Bangladesh Towards Smooth and Sustainable Graduation

Kathmandu, Nepal
18 April 2023
Outline of the Presentation

● Bangladesh’s Performance in the LDC graduation process

● Opportunities and challenges of the graduation

● Bangladesh’s preparatory process

● Priority areas for ensuring smooth & sustainable graduation
Bangladesh’s Performance in LDC Graduation Process

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Threshold for 2018 Review</th>
<th>Bangladesh’s Scores in 2018</th>
<th>Threshold for 2021 Review</th>
<th>Bangladesh’s Scores in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNI Per Capita</td>
<td>US$ 1,230</td>
<td>US$ 1,274</td>
<td>US$ 1,222</td>
<td>US$ 1,827</td>
</tr>
<tr>
<td>Human Assets Index (HAI)</td>
<td>66 or more</td>
<td>73.2</td>
<td>66 or more</td>
<td>75.4</td>
</tr>
<tr>
<td>Economic and Environmental Vulnerability Index (EVI)</td>
<td>32 or less</td>
<td>25.2</td>
<td>32 or less</td>
<td>27.0</td>
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</tbody>
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Bangladesh is now set to graduate from the LDC category in 2026 after enjoying 5-year preparatory period
Graduation Challenges

Loss of ISMs

Current geo-political developments

Loss of DFQF Market Access, Preferential Rules of Origin

Bangladesh is the highest utilizer: DFQF-71%, EBA-96%

Loss of TRIPS Flexibilities

Bangladesh pharma industry
- meets 98% of the local demand
- exports to 100+ countries

Loss of Policy Space

Bangladesh provides export subsidies (cash incentives) to many products

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Preparation for Smooth & Sustainable Graduation

National Committee on LDC Graduation (NCG)

Seven Thematic Subcommittees

- Preferential Market Access
- Intellectual Property Rights
- Smooth Transition Strategy
- Branding Bangladesh
- Resource Mobilization & Tariff Rationalization
- Investment, Market Development & Export Diversification
- WTO Issues
Preparation for Smooth & Sustainable Graduation….

Country-led STS through a Consultative Mechanism

Whole-of-society approach

STS Preparation

- Extensive consultations
- A dedicated sub-committee
- Background studies, research
- Integration with national and global agenda
- Sub-committee’s time-bound action plan
Bangladesh is unique among LDCs

• Bangladesh’s achieved *high and sustained growth*

• Bangladesh’s export is mainly *manufacturing goods*

• Bangladesh has a strong and potential productive base with *large young workforce*

• *Population size, economic size and structure, remittance flows, export led manufacturing growth made Bangladesh unique among the LDCs*
## Priority actions for sustainable graduation

### Domestic Actions
- Enhancing productivity and Competitiveness
- Diversification export products and markets
- Signing FTA with potential trading partners
- Improving business climate for more investment, including FDI
- Developing human resources and institutional capacity
- Developing strong Intellectual Property Rights regime
- Ensuring prudent macroeconomic and debt management

### Global initiatives
- Continuing all ISMs, including DFQF access, TRIPS waivers, for a reasonable period beyond the graduation
- Devising new set of support measures
- Providing supports for capacity building
- Providing concessional financing for infrastructure and climate change
- Implementing DPoA commitments
- Ensuring technology transfer
- Expeditious implementation of SoLs of CDP
Thank you