Statement by Mr. Tareq Md. Ariful Islam, Deputy Permanent Representative of Bangladesh to the United Nations at the Second Committee Discussion on Agenda Item 17: Macroeconomic Policy Questions and Agenda 18: Follow up on Financing for Development

Wednesday, October 7, 2020 (AM/PM)

Virtual Meeting

Time Limit: 5 minutes

Mr. Chair, I thank you, for giving me the floor. Bangladesh aligns itself with the statements made by the G-77 and China, and by the LDCs. We also thank the Secretary General for the reports under this agenda item.

The COVID-19 pandemic has pushed the global economy on the verge of yet another global depression. We need global solidarity to chart out a transparent, inclusive, and participatory pathway out of the crisis. And in that transformative journey, the voices of the countries with pre-existing vulnerabilities, such as the LDCs and the climate vulnerable countries must be included. Greater focus on implementation of the 2030 Agenda, Paris Agreement, and Addis Ababa Action Agenda can be the essential blueprint to put us back on a growth and development trajectory to ensure economic recovery.

Mr. Chair,

The Bangladesh economy is suffering the brunt of COVID-19 in two major ways. The pandemic has drastically reduced our external earnings from trade, FDI, and remittances. And, it has had a direct impact on domestic manufacturing, agriculture, and the service sectors. For tackling the pandemic's impact on the people's lives and livelihoods, we rolled out stimulus packages worth USD 13.25 billion which is equivalent to 4.03% of our GDP. These timely initiatives averted a major economic crisis. We could end the last fiscal year with 5.24% growth.

Bangladesh also wishes to contribute to the global recovery efforts in its modest capacity. Financing for development has always been a challenge, which has become even more critical in the pandemic situation. Bangladesh actively participated in, and co-led a discussion group of the initiative convened by the Prime Ministers of Canada, Jamaica, and the UN Secretary General on 'Financing for Development in the era of COVID-19 and beyond'. Our work culminated in an ambitious menu of policies with short, medium, and long-term options. Going forward, we envisage translating the promises into concrete actions.

Recovery from the pandemic induced economic downturn warrants macro-economic policy adjustments at all levels. Let me share some specific points in this regard:

First, the pandemic has once again revealed the stark inequalities among nations. In the face of the crisis, the developed countries announced huge stimulus packages. To the contrary, many developing countries were plunged into limited fiscal means and worsening debt situation. It is imperative that the G-7, G-20, OECD countries, MDBs, and IFIs scale up fiscal stimulus, concessional finance, special drawing rights, and expand DSSI measures for the developing countries in need.

Second, ODA has a proven track record of playing a catalytic role to help many countries to overcome difficult situations and embark on a sustainable development trajectory. It is, therefore, highly important that ODA providers make every effort to meet the 0.7% aid commitment to accelerate COVID recovery.

Third, the global remittance flow has dropped around 20% due to job losses, salary cuts, and return of migrants to their country of origin following the outbreak of the pandemic. Beyond the immediate crisis, this situation is going to have drastic long term impacts in the socio-economic development of many countries, from poverty reduction to empowerment of women. It is imperative to create an international support mechanism for reversal of the fall in remittances through creative policies and financial tools, including through public and private funding and job creation.

Fourth, the international trade has fallen by an alarming 20% due to the pandemic fallout. And the hardest hit is the labor-intensive manufacturing industries and MSMEs of the developing countries, especially the LDCs. The SG's report on International Trade and Development has highlighted specific cases in this regard. The advanced economies should now come forward to fulfill their unmet promises regarding Duty Free Quota Free market access, technology support, and concessional financing for LDCs.

Finally, we must carry forward the unfinished work of the IPOA It is imperative that the graduating LDCs continue to receive the special support measures and differential treatment to prevent any possible slide back.

I thank you all.