

**Statement of Bangladesh**  
**Seventh Session of the Committee on Trade and Investment**  
**27-29 January, 2021**

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**Agenda item-2: Recent Trends and developments in trade and investment in Asia and the pacific, including the impact of rising protectionism and Covid-19 pandemic**

Mr. chair & Distinguished delegates

First let me congratulate the ESCAP secretariat for preparing the comprehensive paper titled, "Recent trends and developments in trade and investment in Asia and the Pacific. It rightly pointed out the importance of more regional cooperation in this difficult time where covid19 pandemic brought many new challenges in the area of trade and investment. I also thank the executive secretary as she rightly pointed out Bangladesh's efforts and pioneering role specially its recent ratification of UNESCAP initiative of the cross-border paperless trade.

Now I am going to highlight some recent features of the economy of Bangladesh which gives valuable insights on achievement and future challenges of Bangladesh economy.

1. Bangladesh is going to celebrate 50 years of independence in 2021. During her journey of five decades since independence in 1971, Bangladesh may claim to be a unique achiever of economic development. Bangladesh can genuinely take pride in its track record of economic resilience, entrepreneurship development and external sector performance like export trade.
2. During Nineties Bangladesh made policy shifts towards trade liberalization and export orientation.
3. During the last five years Bangladesh has achieved two remarkable successes.
  - In 2018 the Committee for Development Policy of UN-ECOSOC recognized Bangladesh as eligible for graduation from the group of LDC's. Bangladesh passed through all the three indicators (Economic Vulnerability Index, Human Asset Index, GNI Per Capita Index) by a good margin.



- Bangladesh is well set to meet the graduation criteria in 2021. Bangladesh will be recommended for graduation from LDC category in 2024.
- Besides, Bangladesh became eligible for graduation from LIC to LMIC in 2015 when the country's per cap capita GNI crossed the World Bank Graduation threshold of \$1045.

#### 4. Current trade and economic scenario of the country:

Bangladesh is one of the world's fastest-growing economies. The country has achieved a remarkable GDP growth rate of 8.19 percent in the 2018-19 fiscal year. Bangladesh may suffer an economic slow-down because of the onslaught of Covid-19. Its external sector performance especially export may also suffer a setback.

#### 5. Under the visionary leadership of Honorable Prime Minister Bangladesh undertook some of the pragmatic decisions and programmes in mitigating the Covid-19 shocks.

- ✓ Bangladesh addressed the Covid-19 implications through a combination of Fiscal and Monetary Policies
- ✓ On the economic front, the government has adopted a series of economic stimulus package estimated at taka 1196.4 billion (4.3 % of GDP with a new to protecting the income of the poor and vulnerable and helping the revival of economic activities.
- ✓ Bangladesh played a supportive role in facilitating trade and transit during Covid-19 pandemic by participating and arranging online trade officials' meeting during the lock down. As interim measures online certifications for clearing of goods in the region were made simple
- ✓ Bangladesh is always in favour of regional integration. The country has already signed the first bilateral Preferential Trade Agreement with Bhutan. The Ministry of Commerce has chalked out a programme of action to go for more PTAs and FTAs to address the possible export challenges after the graduation
- ✓ Trade facilitation is considered an important aspect for trade performance by Bangladesh. Bangladesh ratified UNESCAP Cross-border paperless in October 2020
- ✓ In the last three years Bangladesh has seen tremendous growth in the information and communications technology (ICT) sector. Bangladesh has become a renowned ICT outsourcing market over the last ten years. Bangladesh is selected as one of the best spots for IT outsourcing. Bangladesh at present has more than three hundred software & IT enabled services firms serving clients in more than thirty countries in four continents. The country has got six hundred thousand ICT freelancers. The ICT sector holds out good prospects for Bangladesh.

#### 6. In case of International cooperation in the trade and investment area:

- ✓ Bangladesh strongly supports the UNESCAP proposition that the LDCs and graduating LDCs should participate and reap benefit from future **agreements**

and cooperation initiatives in trade and investment in the Asia and the Pacific region.

- ✓ Bangladesh solicits cooperation from the countries of this region for creating enabling ambience for digital trade and digital economy. In this regard, the UNESCAP may undertake some initiatives for introducing a platform for exchanging and showcasing ideas, prospects and innovations of the countries of this region. We strongly believe that cooperation among the countries of Asia and the Pacific region should be enhanced in relation to digital trade and commerce.

### **Agenda item 3: Promoting inward and outward foreign direct investment in the post coronavirus disease area.**

1. Bangladesh has been inviting foreign investment in the country since the beginning of her birth. Starting with USD 7 million USD in 1977 it reached around USD 3 billion dollar in 2019. More than 50% of this amount is in the form retained earnings which signifies high profitability and consistent growth in the economy and the confidence of investors in the local economy. Till date Bangladesh's FDI stock stands at almost 18 billion US dollars.

2. Unlike many other countries and of the neighboring countries Bangladesh allows 100% foreign equity without any capping in the amount of investment, and almost all sectors are open for investment. Also, in the strategic sectors 100% foreign equity is allowed with the condition of getting opinion from the regulatory ministries/agencies.

3. To make the business more business friendly Bangladesh has started taking reforms in almost all service delivery areas. This has been based on the Easy of Doing Business related parameters like starting a business, dealing with construction permit, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

4. Premier agency for looking after the investment matter in Bangladesh, Bangladesh Investment Development Authority (BIDA), is introducing reforms in rules and in practices. In this process, requirements have been streamlined and redundancy in the process has been removed to ensure world class services in almost all the service-areas of relevant agencies. The One Stop Service (OSS) has been introduced. Most of the services have been made online in all the IPA's. In the coming year it is expected that all the services will be operational.

4. Investment promotion agencies (IPA's) in Bangladesh have taken massive outreach programs to attract investment from specific sectors and countries. Despite the limitations of the physical movement during Covid-19, massive online digital interactions were undertaken by the IPA's. The result of these initiatives can be seen when the normal situation begins.



5. In addition, in order to attract Foreign Direct Investment, Bangladesh has already taken huge program of actions. Establishment of 100 Economic Zones all over Bangladesh is a commendable progress in our effort to attract FDI.

5. In order to facilitate FDI and formation of company in Bangladesh, the Ministry of Commerce has already formulated the Companies (Amended) ACT 2020 revising the Companies Act 1994. The newly formulated companies Act has been enacted to make to making it appropriate for the needs and demands of the time. The agencies under Ministry of Commerce have already made the process simplification like-

- Introduction of online Licensing Modula (OLM) of import & export office under Ministry of Commerce Bangladesh to get and renew trade license/certificate digitally.
- Registered Exporter's system (REX), an online platform, introduced by Export Promotion Bureau of Bangladesh to reduce time and cost of Bangladesh RMG export in Europe.

6. In case of outward Investment, as the capital account is not convertible in Bangladesh, the outward investment could not be made easy. Bangladesh bank has undertaken a policy to enable Bangladeshi investors to invest abroad as investors of Bangladesh are interested to invest in many countries with good investment potentials. To cite some examples we may mention, investors of India are also investing huge amount in many countries.

6. Bangladesh bank and Bangladesh Investment Development Authority have started negotiations and discussions to define a general policy for outward foreign investment. We expect that after formation of this policy the investors can invest in many countries as they will be getting internationally competitive and they will be able to compete with other investors.

7. As we have specific economic targets such as 2021, 2030, 2041, 2071 and 2100 which aim at increasing investment among other economic performances, massive inward and outward investment will be required for us to attain these targets. We believe that if these policies are properly placed and the reforms implemented, our goals as mentioned above can easily be attained.

8. Bangladesh recognizes the view of Economic and Social Commission that FDI is one of the main engines of growth and development. The investment scenario in Asia and the Pacific will become increasingly uncertain because of the onslaught of Covid-19. Establishing an investment climate will need better and innovative approach in future.

9. It is perceived from the ESCAP meeting documents it is seen that ESCAP would come up with some pragmatic policy options for simplification of FDI Policy. Developing appropriate indicators by ESCAP will be a good support for us in terms of investment. As Bangladesh is going to face graduation challenges in the days ahead, we would like to receive policy advice, Country Specific FDI sustainability indicators and Networking for FDI inflow and outflow among the countries of Asia and the Pacific region for the development programs of actions Bangladesh has already undertaken.

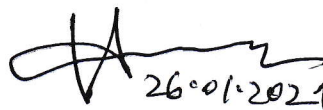


#### **Agenda Item 4(a) of the provisional agenda**

The intervention by Bangladesh in this Agenda:

1. Bangladesh thanks ESCAP for developing the Trade Intelligence and Negotiation Adviser (TINA)- a tool for feasibility study of Free or Comprehensive Economic Partnership Agreement. Bangladesh also thanks ESCAP as it has extended support to Bangladesh Foreign Training Institution (BFTI) on the preparation of a feasibility study for an economic partnership with India.
2. Bangladesh has ratified the UNESCAP initiative of the Cross-border Paperless Trade. We acknowledge the contribution of the UNESCAP for the technical and advisory support it extended to Bangladesh in such endeavor of digitization of cross-border trade. As we are going to operationalize Cross-border paperless trade, we would expect that ESCAP support will continue in the days ahead
3. Bangladesh will seek support from and through UNESCAP for fulfilling the commitment made under category C of WTO Trade facilitation Agreement.
4. Bangladesh will always remain supportive in ESCAP's action on trade, investment and innovation for attaining SDGs
5. In this opportunity, we would earnestly request the UNESCAP to develop some strategic plan so that the countries of Asia and the Pacific region may develop the capacity to face the challenges of 4<sup>th</sup> industrial revolution.

Thank you, Mr. Chair and all distinguished delegates, for your patience hearing.



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