Draft statement of Mr. Paul Akiwumi
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at the Seminar on:

Booming Bangladesh:
Moving forward to LDC graduation

Palais des Nations, room XXV, 19 April 2018, 10:00 - 11:30

Excellency (Chair of the event) and distinguished colleagues,

Thank you for giving me the opportunity to address you briefly on this important topic, a matter of direct relevance to the goal of economic progress and prosperity for all, and the Sustainable Development Goals.

I would like to begin by recalling the main facts that underpin this milestone achieved by Bangladesh.

The Committee for Development Policy (CDP), the independent body which reviews the list of LDCs every 3 years, recently found that 3 of the 47 LDCs were pre-eligible for graduation from LDC status. Bangladesh is one of them, alongside Laos and Myanmar. The most outstanding part of this finding is that for the first time in LDC history, countries will graduate from LDC status by virtue of the progress made under all three criteria (per capita income; human capital; and economic
vulnerability), even though the graduation rule stipulates that meeting two of the three graduation thresholds is sufficient for pre-eligibility. Bangladesh and Myanmar are the first two LDCs to make history in this manner. They have achieved three-tiered progress toward increased per capita income, improved human assets, and reduced economic vulnerability!

Naturally, one expects Bangladesh to remain on this path of triple progress. And towards 2021 to be found fully eligible and recommended for graduation by the CDP. Endorsement of this recommendation by the Economic and Social Council (ECOSOC) and by the General Assembly will normally take place during the same year. After this, the country will be able, if it wishes, to use the pre-graduation grace period to prepare its smooth transition to post-LDC status. Therefore, the actual exit of Bangladesh will take place 3 to 6 years from now.

Before I make three specific points in this context, I would like to briefly comment on Bangladesh’s remarkable leap forward. The country’s most spectacular progress over the past 3 years has been achieved under the per capita income criterion. In 2015, Bangladesh was at 75% of the graduation threshold, and now in 2018 it has reached 104% of the threshold, a substantial rise in only three years. This is the result of a steady increase in per capita gross national income. In 2016, GNI
was estimated to be US $1,330, itself a result of the country’s many years of solid economic growth, with real annual growth rates never falling below 6%.

Under the per capita income criterion, Bangladesh has broken the glass ceiling substantially. The economic diversification which has been observed for years, has now been translated into higher standards of living in per capita income terms. Furthermore, continued efforts on the human capital front, particularly in health and education, are also bearing fruit. There is still poverty in Bangladesh, but the country’s potential ability to eventually win the fight against poverty (and meet several of the SDGs) has now been demonstrated.

This is the first undisputed example of genuine structural economic progress in LDC history. Deep-rooted progress that is likely to remain irreversible and continue with momentum. The strength and competitiveness of the manufacturing sector was the main engine of that progress. This leads me to my first point on LDC treatment.

The UN established LDC status in 1971, with a view to making special treatment legitimate and targeted. For the United Nations today, seeing Bangladesh graduate as a result of economic progress that was significantly fueled by
preferential market access is a systemic reward. This indeed highlights the need for special and differentiated treatment of the most disadvantaged countries to help generate pockets of socio-economic improvement, which can create the momentum needed for structural progress.

Ladies and Gentlemen,
Progress has been recognized, and efforts have paid off. This is the time, however, now to face the global economy with less special support from the international community. In short, graduation is a milestone, but above all it is a new challenge, a challenge of being self-reliant, a challenge of having to face global competition.

Nevertheless, this brings me to my second point, the United Nations will continue to facilitate and support the efforts of former-LDCs to make progress on the “smooth transition” of graduating countries in support of structural transformation and achievement of the SDGs.

In 2001, the European Union extended duty-free, quota-free market access to the EU market for products exported by former LDCs for 3 additional years. This historic extension was the first major smooth transition measure taken by a development partner, we applaud this, and urge that others to be equally generous.
My **third point** is to let you know that UNCTAD has a working agenda for former LDCs, an agenda to help these countries achieve the goal of structural economic transformation as a permanent feature of their development strategy. We do this from three angles.

**First**, we provide graduating LDC governments with technical assistance in the formulation of a smooth transition strategy, to help them negotiate a new generation of benefits whenever that is deemed desirable for the continuation of progress. Two countries which we presently serve in this area are Bhutan and Vanuatu.

**Secondly**, we help former LDCs to “specialize smartly”, through sector-specific work to support national efforts toward higher levels of productivity and competitiveness. In recent years, we have placed a particular focus on tourism and the fisheries sector.

**Thirdly**, and together with our sister agencies, we have begun to explore the possibility of organizing an international pledging event for the benefit of every interested graduating LDC. This would be an opportunity not only for development partners to pledge their direct financial and technical support, but also a chance to organize this support in a systematic manner. Just like the long-standing process of
UN-driven round table meetings for individual LDCs that has been a pillar in the delivery of LDC treatment for many years, we believe that the idea of post-LDC pledging is another important avenue. And it is one, that deserves to be acted upon as soon as possible.

This, Mr. Chairman, is our post-LDC agenda, an agenda comprised of collaborative agencies and partners. Through our work for graduating countries, we want to confirm to all LDCs that the UNCTAD is at their side, not only for those countries seeking to create momentum for progress, but also for those with a quest for maintaining that momentum in the future.

I thank you all for your kind attention, and I trust that the example of Bangladesh will be a great source of inspiration for many future LDC graduates.