The Daily Star

FOUNDER EDITOR
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DHAKA WEDNESDAY DECEMBER 15, 2021, AGRAHAYAN 30, 1428 BS

We agree with PM's call to introduce booster dose

Precise guidelines are needed for its administration

IT seems that the coronavirus is here to stay, although in a mutated form, and we have to learn to live with it without allowing it to do us much harm. While there is no denying that its full characteristics in terms of its capacity to affect human beings is still being determined, it is understood that the Omicron variant may spread more easily than its predecessors. According to the World Health Organization (WHO), Omicron, which has been detected in 60 countries, poses a "very high" global risk. But this should not cause panic; on the contrary, our experiences should have prepared us psychologically and physically to protect ourselves and mitigate its effects.

Going by the experiences of other countries, there is no better defence against the virus than getting vaccinated. A redeeming aspect of the matter is that the Covid-19 vaccines are reportedly effective at preventing severe illness. Early research also suggests that a booster dose of the Pfizer-BioNTech vaccine for Covid improves protection, as claimed by Pfizer, against the severe disease caused by Omicron.

The simple deduction is that there is no alternative than to get as many people as possible to get the jabs. And this is what we feel puts the planners at a quandary. But one need not despair because of the well-planned way things are proceeding with the vaccination programme. Although less than 30 percent of the population has been fully vaccinated in Bangladesh so far, as of December 14, and 50 percent partly, at the rate that people are being vaccinated, at least 70 percent of the population should be fully vaccinated by January 6, 2022.

Here, we reiterate the call of Prime Minister Sheikh Hasina that a thorough guideline be formulated for the administration of booster dose. And that must run in tandem with the programme to vaccinate each and every citizen of the country with the initial two doses. We understand that it has been already decided that booster shots will be given to those who are 60 years old and above, and the frontline workers. But perhaps here, too, some flexibility should be built in to consider those below that age who have health conditions that can be compounded by a Covid infection. Moreover, there should be no debate whether to charge people for the booster shot—the government should make it free of cost.

Major economic challenges lie ahead for Bangladesh

Govt has to abandon failed old policies and employ fresh measures

THREE major economic challenges, all tied to one another, have got experts worried when it comes to Bangladesh's economic recovery from the pandemic. They are a persistent higher rate of inflation, the upward trend of the foreign exchange rate, and a deepening liquidity crunch in the banking sector. For months, this newspaper has been reporting on the growing sufferings of ordinary people as a result of fast rising inflation. Some of that has been down to pressures emanating from the global economy. However, other domestic factors have also contributed to the increasing prices, including the activities of trade syndicates. The government's decision to raise fuel prices—despite opposition from the public and most experts—has been a major factor in that too.

Higher global inflation has further raised Bangladesh's import payments, putting pressure on the foreign currency reserves and the exchange rates. Due to the increasing demands, the Bangladesh Bank has been injecting huge amounts of US dollars to help businesses settle import bills—which is creating liquidity stress on the banking system, as lenders have to purchase US dollars in exchange of taka. This is particularly concerning, given that for nearly a decade now, mismanagement and political decisions made in the interest of influential quarters have demolished any and all discipline in the banking sector, putting it under increasing pressure from rising non-performing loans (NPLs).

Despite some of these challenges being highlighted over and over again by experts, the government has so far remained reluctant to make any course corrections. Our policymakers, sadly, seem oblivious to the fact that doing the same thing over and over again and expecting a different result has repeatedly been proven to be the definition of madness. According to experts, none of these challenges are beyond redress. However, if our policymakers continue along this loop of applying the same failed policies, then expecting them to be solved would be nothing short of wishful thinking—if not outright delusional.

To protect the economy from another crisis, the government and the central bank must take new measures. Among them, expanding social safety net programmes is one of the most urgent measure to shelter the poor and the vulnerable. As it is critical to ensure that there is an adequate credit flow to the private sector for the economy to bounce back, introducing new stimulus packages to small businesses, and even more importantly, fixing the problems with the existing ones, should be on the government's priority list. Additionally, the government should strongly consider depreciating the taka more against the dollar to discourage some of the unnecessary imports. Even though that might increase inflation slightly, it will help stabilise the macro-economy and could protect our fast depleting reserves.

Managing Bangladesh's LDC Graduation: Daunting or Doable?

HUSSAIN SHAZZAD

THE UN General Assembly (UNGA), during its 76th session, adopted a resolution on Bangladesh's graduation from the Least Developed Countries (LDCs) category, scheduled to be effective in 2026. This is, no doubt, a watershed moment for Bangladesh, the largest LDC in terms of economy size, especially as this historic achievement coincides with the golden jubilee of the country's independence. Critics say, citing post-graduation challenges, that "the graduation might be a punishment instead of reward, if Bangladesh fails to devise smooth transition strategies for confronting the challenges posed by this transition."

What awaits a developing Bangladesh

The transition from LDCs does come with a cocktail of challenges and opportunities. The most common economic challenges that every LDC graduate faces is the loss of LDC-specific international support measures (ISMs), such as preferential market access. The decline of existing privileges and preferences—a normal outcome of this graduation—will adversely hit the exports of Bangladesh, especially that of apparel products, to European and North-American markets. It is estimated that Bangladesh may experience a shortfall of 8-10 percent of its gross export revenue, amounting to almost USD 2.5 billion annually, due to the loss of duty-free and quota-free market access. Besides, the duty-free trading facilities that Bangladesh is currently enjoying under the World Trade Organization's (WTO) generalised system of preferences (GSP) will be curtailed once it leaves the LDC group. With graduation, Bangladesh will no longer be eligible for LDC-specific special and differential treatment, aimed to facilitate LDCs to increase participation in international trade, under WTO agreement.

Bangladesh, a USD 3 billion market for pharmaceutical products, is the only LDC that can meet almost 98 percent of its national demand for pharmaceutical goods. It exports pharmaceutical products to nearly 150 countries; it earned USD 169 million in 2020-2021. The Trade-Related Intellectual Property Rights (TRIPS) waiver for pharmaceuticals contributed greatly to the advancement of the country's pharmaceutical industry. The exemption in patent licensing for public health-related goods will be shrunk after graduation, which may slow down this industry's growth. Also, Bangladesh will have to comply with the WTO agricultural requirements post-graduation, which will not allow the continuation of subsidies currently being provided to the agriculture sector.

After this economic transition, Bangladesh will not be considered for grants and soft loans under official development assistance (ODA) that it has been receiving since 1971. Also, the developed countries' commitment to provide 0.15-0.20 percent of their GNI in the form of ODA to LDCs cannot be availed by Bangladesh after becoming a developing country. Moreover, the cessation of access to LDC-exclusive concessional finances may temporarily halt the country's development stride.

The Green Climate Fund (GCF) is a global financing scheme with special consideration for assisting climate-sensitive adaptation and mitigation measures of LDCs. Being one of the most climate-vulnerable countries, Bangladesh's graduation journey will be much more challenging because of the forfeiture of specialised finance opportunities—which includes the GCF—required to counter the climate crisis. Besides, The UN Technology Bank, launched to enhance the contribution of science and technology for the sustainable development of LDCs, will also stop assisting Bangladesh once it moves to the bracket of developing nations.

LDC countries have access to the Investment Support Programme—e.g. on-demand legal assistance—for investment-related negotiation and dispute settlement. And the Enhanced Integrated Framework supports LDCs to use international trade as an engine for economic growth and sustainable development. It is also noteworthy that developed countries offer scholarships and fellowships to the citizens of LDCs for capacity-building. All of these exclusive facilities will come to an end as Bangladesh becomes a developing country. The country will also not be entitled to the caps and discounts on subscriptions available for LDCs, which will result in higher contributions to different international organisations, like the UN.

But there are benefits too

Having said all that, graduation from the LDC group essentially means acquiring a seal of global approval for development achievements, which will brighten Bangladesh's image in the world court. This will increase FDI inflow by transmitting positive signals to the foreign investors regarding the country's congenial business environment. The growing FDI and inevitable structural and policy reforms will result in a higher tax-GDP ratio after graduation.

Post graduation, Bangladesh may be entitled to GSP+, a special incentive arrangement for good governance and sustainable development, which slashes tariffs on goods being imported to the EU from low and lower-middle-income countries. The graduation will boost the country's confidence in dealing with international financial actors and enhance its brand value, making the economy more attractive to global lenders. Also, it will upgrade "sovereign credit rating," an indicator of creditworthiness, once the country moves out of the list of risky countries: the LDCs. This implies a reduced cost of international finance due to improved perception about country-level market risks.

The preparation strategies

After graduation, Bangladesh may be infected with "Dutch Disease," since the country relies heavily on the RMG sector, which has been bringing in more than 80 percent of the country's export earnings for the last several years. To avoid this consequence, the country should diversify its export basket by promoting the export of new products—e.g. plastic items, leather goods, frozen foods, etc. Besides, the government should analyse the markets in different regions, such as Latin America, the Middle East, etc and formulate strategies for penetrating those markets as part of diversifying export destinations.

An article published in *The Diplomat* last month explained why Bangladesh should join different regional trade blocs, such as the RCEP, to enhance economic performance amid the pandemic gloom. In addition, connecting with different regional trade blocs and signing FTA with individual countries, even at the expense of opening up the domestic market for getting reciprocal access, will also help the country to redress the probable negative impact of graduation on the balance of trade. This will result in intense competition from foreign competitors, for which Bangladesh should focus on product quality improvement.

Along with ensuring rapid implementation of the One-Stop Service of Bangladesh Investment Development Authority (BIDA), the country may also follow the footprints of Vietnam to boost FDI inflow after graduation. It should also focus on improving its position in the Ease of Doing Business ranking. And Bangladesh may also negotiate with WTO for not imposing all the conditions of developing countries at once, considering the economic fallout triggered by Covid-19.

Graduating to the developing countries group is the fruit of Bangladesh's judicious macroeconomic management policy and planned investment for infrastructural and human resource development. It is one of the very few countries that have effectively utilised the LDC-specific preferential treatments, while expanding footsteps in international trade. As graduation will affect certain preferential treatment and domestic infant industries, Bangladesh has to handle this prudently to make the transition sustainable.

This transition does not necessarily mean that all the trade-related facilities will be curtailed overnight. Bangladesh is getting an exceptionally extended period of five years—the standard period is three years—to prepare for the aftermath of graduation. It must make the best out of the LDC-specific facilities while it still can. Developing countries also enjoy some trade preferences, which could be used to the fullest if Bangladesh is well-prepared with the needed homework.

In order to remain competitive and keep the economic growth rate steady after 2026, Bangladesh should focus on knowledge-based economy, utilise demographic dividends, mobilise local resources, ensure congenial business environment, shift towards manufacturing high-value goods, promote export-oriented industries, and increase regional and global connectivity. The country must make plans to turn the challenges into opportunities in the coming days. The absence of tailored and clearly defined roadmaps for addressing the post-graduation challenges and post-pandemic economic recovery may make Bangladesh a victim of the "middle-income trap."

With proper planning and preparation, Bangladesh can avoid falling into the 'middle income trap.' ILLUSTRATION: COLLECTED

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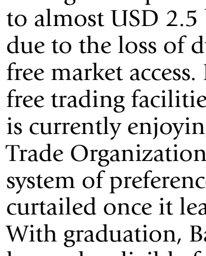
An appeal to the UN secretary-general

POLITICS OF CLIMATE CHANGE



SALEEMUL HUQ

THE current secretary-general of the United Nations, Antonio Guiterres, has already established himself as a champion for actions to tackle climate change to all countries and actors, and has recently been quite outspoken in his criticism of the poor outcomes of the UN Climate Change Conference (COP26), held in Glasgow last month. While there was no doubt that some incremental progress was made in Glasgow, it was nowhere near enough and he is absolutely right to point this out.

What makes this even more important is that, unlike all 25 COPs that preceded it, COP26 was the first climate conference in the new era of loss and damage attributable to human-induced climate change. In other words, it is no longer sufficient to try to prevent even bigger impacts of the future by keeping the global temperature rise below 1.5 degrees Celsius, but now, it is even more important to deal with the inevitable losses and damages that are already happening due to the 1.1 degrees Celsius rise of global temperature due to the emission of greenhouse gases (GHGs) since the first industrial revolution came about over a century ago.

In the sixth assessment report of the Intergovernmental Panel on Climate Change (IPCC) report, we have already seen Working Group 1 on science establish, for the first time, that human-induced climate change impacts are already happening and can be scientifically attributed in real time, which was not possible before.

As we anticipate the publication of the next report from Working Group 2 on Impacts, Vulnerability and Adaptation, due to be published in early 2022, we can expect to see more scientific proof of losses and damages attributable to the temperature increases of over 1.1 degrees that has already happened.

Under these circumstances, the United Nations Framework Convention on Climate Change (UNFCCC) needs to prepare for COP27, due to be held in Sharm el-Shaikh, Egypt in November 2022, as well as COP28 in Abu Dhabi the following year. It is also crucial for the convention to make it a point to have loss and damage higher on their agenda. However, going forward, it is not only the UNFCCC that has to take this issue seriously, but the entirety of the world's humanitarian sector, including the UN agencies and other international bodies that deal with disasters on a regular basis, have to redirect their focus on this issue.

From now on, it is unfortunately a safe prediction to make that extreme weather events will only increase in both frequency and in terms of intensity. Hence, the humanitarian actors at national as well as global levels, such as the Red Cross, the Red Crescent and others, have to prepare themselves better to deal with what is coming.

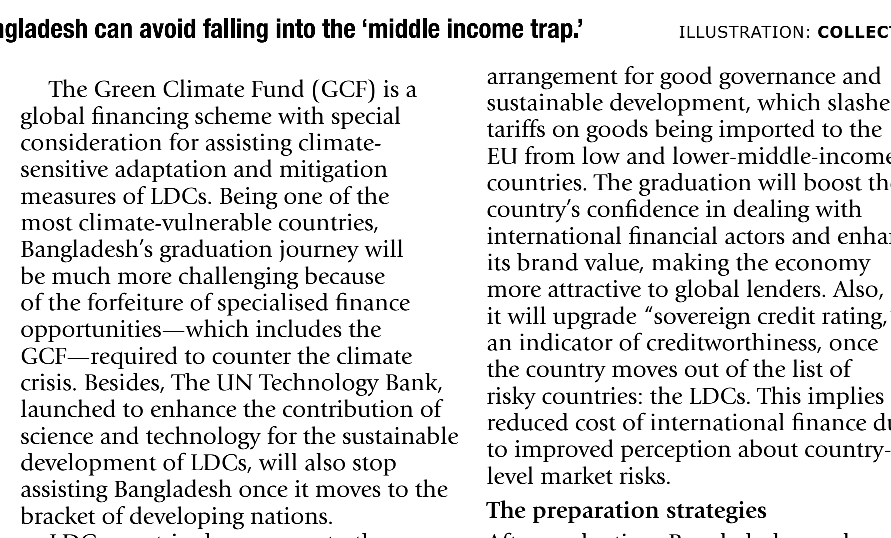


PHOTO: REUTERS

UN Secretary-General Antonio Guterres has expressed dissatisfaction over the outcome of the recently held UN Climate Change Conference (COP26).

This will also require enhancement of funds that are made available not only to avert and minimise losses and damages, but to also address such loss and damage after it occurs.

I was fortunate enough to have participated in a panel discussion recently, which included Selwin Hart, special adviser to the UN chief on climate action and assistant secretary-general for the Climate Action Team, whom I have known for many years. I took the opportunity to recommend to him that the UN secretary-general appoint a special envoy for loss and damage, who would be mandated to discuss options and possibilities to deal with the reality of climate change impacts—not only in the UNFCCC process, but also with the humanitarian sector actors and, indeed, with national governments and civil society actors over several years, and not just during COP each year. This is because while the UNFCCC's and other actors' inputs are appreciable, it often leads to more promises being unfulfilled every year, while the climate crisis worsens around us in real time. Such a special envoy would give the issue of loss and damage due importance over many years to come, and allow discussions to take place both inside and outside the COPs.

The UN secretary-general has the authority to make such an appointment, and I am sure that Antonio Guiterres has a personal belief in the importance of such an appointment. It could be his way of emphasising the vast importance of the issue.

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