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Statement by the Hon. **ABUL MAAL A. MUHITH**,
Governor of the Fund and the Bank for **BANGLADESH**

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Introduction

It is indeed a privilege for me to be able to participate once again in the World Bank-IMF joint annual meeting of 2016 at the headquarters of these two institutions in Washington, D. C. First of all, on behalf of the Government of Bangladesh, I would like to express my sincere appreciation to the president of the World Bank and the managing director of IMF for their able leadership in steering the two Bretton Woods institutions in addressing the complex and assorted economic challenges the world is encountering. Let me begin by congratulating Madame Lagarde for her second five-year term appointment as the MD of IMF and at the same time offer my advance congratulations to Mr. Jim Yong Kim for his second term as World Bank President. I also thank the conference secretariat for the nice arrangements of the Annual meetings.

As always I acknowledge the role of the World Bank Group, particularly IDA in the development endeavor of Bangladesh from its very birth in 1971 and even for an earlier period. As it happens between partners we had our ups and downs but overall it has been a fruitful partnership from which we both have benefitted. So far the WB has committed a total of USD 23.95 billion IDA support. In FY 2016 IDA commitment for Bangladesh was USD 1.18 billion covering various sectors that included primary education, health, power, skills development, climate change, agricultural technology and low income housing. The same year the WB disbursement has reached USD 1160 million, the largest WB disbursement in a year in Bangladesh. I also acknowledge the successful completion of the Fund's support under the extended credit facility (ECF) arrangement.

SDGs and Global Commitment

I should say that 2015 was the year of global commitment. In September the commitment for ending poverty by 2030 and for socio-economic development of all with leaving no one out of development enterprise were, indeed, unique and extremely bold. In the same General Assembly session we simultaneously made a commitment to saving the planet. In July 2015, we adopted the Addis Ababa Action Agenda which provided a road-map for financing the development goals. The other important commitment came in December in Paris regarding significant reduction of global carbon emissions. Now is the time for working together in materialising our pledges for making the planet a better and safer place for both the present and future generations. It is laudable that WBG and IMF were involved in the process of SDGs formulation and have designed strategies on how they can contribute extensively and meaningfully to the implementation of SDGs and the 2030 agenda. WBG's twin goals of ending extreme poverty by 2030 and promoting shared prosperity are fully aligned with the post-2015 development agenda. We, however, want to see more coordination and engagement among the international community including the Bank and Fund in implementing the post-2015 development agenda.

World Development Report: WBG Focus on Internet for Development; and Governance and the Law

Now I would like to extend my thanks to the WBG for selecting two innovative themes for the World Development Report (WDR) of this year and the next year. These two reports and the last year's report on mind and society are considered together as a 'trilogy' of WDRs which explore how policy makers can use behavioral, technological and institutional instruments to promote economic development and end poverty. I am rather excited about this year report on the internet and development. The report analyzes the potential impact of internet on economic growth, equity and the efficiency of public services. Our Government led by Prime Minister Sheikh Hasina presented in its election manifesto in 2008 the vision of a Digital Bangladesh and challenged the youth of the country to shape and build it. Since assumption of power in 2009 we have remained steadfast in our goal of a 'Digital Bangladesh'. Our 'Vision 2021', Perspective Plan (FY 2010-2021) and the 7th Five Year Plan (FY2016-2020) seek to utilize the capacity of information and communication technology in realizing the country's development objectives. The National ICT Policy adopted in 2009 sought to achieve 'Digital Bangladesh' by 2020. In 'Digital Bangladesh' there should be neither hunger nor poverty. And, indeed, we are rapidly moving towards that goal which we call Golden Bangla. Our national anthem begins with the expression "My golden Bangla, I love thee".

The WDR 2017 will focus on the role of governance and law in poverty reduction and shared prosperity. There is no denying the fact that the quality of governance is the crucial factor in economic development. Governance reforms, therefore, is of prime importance in ensuring economic development of a country.

World Bank's Country Partnership Framework and Progress of IDA 18 Replenishment

We welcome the World Bank's new Country Partnership Framework (CPF) for Bangladesh for FY 2016-20 as it has been aligned with our 7th Five Year Plan. We appreciate Bank for identifying five transformational priority areas such as 1) energy sector, 2) inland connectivity and logistics, 3) regional and global integration, 4) urbanization, and 5) adaptive delta management with a view to increasing its engagement in Bangladesh in future. Our development priorities are macroeconomic stability, human development and sustainable institution building and business environment and they are happily accepted as the foundational priorities of the Bank.

The negotiation of IDA18 replenishment (for FY2018-20) is going on. I am pleased to learn that the World Bank has chosen 'Investing in Growth, Resilience and opportunity' as overarching theme of IDA 18 and to achieve the thematic goal, it has identified Jobs and Economic Transformation; Governance and Institutions; Gender and Development; Climate Change; and Fragile, Conflicts and Violence as core thematic areas to intervene which are very relevant in the context of SDGs and Paris agreement. I understand that the resource demand for IDA 18 is projected to be US \$ 90 billion and overall resource envelope is estimated at USD 75 billion under base case scenario. We very much appreciate the IDA's initiative with respect to opening up of a new lending window, the IDA plus, by leveraging its equity which will help broaden its lending capacity and meet growing demand of financing needs of a number of IDA borrowers.

However, IDA 18 replenishment must be done keeping in mind that implementation of SDGs will require both enhanced capacity and resources. Relying only on current IDA resources to bring additional fund from the market through leveraging will not be enough. The advanced countries should also contribute more to the IDA 18.

Recent Developments in Bangladesh Economy and the Way Forward

Now, let me give you a brief statement on the performance of Bangladesh economy in recent times and country's future development strategies.

- Despite slow pace of recovery in global economy, Bangladesh's progress in recent years is notable. For the last seven years we have been able to sustain robust GDP growth while ensuring equitable distribution of its benefits. In FY 15 we have achieved a handsome 6.55 percent growth. We have at last been able to grow out of 6 percent growth cycle; and GDP growth is expected to be 7.05 percent in FY16. Per capita income is expected to increase to USD 1,466. Investment has gathered momentum. Foreign Exchange reserve is now over US \$ 31 billion which is equivalent to over 7.5 months import bill. Average monthly inflation rate in August 2016 was 5.37%.
- Our social indicators including poverty, inequality, sanitation, maternal and child mortality rates, average life expectancy, population growth rate and education are very commendable. Poverty reduction is at the core of our growth strategy and Bangladesh made an impressive progress in poverty reduction from more than 70 percent in 1971, when the country was born, to 24 percent in 2014-15. I am looking forward to the celebration of the end poverty day on 17 October in Dhaka jointly by the President of the Bank and our Honorable Prime Minister.
- Women empowerment is a fundamental strategy in our growth projection.
- We have ensured almost 100 percent enrollment at the primary level. We have already achieved gender parity both at primary and secondary education levels. Maternity and infant mortality rates have fallen to 1.9 and 3 per cent respectively. Average life expectancy has gone up to 70.7 years from 66.5 years in 2005. According to Human Development Report 2015, Bangladesh ranked 142nd in 2014. The overall index was 0.57 in 2014, a great improvement indeed from 0.338 in 1980 and 0.468 in 2000.
- Significant progress has been made in power and energy sector through implementation of various time-bound programs. Till May 2016, power generation capacity has increased to 14,539 MW. Per capita power generation now stands at 371 KW with 76 percent people enjoying electricity facility.
- We have achieved remarkable progress in establishing 'Digital Bangladesh'. There was a massive expansion in ICT sector in recent times. Bangladesh has already reached the level of becoming a technology driven modern state. As of July 2016, the number of mobile phones used and internet subscribers were 128.94 million and 63.92 million respectively. Tele-density and internet density have gone up to 82 percent and 35 percent respectively. Bangladesh is now exporting soft-wear and ICT services to about 30 countries including

some advanced countries. Agriculture sector is also reaping the benefit of wider penetration of IT. We are constantly giving priority to the power, gas, port and physical infrastructure sectors.

- We have set a goal for creating a total of 1.5 million skilled and trained manpower within next 10 years. Our aim is to export more skilled manpower in near future and increase our remittance income. We have given more emphasis in quality interventions in education including vocational and technical education. In Bangladesh, about one-third of families are now under coverage of social security program.
- Human resources development as well as job creation is our topmost priority agenda. We believe that a vibrant private sector can create significant number of job opportunities and help uplift the poor people out of poverty. As Bangladesh is still a rural-based economy and majority of poor people live in the rural areas, a process of real transformation of the rural economy has been being taken place in terms of investment, infrastructure development, expansion of SMEs and non-formal sector etc.
- We expect to graduate from the least developed country status very soon. Out of three indicators (per capita income, economic vulnerability index and human asset index) we have already met the economic vulnerability criterion and are nearly there in terms of the other two. I firmly believe that by 2018 we will be able to meet all three criteria.

We have already started the implementation of the 7th Five Year Plan (FY2016-20). The priorities of this plan are to accelerate growth, reduce poverty, and create employment. The major thrusts of this plan are as before reduction of poverty and inequality; women advancement; removal of infrastructural bottlenecks; creating technical and IT knowledge-based human resources; more focus on agriculture and SMEs, strategies for exporting ICT, health and education services; further promoting public-private partnership initiatives; and strategies to increase and diversify exports; effective strategy to address the climate change and disaster risk reduction; and introduction of development result framework.

Women Empowerment and Welfare

Disparity in wages between men and women has declined. However, rate of female workforce participation is still low. Currently, only 34.1 percent of female labor force is engaged in economic activities. Our target is to increase their participation to at least 40 per cent by 2021. In terms of reducing gender disparity. According to the 'Global Gender Gap Report', Bangladesh ranked 64th in 2015 among 145 countries. Women's participation in the parliament increased from 12.7 percent in 1991 to 20.0 percent in 2014; in local councils it is a minimum of 33 percent. You will be happy to know that presently our Prime Minister, Opposition Leader, Speaker and Deputy Leader of the Parliament are women. In terms of the political empowerment of women, Bangladesh was at the 8th position among 145 countries in 2015. We also take care of gender responsiveness in our national budget and our development plans. We are also trying our best to establish safe and secure work places for the garments workers where majority of workers are women.

Governance Issue

We have achieved reasonable progress in governance in the last two decades and so. The Vision 2021, five year plans and perspective plan emphasized the need for ensuring a legacy of good governance in the country. Government has already undertaken a significant number of reform programs including reforms in core institutions and policies; improving public administration, public service provision and public financial management; standardizing public procurement rules and regulations along with introducing e-GP (electronic Government procurement); improving budgetary process; streamlining project preparation, approval process, monitoring and evaluation system; improving statistics and informatics; modernizing land management system; introducing e-services, strengthening local Government system; formulating effective anti-corruption strategy etc. A number of steps have also been undertaken to further improve the judicial system.

Miscellaneous Issues

In combating trans-national terrorism along with militancy and illicit financial flow we have been closely working with our partner countries. Bangladesh will do everything necessary to fight these social evils. You are aware that Bangladesh is one of the most climate vulnerable countries and innocent victims of climate change. With its limited resources Bangladesh is a role model in the world in effective implementation of climate change mitigation and adaptation policy. In recognition of Bangladesh's far-reaching initiatives to address climate change under the visionary leadership of Honorable Prime Minister Sheikh Hasina, she has been awarded Champions of the Earth award in the Policy Leadership category in 2015. We also hope that the global community will further strengthen their efforts in fulfilling their commitment regarding climate financing and implement the Paris agreement and related action-plan for saving the environment and the planet.

Our Prime Minister has fixed the target of transforming Bangladesh into an advanced economy by 2041 as a land of peace, happiness and prosperity. In this endeavour we need strong supports and cooperation from the world community particularly from the Bretton Woods institutions.

Thank you again for providing me the opportunity to share my views and thoughts with you. Thank you also for reading my statement on the website.
