

## **Country Statement of Bangladesh**

*3<sup>rd</sup> Session of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development (MPRFD)*

*UN-ESCAP  
Bangkok  
Online, 20-22 October 2021*

**Farid Aziz**

**Additional Secretary**

Economic Relations Division (ERD), Ministry of Finance  
Government of the People's Republic of Bangladesh

---

### **Excellencies, distinguished speakers, ladies and gentlemen**

I sincerely thank the UN-ESCAP for organizing this timely regional discussion, especially at the time when countries around the world are struggling with managing economic growth, which has been critically affected due to the outbreak and continuation of COVID-19 pandemic.

Bangladesh has an impressive track record of sustained economic growth and poverty reduction during the last 12 years. The Government is moving ahead based on the previous success to achieve the targets of sustainable development goals (SDG). Moreover, Bangladesh became a lower middle income country in 2015, and has satisfied all the criteria for graduation from the Least Developed Countries and poised to become a developing country in 2026. The country has adopted a plan to become a Developed Country by 2041. It is acknowledged that Bangladesh has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, remittance, and stable macroeconomic conditions. Our GDP grew consistently at an average of 6.3 percent over the last 13 years, and per capita income rose to USD 2227 in FY21.

### **Excellencies,**

Our Father of the Nation Bangabandhu Sheikh Mujibur Rahman had a dream of building a nation free from poverty. Under the dynamic leadership and dedication of His daughter, Hon'ble Prime Minister Sheikh Hasina, we are rapidly moving towards the fulfillment of Bangabandhu's

dream. With her visionary plan and commitment for implementation of bold, people-centric and inclusive development policy in poverty reduction, we have made commendable progress in poverty reduction. It is evident that the rate of poverty has been reduced from 56.7% in FY92 to 20.5% in FY19 and the rate of extreme poverty has also decreased to 10.5% from 41.1% during the same period. The government has set priority and is continuously widening number of beneficiaries and increasingly allocating resources for inclusive growth. 125 social protection programs are now being administered, and the number of beneficiaries increased from 9.8 million in FY2011 to 40.68 million in FY2021.

Despite the disruption due to global outbreak of COVID-19, remittance inflows continued to show positive trend since June 2020 reflecting a 10.87 percent growth in FY20 (US\$ 18.21 billion) and remittance flows in FY21 have shown a record growth of 36.10 percent ( US\$24.78 billion). This achievement is a testament of our sound government policy. It is also helping keep the country's foreign exchange reserve at over USD 48.02 billion as of 31 August 2021.

The Government's continuous effort on managing a prudent fiscal policy and following the rule of containing budget deficit around 5% of GDP is contributing to maintain a sustainable debt to GDP ratio. However, due to the pandemic situation, the fiscal deficit was 5.5% in FY20. Our debt-to-GDP ratio was 36.7% and external debt to GDP ratio was 33.7% in FY20, which is far below its sustainable threshold. Therefore, despite high economic growth over the decade, macroeconomic stability has been maintained.

### **Excellencies,**

With a view to tackling the COVID-19 pandemic and overcome its potential adverse effects on the economy, the government has announced a comprehensive stimulus and economic recovery package to the tune of US\$ 22.08 billion or above 6 percent of GDP. We have offered 28 schemes under the package among which noteworthy schemes are - supporting emergency healthcare services, protecting jobs and achieving smooth economic recovery, interest subsidies to industrial and services sectors, direct cash transfers to ultra poor, food aid to suddenly unemployed people, widening social safety net programs for the ultra-poor, credit guarantee

scheme for cottage, micro and small enterprizes. Steps has also been uundertaken to revitalizing the rural economy and job creation in rural area.

Because of prompt and timely adopted initiatives of government, Bangladesh has managed relatively well the acuteness of the pandemic, and its impacts on economy and society. This is reflected as Bangladesh achieved GDP growth of 3.52% in FY20 and 5.47% in FY21 when many countries experienced negative GDP growth rate. This growth feature is backed by the recovery of domestic consumption fuelled partly by remittances from abroad, stimulus and social protection packages and pragmatism to continue the economic activities. It demonstrates the strucutral strength of our economy in facing shocks like COVID-19.

**Ladies and gentlemen,**

We strongly recognise that the experiences during the pandemic, however, will give an opportunity to reflect on key development and innovative strategies and see how these can be recalibrated to deliver a more inclusive, resilient and sustainable future. We hope ultimately it will help strengthen regional and multilateral cooperation in development approaches.

Bangladesh is committed to make strides in continueing cooperation with the international community in implementing Post-Crisis policies that includes combatting the economic affects of COVID-19 pandemic. We will be pleased and appreciate the Regional cooperation initiatives of the UNESCAP and also initiatives which are aligned with the SDGs and development plans and strategies of Bangladesh Government.

Thank you all.

-----