

## Statement of Bangladesh

70<sup>th</sup> Executive Session of the Trade and Development Board (3- 5 February '21)

**Agenda Item 2:** The Least Developed Countries Report 2020: Productive Capacities for the New Decade

President of the TDB,  
Excellencies,  
Ladies and gentlemen,

Mr. President,

The delegation of Bangladesh conveys sincere appreciation to Secretary General H.E. Dr Mukisha Kityui for his leadership and extraordinary contribution for UNCTAD. My delegation wishes him all the best for his future endeavour.

Under the agenda item 2, let me begin by aligning ourselves with the statement of Afghanistan on behalf of the G77 and China and the statement of Malawi on behalf of the LDCs.

My delegation thanks UNCTAD Secretariat, particularly Mr. Akiwumi and his team in the ALDC Division for producing this excellent Report. The report has rightly highlighted the causes and consequences of weak productive capacities in the LDCs and the structural challenges impeding achievement of sustainable growth and development. The report has also suggested to build resilience through the development and strengthening of productive capacities, which may in turn enable LDCs to boost their capacity and equip them to better withstand exogenous shocks.

This is shocking to note that between October 2019 and October 2020, the economic growth forecast for LDCs was revised sharply downwards from 5 to -0.4 per cent due to the onslaught of the COVID-19 pandemic would impact. This revision is expected to result in the reduction of per capita income in LDCs in 2020 to 2.6 per cent. It is further disappointing to note, as the G77 and China Chair has drawn our attention to the report's forecast, that the pandemic will push LDCs to their worst economic performance in 30 years in 2020, with falling income levels, widespread employment losses and widening fiscal deficits. The warning in the report that the crisis will reverse years of painstaking progress by the LDCs in social fields such as poverty reduction, nutrition and education is indeed very worrying. Under these circumstances, attainment of the Sustainable Development Goals by 2030 will be very difficult.

Mr. President,

We commend the Report for stressing the issues of digitalization and the Fourth Industrial Revolution, which are modifying the very nature of productive capacities as well as reshaping

global value chains. Advanced technologies offer scope for spill overs and productivity gains, but also risks deepening of entrenched inequalities and technological divides. In our view, this can be remedied through effectively implementation of the TRIPS Article 66.2 which allows technology transfer to LDCs, thereby creating viable technological base in these countries.

We appreciate that the report has rightly emphasised human development. This is often neglected in LDCs, despite the fact that the objective of economic development is human development through the eradication of poverty, the reduction of inequalities, and the building of resilient communities. Reducing inequality among and within the counties is also a prominent sustainable development goal under the 2030 global agenda, which we fully subscribe.

Mr. President,

The Chair of the G77& China has rightly indicated that one of the main targets of IPOA, was to see half of the LDCs graduated by 2020. Unfortunately, the target could not be achieved. Only four countries have so far graduated during this time. However, 11 countries have already met all three criteria for graduation. Many other LDCs have met at least one criterion. Therefore, graduation from LDC status has taken a new momentum. However, as the report has emphasised, the challenges and vulnerability persist even after countries graduate from the LDC category. The Report has, therefore, sensibly recommended that the international community should consider continuation of international support measures for the LDCs in the graduation pipeline, as well to others that have recently graduated, to ensure their sustainability. In this connection, my delegation requests UNCTAD Secretariate to prepare a separate report analysing the status of productive capacities of all the 6 countries, graduated since 1994, to help understand their pre- and post-graduation experiences and challenges.

Mr. President,

The delegation of Bangladesh echoes with the priority calls in the report for a) an investment push to redress infrastructural gaps and support employment creation; b) forward-looking science technology and innovation policy frameworks; and c) brave industrial and sectoral policies to promote domestic value addition and productive linkages. We all understand that during and after the pandemic, the implementation of these priority policies by the LDCs will be harder. Surely, the LDCs will need stronger international support measures including trade and technology related ISMs to translate such policies into action, as the report has also underscored. We sincerely hope that our development partners are not only sympathetic to our challenges but also extend supportive hands to overcome these challenges as we move ahead.

I thank you.