmes in the coming years to achieve vision 2021 and 2041. The overall capacity of the economy has to be vastly improved. Actions are underway for diversification of the economy through upgrading technological infrastructure, accelerating industry-appropriate skills development, institutional strengthening and improving productivity.

Despite all these efforts, we need to invest a lot more in the areas of institutional reforms and human capital development, climate change adaptations, combating natural disasters, generating employment and ensuring good governance. A huge investment is needed to sustain the current growth momentum and also to achieve SDGs 2030 and develop a prosperous and developed country by 2041. We have made our future investment plan, where we have planned to fetch most from our internal resources by increasing our national savings; we also need financial support from external sources. We firmly believe that the ADB and other development partners will join us and help us in achieving our developmental milestones, our journey towards achieving the status of a developed economy by 2041.

Excellencies, ladies and gentlemen,

As I have mentioned before that ADB's Strategy 2030 is aligned with our national priority; at the same time, ADB has aligned its strategy with major global commitments such as Sustainable Development Goals, the new climate agreements reached in Paris in 2015 and Sendai Framework for Disaster Risk Reduction.

You know that the LIBOR has a raising trend which might make greater burden of debt for developing countries. For this we need sustainable solution for bench marking. We also need to think on reducing process time for loan and procurement; using technologies, we might find innovative solutions.

You all know that the global economic atmosphere and socio-economic scenery is changing; here ADB can play significant and greater role for growing together. This requires promoting dialogue and collaboration among diverse partners and tuning to next level of documentation for maximizing efforts in achieving long term well defined goals.

You know that Artificial Intelligence (A.I) is changing everything including financial landscape. Even new innovations simply fail to cater the needs of everyday changing scenario. If our pace is not harmonized in terms of innovation for leveraging technology, capacity development and for future preparation, it might put us all in trouble.

In this forum, I would like to suggest that ADB might come forward with sustainable ideas for innovative concessional financing, business process easing, technology based capability development for not only taking preparation but to sustain with the changes of innovative world. It can strengthen country focused approach, promote use of innovative technology,

deliver integrated solutions by combining expertise, and strengthen institutional capacity to address the development issues and delivering projects and value for money procurement. ADB can provide more concessional sources funding to address poverty and inequality, climate change, disaster resilience, food security and agriculture value chain, mobile financial services like fin-tech, and developing social sectors in Developing Member Countries (DMCs) like Bangladesh.

Ladies and gentlemen,

We attach great importance and value to its thriving and time-tested partnership with ADB. We hope that this would continue in our future efforts for sustainable development.

I would like to conclude with the hope that mutual and meaningful relationship will continue to flourish in the future. This will certainly help our country move forward and achieve the developmental milestone, achieving the status of a prosperous and developed country by 2041.

I also assure all out support to the ADB and wish all members' continued success in their quest for development, peace and prosperity with a special wish for the success and well-being of our host country.

Mr. Chairman, thank you very much for giving me an opportunity to share my thoughts at this august event.

Wish you all greater success, good health and prosperity.

May our friendship live long!