



Bangladesh

Graduation from the Group of
Least Developed Countries

Smooth Transition Strategy

*Ensuring
macroeconomic
stability*

*Exploring and securing
trade preferences and
transition measures*

*Promoting export
diversification and
competitiveness*

*Building productive
capacity*

*Fostering partnerships
and international
cooperation*

Economic Relations Division
Ministry of Finance
Government of Bangladesh

Bangladesh

**Graduation from the Group of Least Developed
Countries**

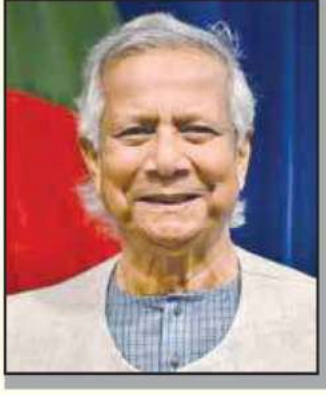
Smooth Transition Strategy

February 2025

**Economic Relations Division
Ministry of Finance
Government of Bangladesh**

February 2025

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CHIEF ADVISOR
GOVERNMENT OF THE PEOPLE'S
REPUBLIC OF BANGLADESH

Message

I am pleased to learn that the Economic Relations Division is now releasing the approved Smooth Transition Strategy (STS) in printed form. As we approach graduation from the Least Developed Countries (LDC) category, the STS stands as a crucial national document that will help facilitate a smoother path forward.

LDC graduation brings new challenges, particularly the loss of LDC-specific international support measures (ISMs), including trade preferences. These changes demand a strategic and proactive response to ensure that our hard-earned progress is not only sustained but also accelerated.

The STS is a comprehensive roadmap to navigate this critical transition. It is designed to address both the immediate challenges and the long-term opportunities that come with graduation. The STS focuses on five strategic pillars: ensuring macroeconomic stability, securing trade preferences and favourable transition measures, promoting export diversification and competitiveness, building productive capacity, and fostering partnerships and international cooperation. These pillars are underpinned by actionable measures that aim to transform our economy from a reliance on low-wage, preference-driven exports to one driven by innovation, quality, productivity, and sustainability.

As we embark on this challenging journey toward graduation, I urge all stakeholders particularly my colleagues in ministries and relevant agencies, private sector leaders, development partners, and civil society to work together with unwavering commitment and a shared sense of responsibility.

The success of this transition depends on our collective ability to implement the STS effectively, adapt to new challenges, and seize emerging opportunities. Together, we can ensure that Bangladesh's graduation becomes a shining example of sustainable development and economic transformation.

Professor Muhammad Yunus



ড. সালেহউদ্দিন আহমেদ
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Dr. Salehuddin Ahmed
Adviser
Ministry of Finance
Government of the People's
Republic of Bangladesh

Message

I am very pleased to learn that the Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD) is going to publish the “Bangladesh Graduation from the Group of Least Developed Countries: Smooth Transition Strategy”, which will serve as a crucial roadmap for ensuring a smooth and sustainable transition from the LDC category.

It is a matter of great pride that Bangladesh is on track to graduate from the Least Developed Country (LDC) category. This remarkable achievement reflects the country's sustained economic growth, social progress, and development resilience. Bangladesh's graduation will enhance its image on the global stage and open new avenues for economic and trade opportunities, reinforcing its status as a dynamic and emerging economy.

While LDC graduation brings immense opportunities, it also presents certain challenges. As an LDC, Bangladesh has long benefited from various International Support Measures (ISMs), including duty-free and quota-free (DFQF) market access, waivers under the TRIPS Agreement of the WTO, and other preferential treatments in global trade and development cooperation. To ensure that the graduation does not disrupt our growth trajectory, the Government of Bangladesh has been taking proactive measures to enhance the overall competitiveness of trade and the economy.

In this context, the Smooth Transition Strategy (STS) has been formulated, following the guidelines of the United Nations, to address the potential challenges and maximize the benefits of LDC graduation. The formulation of the STS has been a comprehensive and inclusive process, involving stakeholders from the public sector, private sector, trade bodies, and development partners. The STS lays out a time-bound action plan with clearly identified responsibilities for various organizations and entities. The strategic directions and actions outlined in the STS are highly relevant and timely, making their diligent implementation essential to mitigating economic challenges, regardless of graduation status.

It is expected that the successful and timely implementation of the STS action plan will not only facilitate a smooth and sustainable transition from the LDC category but also play pivotal role in achieving other national and international development goals.

Dr. Salehuddin Ahmed



শেখ বশিরউদ্দীন
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SK. Bashiruddin
Adviser
Ministry of Commerce
Government of the People's
Republic of Bangladesh

Message

It is commendable that the Economic relation Division is going to release the Smooth Transition Strategy (STS). I believe the release of the STS in printed form, which has been developed in consultation with all stakeholders- government officials, private sector, civil society, and development partners will benefit all by enabling them to learn about the steps to be taken to continue our development journey.

The remarkable socio-economic progress we have achieved over the past decades has enabled our country to upgrade from a low-income to a lower-middle-income country in 2015. In its 76th Session in 2021, the United Nations General Assembly finally recommended Bangladesh for graduation from Least Developed Country (LDC) status. These achievements stem from the arduous work of our people, entrepreneurs in all sectors of our economy, and the support provided by our development and trading partners. There is no doubt that the robust performance of our export sector, especially of the readymade garment industry, is one of the pillars of our success, made largely possible by the support we have been receiving from our trading partners.

We must be mindful of the fact that graduation from the LDC status is only a milestone in our development journey and to continue this journey, we must prepare ourselves to make transformative changes in our economy, for which the STS serves as a blueprint. It contains the actions we must make for structural economic reforms through enhancing productivity, creating quality jobs, investing in skills development, fostering innovation, improving product standards, adopting sustainable business practices, and achieving inclusive growth. These endeavours also require a shift from the thought process we have been practicing since our independence.

The Ministry of Commerce bears the greatest responsibility for guiding the country through its transition from LDC status. I call upon all stakeholders to collaborate with commitment and a refreshed sense of responsibility. Let us seize this opportunity to ensure a successful transition by transforming the challenges of graduation into new opportunities. This requires shifting from a reliance on low wages and cost-cutting strategies to building an economy that prioritizes quality, ethical standards, and sustainability.

SK. Bashiruddin



সচিব
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Secretary
Economic Relations Division
Ministry of Finance
Government of the People's
Republic of Bangladesh

Message

The Smooth Transition Strategy (STS) represents a critical roadmap for ensuring Bangladesh's successful and sustainable graduation from Least Developed Country (LDC) status. Over the past five decades, Bangladesh has demonstrated remarkable socio-economic progress, including sustained economic growth, significant poverty reduction, advancements in education and healthcare, and improvements in overall human development. As we are preparing for this historic milestone, the STS would provide a well-structured framework to address the challenges and opportunities associated with LDC graduation.

The STS, developed in consultation with a wide range of stakeholders and guided by the recommendations of the United Nations, outlines a comprehensive strategy for overcoming the potential challenges stemming from the phasing out of LDC-specific International Support Measures (ISMs). It emphasizes the importance of macroeconomic stability, trade preference retention, productive capacity building, and fostering partnerships for sustainable development. The proposed time-bound action plan includes priority actions to tackle inflation, secure trade preferences, enhance competitiveness, and align with global standards, among others.

LDC graduation is not just a transition - it is an opportunity to transform our economic structure, strengthen resilience, and establish Bangladesh as a competitive and robust economy. The successful implementation of the STS will not only ensure a smooth transition but also contribute significantly to achieving the Sustainable Development Goals (SDGs) and realizing our national development aspirations.

The Economic Relations Division (ERD) will serve as a facilitator in implementing the STS, while the active participation and accountability of all stakeholders will be pivotal to its success. I urge all Ministries, government agencies, private sector, development and trade partners, and civil society organizations to collaborate and work closely in this critical endeavor. With guidance from the highest levels of government, we can ensure that Bangladesh's graduation from LDC status becomes a transformative milestone in our journey toward sustainable and inclusive development.

Let us work together to turn the vision of a resilient, prosperous, and inclusive Bangladesh into reality.

Md. Shahriar Kader Siddiky

Preface

Bangladesh is set to graduate from the group of Least Developed Countries (LDCs) on 24 November 2026. UN General Assembly resolution 59/209 stipulates that graduation from LDC status should not disrupt a graduating country's development progress. More specifically, the notion of a smooth transition implies that the loss of LDC-specific international support measures (LDC-ISMs) should not adversely impact a graduating country's development trajectory. The General Assembly recommends that a national Smooth Transition Strategy (STS) be prepared by a graduating LDC in collaboration with development and trading partners, with targeted assistance from the UN system. Accordingly, Bangladesh has prepared a STS in consultation with all stakeholders.

The scope of this STS is to analyse the potential adverse implications arising from LDC graduation based on existing impact assessments and to suggest key measures to mitigate those possible negative implications. The mitigating measures include, among others, the effective use of existing national or sectoral strategies; emphasising fast-tracking of ongoing reforms that would better prepare the country to mitigate adverse graduation impacts and take advantage of emerging opportunities; making full use of existing ISMs, seeking extensions, deferments, and/or changes in the terms, conditions, and/or modalities of existing ISMs through bilateral negotiations with trading and development partners; and developing country capacities to utilise new and improved support measures that may be offered by the international community.

It is notable that the STS has been developed through a whole-of-society approach. A series of formal and informal consultations were held during its preparation process involving all the relevant stakeholders including the government agencies, CSOs, think tanks as well as trade and development partners. ERD, with support from its Support to Sustainable Graduation Project (SSGP), has also carried out and produced a series of in-depth sectoral studies, research works and technical papers to assess the impact of LDC graduation on RMG and other export-oriented sectors, investment, revenue, logistics, pharmaceuticals etc. SSGP has also organized various sector specific seminars, workshops, focus group discussions and local level consultation at national and local level. Feedback and recommendations coming from those research works and stakeholder consultations have provided valuable inputs in this strategy document.

The government is now committed to ensure effective and timebound implementation of this strategy. The STS action plan had outlined a range of specific actions as well as responsible ministries or agencies for rolling out those actions. As a next step, the government would develop a monitoring and evaluation framework for effective implementation of the STS. All the relevant ministries, agencies, private sector bodies and CSOs will be brought onboard in this process. ERD would act as the coordinator and facilitator of the whole process.

As Bangladesh stands at the threshold of a new era, the successful implementation of this strategy will require strong political commitment, policy coherence, and coordinated efforts across all sectors. We hope that this document will serve as a guiding framework for policymakers, development partners, and stakeholders to ensure a smooth and sustainable transition from LDC status.

I extend my deepest gratitude to all those from government agencies, CSOs, think tanks as well as trading and development partners who contributed to the formulation of this strategy. Let me also thank UN DESA for teaming up with us in the entire process of the formulation of the STS. With collective resolve and strategic vision, Bangladesh is well-positioned to turn this transition into an opportunity for deeper economic transformation and long-term prosperity.



A. H. M. Jahangir

Additional Secretary & Wing Chief
Development Effectiveness Wing
Economic Relations Division

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Acknowledgement

To ensure a seamless transition and sustain its development progress, this STS has been prepared as a homegrown initiative grounded in extensive research, thorough analyses, and broad-based consultations. The development of this strategy reflects the collective efforts of a diverse range of stakeholders, including key government ministries and departments, as well as academia, the private sector, civil society organisations (CSOs), and development partners. The underlying participatory approach ensures the commitment to ownership and inclusivity in addressing the challenges and opportunities associated with LDC graduation. Through consultations and workshops, feedback was gathered from stakeholders at every level, ensuring that the strategy aligns with Bangladesh's long-term development priorities and the needs and aspirations of its people. This collective effort exemplifies a unified vision for navigating the post-graduation landscape and achieving sustainable development. The active engagement of trading and development partners and international organisations, coupled with invaluable support from the United Nations system, has further enriched the strategy's scope and relevance.

The formulation of this strategy is in accordance with United Nations General Assembly Resolution 59/209, which calls for graduating LDCs to develop a national Smooth Transition Strategy in partnership with development and trading partners, with focused support from the UN system.

In finalising the Strategy, valuable inputs were received from Dr Salehuddin Ahmed, Honourable Finance Adviser of the Interim Government of Bangladesh, who also graced the National Validation Workshop for the Strategy, held on 24 November 2024, as the Chief Guest.

Mr Lutfey Siddiqi, Special Envoy on International Affairs to the Hon'ble Chief Adviser; Mr M Siraz Uddin Miah, Principal Secretary to the Hon'ble Chief Adviser; Ms Lamiya Morshed, Principal Coordinator of SDG Affairs; Ms Gwyn Lewis, UN Resident Coordinator in Bangladesh; Mr Taffere Tesfachew, Member of the UN Committee for Development Policy (UN CDP); Mr Ichiguchi Tomohide, Chief Representative of JICA Bangladesh; and Mr Syed Nasim Manzur, President of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB), were among the distinguished attendees who shared their comments and perspectives during the Validation Workshop.

The preparation of this Strategy (STS) was led and coordinated by the Economic Relations Division (ERD) of the Ministry of Finance (MoF) under the leadership of Mr Shahriar Kader Siddiky, Secretary, ERD. Mr A H M Jahangir, Additional Secretary, ERD, served as the Project Director for this strategy's development. For the formulation and validation of the STS, technical and financial support was provided by the United Nations Department of Economic and Social Affairs (UN DESA).

Well before the initiation of the STS development, a dedicated programme titled the Support to Sustainable Graduation Project (SSGP) was established under the Economic Relations Division (ERD) in 2018 to support and coordinate activities related to the strategy's formulation. The SSGP commissioned several key studies focusing on Bangladesh's upcoming LDC graduation, including Preparedness for Graduation with Momentum: Strategies for Coping with Challenges and Tapping New Opportunities; Upscaling the RMG Sector; Market Access, Comparative Advantage, and Export Diversification; Transition Financing for Sustainable Graduation of Bangladesh; Enhancing Industrial Production in the Context of LDC Graduation; and a Comprehensive Report on the Logistics Sector of Bangladesh.

Throughout the preparation of these studies, numerous inception meetings, technical workshops, stakeholder consultations, and validation workshops were conducted with relevant stakeholders. Additionally, the ERD-SSGP project hosted over 25 consultation events, including local-level and national stakeholder consultations, technical workshops, and seminars. The STS has drawn significantly from the insights, feedback, and recommendations generated through these studies and consultation events, enriching its development and providing a robust foundation for its implementation.

Beyond the ERD-SSGP initiatives, numerous workshops, seminars, and consultations on LDC graduation have been organised by various government ministries, departments, think tanks, research institutions, and development partners. The reports, presentations, and outcome documents when generated from these events were carefully reviewed and utilised to provide valuable inputs for enriching the Smooth Transition Strategy (STS).

The drafting of the STS involved a series of consultations, beginning with the presentation of the STS work plan on 23rd March 2024, followed by the presentation of the STS outline on 3rd April 2024. The detailed outline of the STS was circulated among all relevant stakeholders, and based on their comprehensive feedback and comments, the outline was finalised. Furthermore, two rounds of multi-stakeholder consultations under the title 'Graduation from the Group of LDCs: Towards a Smooth Transition Strategy for Bangladesh' were held on 30th April and 2nd May 2024, where valuable inputs were received from, amongst others, Professor Mustafizur Rahman, Distinguished Fellow at the Centre for Policy Dialogue (CPD), Mr Gunjan Bahadur Dallakoti of the International Labour Organization (ILO) Bangladesh, as well as various representatives from the government agencies, the private sector, and development partners.

The UN Resident Coordinator Office (UN RCO) in Bangladesh also organised a dedicated discussion event titled 'STS Consultation with Development Partners', providing a platform to gather valuable insights and collective expertise from all development partners (DPs).

In addition to these consultations and engagements, the ERD facilitated three key events to ensure inclusive participation in the preparation of the STS. Firstly, a technical workshop on the initial draft of the STS was held on 9th June 2024 to disseminate the preliminary developments of the STS to government ministries/agencies, the private sector, development partners, think tanks, and civil society organisations (CSOs). Secondly, a High-level Dialogue (HLD) was convened with senior government officials from key ministries and departments to deliberate on the prioritisation of STS measures. Finally, a National Validation Workshop (NVW) was organised on 24th November 2024, providing an opportunity for final review and validation of the strategy.

During and following these events, extensive written comments and feedback were received from a wide range of stakeholders. Contributions were made by government ministries and institutions, including, amongst others, the Ministry of Commerce (MoC), Ministry of Finance (MoF), Ministry of Agriculture (MoA), Ministry of Industries (Mol), Ministry of Environment, Forest and Climate Change (MoEFCC), Economic Relations Division (ERD), Finance Division (FD), General Economics Division (GED), Bangladesh Bureau of Statistics (BBS), Export Promotion Bureau (EPB), Directorate of National Consumers' Rights Protection, Department of Agricultural Extension (DAE), Bangladesh Investment Development Authority (BIDA), Bangladesh Foreign Trade Institute (BFTI), Bangladesh Standards and Testing Institution (BSTI), Department of Patents, Designs and Trademarks (DPDT), Bangladesh Trade and Tariff Commission (BTTC), National Skills Development Authority (NSDA), and the Copyright Office.

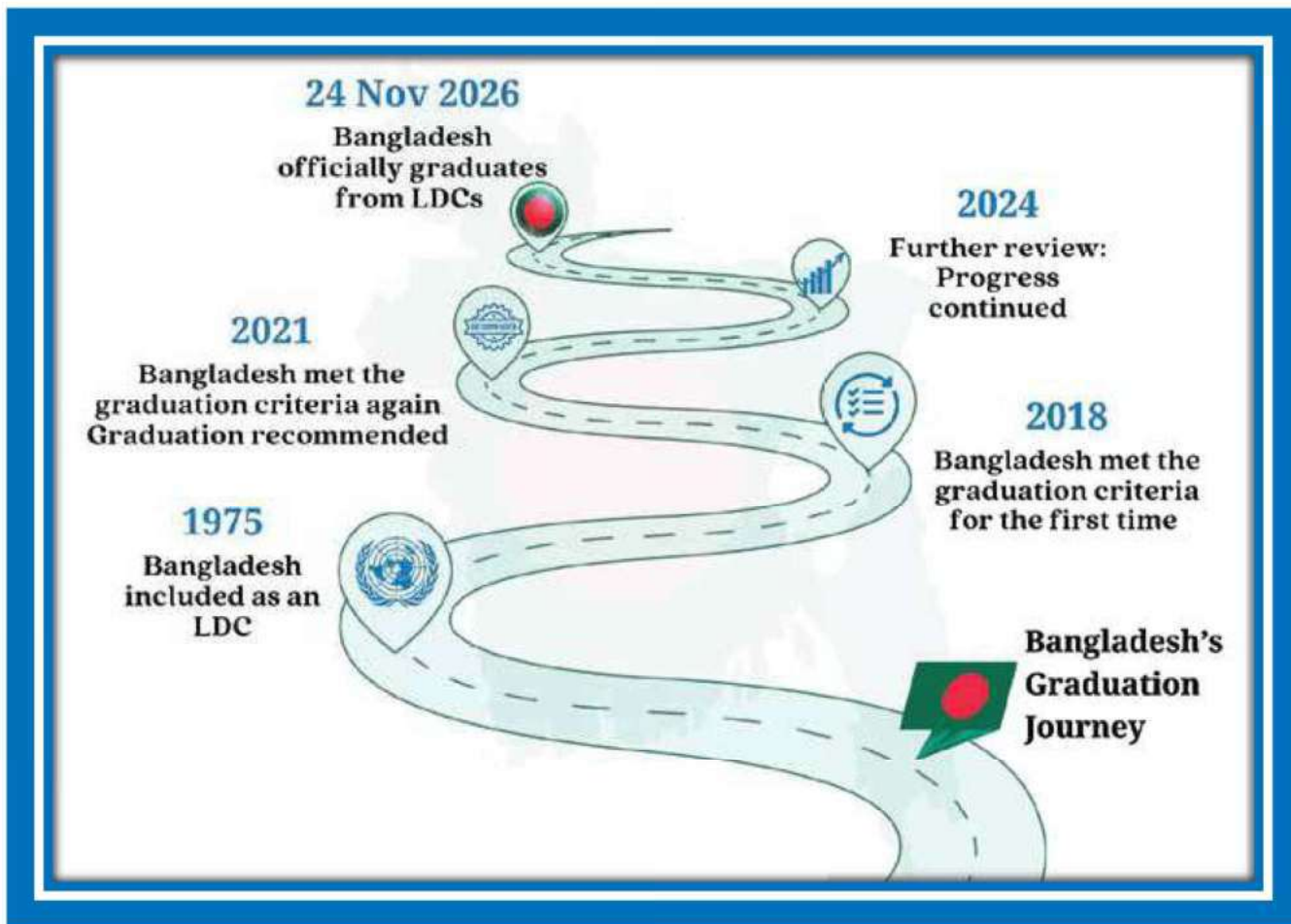
Individual consultations were also held with officials from key ministries, departments, and institutions, including the Ministry of Commerce (MoC), Ministry of Foreign Affairs (MoFA), ERD, Bangladesh Bank, National Board of Revenue (NBR), BIDA, EPB, Treasury and Debt Management (TDM) Wing, and Monitoring Cell of the Finance Division, among others, to gather their expert opinions and substantive inputs. Important contributions received from Dr. Md. Kawser Ahmed, Member, General Economics Division, Ministry of Planning, and Mr. Mohammad Selim Uddin, Secretary, Ministry of Commerce, are acknowledged.

Valuable feedback was further provided by private sector associations such as the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Metropolitan Chamber of Commerce and Industry (MCCI), Business Initiative Leading Development (BUILD), Bangladesh Association of Pharmaceutical Industries (BAPI), Bangladesh Association of Software and Information Services (BASIS), and numerous other industry groups and associations. Development partners also played a crucial role, including, among others, UN DESA, UN RCO, UNDP, UNCTAD, UNFPA, UNCDF, UNICEF, UNIDO, UN Women, UN ESCAP, USAID, WHO, ADB, JICA, IMF, ILO, FAO, EU, IOM, the Foreign, Commonwealth & Development Office (FCDO), and the Embassies of Switzerland and Sweden.

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List of Abbreviations

4IR	Fourth Industrial Revolution	BSTI	Bangladesh Standards and Testing Institution
ABS	Asset-backed Securities	BTE	born to export
ACWL	Advisory Centre on WTO Law	BTTC	Bangladesh Trade and Tariff Commission
ADB	Asian Development Bank	CAO	Chief Adviser's Office
		CAREC	Central Asia Regional Economic Cooperation
ADP	Annual Development Plan	CBAM	Carbon Boarder Adjustment Mechanism
AEB	anti-export bias	CDP	Committee for Development Policy
AI	artificial intelligence	CEPA	Comprehensive Economic Partnership Agreement
AIIB	Asian Infrastructure Investment Bank	CGE	computable general equilibrium
AMS	Aggregate Measurement of Support	CHF	Swiss Franc
API	active pharmaceutical ingredients	CMO	Collective Management Organisation
APTA	South Asian Free Trade Area	CMSME	Cottage, Micro, Small and Medium Enterprise
ASAP	Adaptation for Smallholder Agriculture Program	COP	Conference of the Parties
ASEAN	Association of Southeast Asian Nations	CPI	Consumer Price Index
BAB	Bangladesh Accreditation Board	CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
BACB	Bangladesh Association of Certification Bodies	CRM	Customer Relationship Management
BASIS	Bangladesh Association of Software and Information Services	CRS	Creditor Reporting System (of the OECD)
BB	Bangladesh Bank	CS3D	Corporate Sustainability Due Diligence Directive
BBS	Bangladesh Bureau of Statistics		
BBX	Bangladesh Business Climate Index	CSE	Chittagong Stock Exchange
BCSIR	Bangladesh Council of Scientific and Industrial Research	CSOs	Civil Society Organisations
BDS	Bangladesh Standards	CTH	change of tariff heading
BDT	Bangladeshi Taka	DAC	Development Assistance Committee
BEPZA	Bangladesh Export Processing Zones Authority	DAE	Department of Agricultural Extension
BEZA	Bangladesh Economic Zones Authority	DCTS	Developing Country Trading Scheme
BFSA	Bangladesh Food Safety Authority	DFQF	duty-free and quota-free
BFTI	Bangladesh Foreign Trade Institute	DGDA	Directorate General of Drug Administration
BHTPA	Bangladesh Hi-Tech Park Authority	DIFE	Department of Inspection for Factories and Establishments
BIDA	Bangladesh Investment Development Authority	DoF	Department of Fisheries
BIDS	Bangladesh Institute of Development Studies	DoL	Department of Labour
BMET	Bureau of Manpower, Employment and Training	DoT	Department of Textiles
BMZ	Federal Ministry of Economic Cooperation and Development	DPs	Development Partners
BOP	balance of payments	DPDT	Department of Patents, Designs and Trademarks
BPDB	Bangladesh Power Development Board	DRM	domestic resource mobilisation
BRI	Belt and Road Initiative	DSA	Debt Sustainability Analysis
BSCIC	Bangladesh Small and Cottage Industries Corporation	DSE	Dhaka Stock Exchange
BSEC	Bangladesh Securities and Exchange Commission	IAEA	International Atomic Energy Agency
DSGI	Digital Skills Gap Index	IBRD	International Bank for Reconstruction and Development
DSU	Dispute Settlement Understanding	ICT	Information Communication Technology
DTE	Directorate of Technical Education	IDA	International Development Association
DTIS	Diagnostic Trade Integration Studies		

EBA	Everything But Arms	IFAD	International Fund for Agricultural Development
ECI	Economic Complexity Index	ILO	International Labor Organization
ECOI	Economic Complexity Outlook Index	IMF	International Monetary Fund
EDCF	Economic Development Cooperation Fund	IPR	Intellectual Property Rights
EIF	Enhanced Integrated Framework	ISC	Industry Skills Councils
EPA	Economic Partnership Agreements	ISM_s	International Support Measures
EPB	Export Promotion Bureau	ISP	Investment Support Programme
		ITC	International Trade Centre
EPR	Extended Producer Responsibility	ITES	IT-enabled services
EPZ	Export Processing Zone	KOICA	Korean International Cooperation Agency
ERD	Economic Relations Division	KPI	key performance indicator
ESG	Environmental, Social, and Governance	LDC	least developed countries
EVI	Environmental Vulnerability Index	LDCF	Least Developed Countries Fund
FAO	Food and Agriculture Organization	LFS	Labour Force Survey
FBCCI	Federation of Bangladesh Chambers of Commerce and Industry	LGED	Local Government Engineering Department
FD	Finance Division, Ministry of Finance, Government of Bangladesh	LIC	low-income countries
FDI	Foreign Direct Investment	LMIC	lower-middle-income countries
FID	Financial Institution Division, Ministry of Finance, Government of Bangladesh	LPI	Logistic Performance Index
FTA	free trade agreement	MC	Monitoring Cell, Ministry of Finance, Government of Bangladesh
FYP	five-year plan	MCCI	Metropolitan Chamber of Commerce & Industry
GATS	General Agreement on Trade in Services	MFA	Multi-Fibre Arrangement
GAVI	Global Alliance for Vaccine and Immunization	MFN	most-favoured-nation
GCF	Green Climate Fund	MMF	man-made fibre
GED	General Economics Division	MoC	Ministry of Commerce
GEF	Global Environment Facility	MoCA	Ministry of Cultural Affairs
GHG	Greenhouse Gas	MoEFCC	Ministry of Environment, Forest and Climate Change
GI	Geographical Indicators	MoF	Ministry of Finance
		MoFA	Ministry of Foreign Affairs
GNI	gross national income	MoFL	Ministry of Fisheries and Livestock
GNP	gross national product	MoHA	Ministry of Home Affairs
GPT	General Preferential Tariff	MoHFW	Ministry of Health and Family Welfare
		MoI	Ministry of Industries
GSP	Generalized System of Preferences	MoL	Ministry of Land
HAI	Human Assets Index	MoLE	Ministry of Labour and Employment
HDI	Human Development Index	MoLGRDC	Ministry of Local Government, Rural Development and Co-operatives
MoLJPA	Ministry of Law, Justice and Parliamentary Affairs	SAFTA	South Asian Free Trade Area
MoPEMR	Ministry for Power, Energy and Mineral Resources	SCM	Subsidies and Countervailing Measures
NAP	National Adaptation Plans	SDG	Sustainable Development Goals
NBR	National Board of Revenue	SEZ	special economic zones
NCG	National Committee on LDC Graduation	SSGP	Support to Sustainable Graduation Project
NCLD	National Council for Logistics Development	STDF	Standards and Trade Development Facility
NDC	Nationally Determined Contributions	STS	Smooth Transition Strategy
NFIDC	net food-importing developing countries	TFA	Trade Facilitation Agreement
		TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights

NGOs	Non-Governmental Organisations	TVET	Technical and Vocational Education and Training
NLP	National Logistics Policy	UNCDF	United Nations Capital Development Fund
NPL	non-performing loans	UNDAF	United Nations Development Assistance Framework
NPO	National Productivity Organisation	UNDP	United Nations Development Programme
NSDA	National Skills Development Authority	UNDRR	United Nations Office for Disaster Risk Reduction
NTM	non-tariff measures	UNODC	United Nations Office on Drugs and Crime
NTP	National Tariff Policy	WFP	World Food Programme
OECD	Organisation for Economic Co-operation and Development	WHO	World Health Organisation
OFID	OPEC Fund for International Development	WITS	World Integrated Trade Solutions
OPEC	Organization of Petroleum Exporting Countries	WTO	World Trade Organization
OSS	One Stop Service		
PCI	Product Complexity Index		
PPP	Public-Private Partnership		
PTA	Preferential Trade Agreement		
REER	Real Effective Exchange Rate		
RMG	readymade garments		
RTA	Regional Trade Agreement		

Bangladesh Graduation from the Group of Least Developed Countries: Smooth Transition Strategy

Executive Summary

I. Background and Context

Bangladesh is set to graduate from the Least Developed Countries (LDCs) group on 24 November 2026, attaining a remarkable milestone in its development journey. Emerging from a challenging socio-economic state at independence, it has achieved sustained economic growth complemented by significant reductions in poverty, advancements in health, education, and gender equality, and a notable increase in life expectancy. For the period 1990 to 2021, Bangladesh was recognised as one of the countries with the fastest Human Development Index (HDI) progress in the world.

The socio-economic development of Bangladesh has been aided by the performance of its export sector, as merchandise exports expanded from less than \$2 billion in 1990 to \$43.5 billion in 2022-23, thanks to the rapid growth of the export-oriented readymade garment (RMG) industry.¹ A structural transformation of Bangladesh's economy is also evident, with the share of agriculture in GDP declining from nearly 60 per cent in the early 1970s to just 11 per cent in 2022-23 as against the rising relative significance of both industrial and services sectors. The expansion of apparel (RMG) exports has also been pivotal in generating employment, especially for women. Bangladesh is currently the world's second-largest apparel exporter, capturing more than 10 per cent of the global market.

In 2015, Bangladesh transitioned from low-income to lower-middle-income status, according to the World Bank classification of global economies. This was soon followed by meeting the criteria for LDC graduation in 2018 and again in 2021, fulfilling all three criteria for graduation: per capita GNI, the human assets index (HAI), and the economic and environmental vulnerability index (EVI). The United Nations General Assembly decided that Bangladesh's graduation will take effect on 24 November 2026, following a five-year preparatory period to ensure a smooth transition.

Graduation from the LDC category signifies Bangladesh's substantial socio-economic progress, recognised globally and achieved despite formidable challenges. However, it also comes with certain challenges, as graduated LDCs lose access to international support measures associated with their LDC status. The global community has provided various international support measures for LDCs, including trade preferences, special treatment under World Trade Organization (WTO) agreements, and concessional financing. Graduation from LDC status implies achieving greater self-reliance and resilience to economic shocks without special concessionary treatment.

Furthermore, in recent times, Bangladesh's macroeconomy has come under significant strain, marked by falling reserves and persistently high inflation, exacerbated by policy mismanagement and severely dysfunctional governance under an authoritarian regime. The political transition since

¹ This is based on export receipts data, published by Bangladesh Bank.

early August 2024 now seeks to stabilise the economy and initiate critical reforms aimed at, among other priorities, improving economic functioning and enhancing external competitiveness. These efforts coincide with the country's preparations for LDC graduation.

LDC graduation necessitates adjustments but also offers an opportunity to transition from a trade preference-dependent and low-wage-based export-competitiveness model. By shifting the focus towards innovation and quality rather than solely relying on price competitiveness, the post-graduation transformation of the country should prioritise quality, standards, compliance, and environmental sustainability. This approach will ensure sustainable growth, a modern economy, and a knowledge-based society aligned with international benchmarks. It also opens opportunities for economic reforms, export diversification, and enhanced trade negotiation capacities, as well as addressing infrastructural bottlenecks and administrative inefficiencies to reduce business costs and improve competitiveness, potentially offsetting the loss of trade preferences.

This Smooth Transition Strategy (STS) has been meticulously crafted to address the unique challenges faced by Bangladesh. The preparation of the STS and its implementation can be seen as an integral part of the process towards achieving the Sustainable Development Goals (SDGs). Valuable feedback from key stakeholders, including government ministries and departments, development partners, academia, the private sector, and civil society organisations, has played a crucial role in shaping the STS. The drafting process entailed extensive reviews of Bangladesh's plan documents and strategies, as well as relevant studies conducted by various government ministries, departments, development partners, and think tanks. Additionally, multiple rounds of consultations and workshops with all relevant stakeholders were conducted to ensure broad-based participation and alignment. The overall process of formulating the STS also took into consideration the Smooth Transition Strategy Guidance Note (2021) developed by the United Nations Department of Economic and Social Affairs.

II. Potential Implications arising from the Withdrawal of LDC-specific International Support Measures

Given Bangladesh's significant reliance on LDC-specific international support measures (ISMs)—particularly duty-free market access, with 73 per cent of its exports benefiting from LDC-specific preferences, and the special and differential treatment under WTO provisions, including the provision for export subsidies—graduation from LDC status could adversely impact export competitiveness due to the loss of these benefits.

Impact assessment studies have shown adverse implications of graduation with significant export loss. Notable among these is a study by the World Trade Organization (WTO), estimating that Bangladesh's exports could decline by more than 14 per cent due to the loss of preferential market access. However, these studies have inherent limitations. For instance, despite the absence of tariff preferences in the US market, Bangladesh has successfully increased its market share. Over the past decades, Bangladesh's garment industry has developed substantial supply-side capacity, achieved economies of scale, and established a robust global supply chain network—factors that contribute to its competitive strengths and are not solely reliant on trade preferences. Moreover, the evolving nature of trade policies in partner countries means that not all preferences will be lost simultaneously, and some may be extended. For example, the EU and the UK offer an additional three-year transition period for graduating LDCs. The prospect of continued preferential market

access after LDC graduation in the EU, is not settled yet and could determine the overall impact of LDC graduation. Therefore, rather than focusing on specific estimates of export loss, it would be prudent to recognise that LDC graduation will generate substantial competitive pressures and to prioritise measures aimed at strengthening Bangladesh's resilience.

Bangladesh has benefited from special and differential treatment (S&DT) provisions under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), including a general transition period and a pharmaceutical waiver, allowing it to exempt medicines from patent protection.. Compliance with TRIPS provisions will be required upon graduation. Since only a relatively small proportion of the drugs locally manufactured are on patent held elsewhere, the introduction of patent protection may not cause major disruptions. The recently enacted Bangladesh Patent Act 2023 has incorporated the existing flexibilities under the TRIPS agreement into the national legal framework, supporting domestic manufacturers. However, enhancing the supply-side capacity of the domestic industry, along with strengthening the capacity of the policy regime to manage an updated patent system, will remain critical challenges.

WTO provisions prohibit subsidies based on export performance and local content but exempt LDCs and countries with GNP per capita below \$1,000 at 1990 prices. Bangladesh currently offers various export subsidies that may need to be withdrawn after graduation unless it remains on Annex VII of the WTO Agreement on Subsidies and Countervailing Measures (ASCM). A proposal has been submitted to allow graduated LDCs with GNP per capita below \$1,000 to continue benefiting from export subsidies, with specific conditions for maintaining this status. However, the scope for providing support to agriculture will remain unaffected. The estimated aggregate measurement of support (AMS) provided by Bangladesh to its agricultural sector—just above 1 per cent of agricultural outputs—is much less than the de minimis level (10 per cent of agricultural output) for developing countries. LDCs and net food importing development countries (NFIDCs) can provide agricultural marketing-related subsidies until 2030 and enjoy extended repayment terms for export financing. After graduation, being classified as an NFIDC would grant Bangladesh greater policy flexibility in supporting agricultural export activities.

LDC graduation itself should not necessarily reduce concessional development finance. The largest aid recipients in the world are not necessarily LDCs, as aid allocation is typically influenced by a variety of factors, including historical and bilateral relationships, specific recipient country circumstances such as conflicts, natural disasters, and health crises, as well as the development priorities of donor countries. Bilateral cooperation programmes are generally tailored to meet the policies and priorities of both development partners and recipients. These programmes are influenced more by income levels, national needs, development plans, and strategic interests rather than LDC status alone. Consequently, while the LDCs designation may inform some aspects of development cooperation policies, it does not play a central role in shaping the nature and extent of bilateral aid.

Similarly, international financial institutions and multilateral organisations do not primarily base their resource allocation on LDC status. Instead, their funding decisions are driven by factors such as a country's income level and creditworthiness. Nevertheless, a gradual shift in financing terms is expected as Bangladesh's per capita income rises, reflecting its improved economic status. Many UN agencies also allocate resources based on the specific needs of countries rather than their LDC status. The focus is increasingly on capacity building and technical training, driven by Bangladesh's

developmental progress and the broader strategic policies of these agencies. Thus, the overall impact on financial development assistance post-graduation is expected to be minimal, with aid continuing to flow albeit under slightly modified terms.

Upon LDC graduation, some LDC-specific assistance may be discontinued, but these have not been major sources of development financing for Bangladesh. While new funding from the Least Developed Countries Fund (LDCF) will be lost, ongoing projects will continue to receive support. The United Nations Technology Bank will assist for five years post-graduation, and the Enhanced Integrated Framework (EIF) will offer support during that period, subject to the availability of funds. Also, the United Nations Capital Development Fund (UNCDF) and the Investment Support Programme for LDCs (ISP/LDCs) will extend assistance.

Apart from the loss of ISMs, Bangladesh's several vulnerabilities need to be recognised. Significant reliance on LDC-specific trade preferences, particularly in the apparel sector, makes its exporters susceptible to changes in export market access post-graduation, underscoring the need for diversification into non-cotton apparel and other sectors to mitigate market risks despite its major exporter status. Environmental vulnerabilities remain a critical issue; Bangladesh's high exposure to natural disasters and climate change impacts poses severe threats that demand urgent attention. Additionally, challenges in sustainable development finance, stemming from a low tax-GDP ratio and limited fiscal space, constrain public spending on essential services and infrastructure, thereby hindering sustainable development efforts. Recent unfavourable macroeconomic developments add to longstanding economic challenges and vulnerabilities for Bangladesh. These include a weakening balance of payments situation, reflected in a decline in foreign reserves, and persistent domestic inflationary pressures that further strain the economy.

Apart from the above, external shocks occur with greater frequency, complicating development efforts. Geo-political tensions such as the US-China trade war, COVID-19 pandemic, and the Russia-Ukraine conflict have previously disrupted global trade, leading to price hikes in food and fuel, affecting a developing region like Bangladesh. Furthermore, with the rise in protectionist policies among major economies and weakened multilateralism, global trade and economic prospects look increasingly uncertain. As Bangladesh transitions from LDC status, it must also navigate the challenges posed by the Fourth Industrial Revolution. While rapid technological advancements and automation are essential for enhancing efficiency and driving growth, they pose significant risks to employment generation. Despite substantial growth in apparel exports, employment in the sector has remained stagnant, as technological deepening and automation have reduced job opportunities and led to a decline in women's share of total employment. These factors collectively highlight the uncertainties and complexities Bangladesh faces on its graduation journey.

Despite the adverse employment effects of automation, avoiding technological adaptation is not an option for Bangladesh. Embracing technology is essential for developing new industries, enhancing productivity, and breaking into new export markets. Automation and advanced manufacturing can improve the quality and competitiveness of Bangladeshi products, thereby boosting export revenues. However, taking full advantage of these technological advancements will require a skilled workforce. Investing in education and training is crucial to equip workers with the skills needed to thrive in a rapidly evolving, technology-driven global economy. As Bangladesh graduates from LDC status, it must prioritise building this workforce to leverage technology for

sustainable development, economic resilience, and expanded employment opportunities across various sectors.

III. Smooth Transition Strategy Vision: Bangladesh Transitioning from LDC Status towards a Structurally Transformed Inclusive, Resilient and Competitive Economy

Bangladesh has undergone its initial phase of structural transformation, characterised by a rapid expansion of manufacturing exports, primarily led by the ready-made garment (RMG) sector, which has significantly elevated the contribution of industrial outputs to the economy. Despite this progress, the share of exports in GDP has declined over the past decade, reflecting the growth of a thriving import-competing sector. However, this success has not translated into diversification, as the export basket remains overwhelmingly dominated by garments.

Bangladesh's current economic model—dominated by a trade preference-dependent, export-oriented garment sector and a tariff protection-dependent import-competing sector, both relying on low wages and weak compliance—has reached its limits, necessitating a shift towards “high-road” economic development. This involves enhancing productivity, creating quality jobs, investing in skills development, fostering innovation, improving product standards, adopting sustainable business practices, and achieving inclusive growth. This approach is crucial for transitioning to higher-value sectors and establishing Bangladesh as a credible participant in the global supply chain. Although standard growth theory suggests low-income countries should grow faster and catch up to high-income countries, this is challenging, with many countries experiencing growth slowdowns. To sustain growth and ensure economic success beyond LDC graduation, Bangladesh must now prioritise a key transformation of its economy that should promote competitiveness driven by productivity, innovation, improved labour standards, and enhanced environmental compliance.

Bangladesh's production structure has evolved into a dichotomous state, with distinct policy regimes for exports and the domestic market. The global trade policy regime, particularly the Multi-Fiber Arrangement (MFA) quota system until 2005, shaped Bangladesh's export structure. Despite the dismantling of the quota system, high tariffs on apparel imports persist in key markets, giving Bangladesh a competitive edge through LDC-specific duty-free preferences. Domestic policy incentives have supported the export-oriented RMG industry with measures like bonded warehouses, duty drawbacks, and cash assistance.

On the other hand, Bangladesh's trade policy framework has provided high protection to import-competing industries through customs duties and para-tariffs, resulting in an average nominal protection rate of 14.8 per cent, which increases to 28 per cent when para-tariffs like supplementary and regulatory duties are included. This high level of protection has created a significant anti-export bias, making the domestic market more attractive than exports and hindering export sector growth. Excessive tariff protection has raised consumer costs and created disparities in product quality and standards between export-oriented and import-competing

sectors. Exporters face stringent international standards for products, labour, and environmental practices. Compliance with such standards is increasingly necessary due to evolving consumer expectations and regulatory requirements in the international markets. Ensuring compliance across sectors is thus crucial for broader economic transformation and global competitiveness.

Achieving further economic transformation and transitioning to a high-road approach to development will require substantial investment in education, skills development, and technology to build a highly skilled workforce. This, in turn, will support greater women's labour force participation, improve labour standards, strengthen environmental protection, and promote social equity. Such a strategy shifts the focus from low wages and cost-cutting to quality, ethical standards, and sustainability. With global firms increasingly prioritising Environmental, Social, and Governance (ESG) standards to mitigate risks and safeguard reputations, this structural transformation of Bangladesh's economy will enable local firms to integrate more effectively into the global supply chain.

A transformed economy should focus on strategic support rather than broad-based high tariffs, providing time-bound protection to specific industries and sectors and supporting research, adoption of green technologies, and workforce training. This strategy nurtures high-growth potential sectors and encourages industries to compete on quality and sustainability, aligning with global market demands.

As Bangladesh approaches graduation from LDC status, strategic policy reforms are essential for transitioning towards a structurally transformed and competitive economy. Key policy approaches include rationalising tariffs to reduce the anti-export bias and create a level playing field for all exporters, as outlined in the National Tariff Policy (NTP). Effective implementation of the NTP will also provide the necessary flexibility to negotiate market access opportunities through free trade agreements (FTAs) with major export markets like China, India, and Japan. Diversifying revenue sources by reducing reliance on import-based taxes, enhancing direct taxation, and strengthening the value added tax (VAT) system is crucial to increasing the fiscal space necessary for stimulating inclusive economic growth. Mobilising investments, both domestic and external, is essential, with a focus on enhancing domestic revenue mobilisation efforts, which are vital for inclusive growth and reducing dependence on external financing.

To facilitate a smooth transition, several core enablers must be strengthened. Enhancing productive capacities through investments in human capital, fostering innovation, digitalisation, and improving infrastructure is critical. Promoting both foreign and local investment is crucial, and this can be achieved by creating an investment-friendly ecosystem, enhancing institutional capacities, and ensuring the functionality of special economic zones (SEZs), amongst others. For driving innovation and integrating into global markets, foreign direct investment (FDI) can play a critical role. Prioritising quality enhancement and compliance with international standards to maintain export competitiveness involves rigorous quality control, as well as investing in advanced laboratories and skilled personnel.

Leveraging digital technologies to enhance productivity across all sectors is essential for Bangladesh's economic transformation. Investing in education and skill development is essential to create a highly skilled workforce capable of adapting advanced technologies and processes. The National Skills Development Policy 2020, along with its action plan, that aims to address the existing skills gap, must be implemented meticulously. Integrating sustainable business practices and improving compliance with environmental and labour standards are crucial for ensuring long-term competitiveness and enhancing the country's reputation in the global market. By focusing on these policy approaches and key enablers, Bangladesh can achieve sustainable and inclusive economic transformation, positioning itself as a competitive player in the global market after LDC graduation.

Following LDC graduation, Bangladesh faces the challenge of losing export competitiveness due to the cessation of LDC-specific trade preferences. However, transformative changes can help outweigh the preference-driven competitiveness, as evident from various studies and analyses available in the context of the global economy as well as Bangladesh. Research and evidence indicate that Bangladesh can enhance its export competitiveness in the post-LDC period by focusing on several key areas. These include improving trade logistics, streamlining customs and border procedures, and strengthening the overall business environment. Additionally, boosting product quality and standards, attracting more foreign direct investment (FDI), and pursuing tariff rationalisation are essential steps. Advancing regional integration, upgrading technology, fostering innovation, and investing in human capital and skills development will also play a critical role in promoting competitiveness.

IV. Prioritised Smooth Transition Measures: Strategic Pillars and Required Actions

Graduating from the LDC group presents an opportunity to tackle both emerging and longstanding challenges and shift from a reliance on preference-dependent exports, tariff-protected industries, low wages, and cost-cutting measures. Instead, Bangladesh can focus on achieving structural economic competitiveness driven by quality, innovation, productivity, and export diversification. The Smooth Transition Strategy aims to provide a comprehensive framework to address both immediate and long-term economic challenges, ensuring a smooth and sustainable transition from LDC status. It focuses on five interrelated strategic pillars: 1) ensuring macroeconomic stability, 2) securing trade preferences and favourable transition measures, 3) promoting export diversification and competitiveness, 4) building productive capacity, and 5) fostering partnerships and international cooperation.

Strategic pillar 1: Ensuring macroeconomic stability: The strategic objective of this pillar is to ensure sustained macroeconomic stability during the transition from LDC status and beyond.

Tackling inflation, developing effective exchange rate management, and boosting foreign reserves will be critical to maintaining macroeconomic stability and improving export competitiveness. Smooth transition measures will include implementing market-oriented interest rates, sustaining a

uniform and market-oriented exchange rate system, monitoring prices of essentials, securing concessional financing, fast-tracking the implementation of projects with favourable loan conditions, and ensuring the effective utilisation of development assistance and LDC-specific funds. For prudent fiscal and sustainable debt management, the focus should be on improving domestic resource mobilisation, ensuring sustainable and responsible domestic borrowing, and exploring alternative financing mechanisms. This also involves continuing to reform the structure of national savings certificates, developing the capital market, and reviewing non-essential spending, among others. Priority actions for strengthening the financial sector and capital market will include enhancing financial sector governance, reducing non-performing loans, ensuring the central bank's regulatory autonomy, improving bank governance, and developing the capital market through strategic reforms.

Strategic Pillar 2: Exploring and securing trade preferences and favourable transition measures beyond LDC graduation: The strategic objective of this pillar is to mitigate adverse impacts on export competitiveness due to LDC graduation.

A critical component of the smooth transition measures will involve engaging with the EU to secure the most favourable preferential market access, such as GSP+, once LDC-specific preferences expire. This should also include securing relaxed rules of origin requirements and obtaining technical assistance to support the implementation of international conventions. Additionally, efforts will be made to engage with other key trading partners for an extended transition period for LDC-specific preferential access for exports, negotiate trade and investment agreements with several partners such as China, India, and Japan and join trade blocs such as the Regional Comprehensive Economic Partnership (RCEP). Furthermore, initiatives will be undertaken to address WTO-related issues, including seeking a waiver extension under the TRIPS agreement, inclusion in the list of NFIDCs to retain certain extended policy space, and inclusion in Annex VII(b) under the ASCM to continue benefiting from the exemption under the WTO Agreement on Subsidies and Countervailing Measures. Trade policymaking and negotiation capacity-building should also be a priority, given the demand for proactive engagements and negotiations with various trade partners.

Strategic Pillar 3: Promoting export diversification and competitiveness: The strategic objective of this pillar is to enhance competitiveness through comprehensive reforms aimed at revitalising the economic environment, facilitating transformation, and fostering new sources of competitiveness.

To achieve this, key actions include reducing anti-export bias and promoting export diversification, improving product quality and standards, enhancing trade logistics and trade facilitation measures, and ensuring labour standards and ESG compliance. Additionally, creating an enabling environment for businesses and trade, enforcing intellectual property protection, and developing WTO-compatible support measures in domestic and export sectors are essential. Furthermore, strengthening the implementation of sector-specific action plans in the Diagnostic Trade Integration Study Update (DTISU) will enhance supply-side capacity and strengthen export competitiveness.

Strategic Pillar 4: Building productive capacity: The strategic objective of this pillar is to promote structural transformation by strengthening supply-side capabilities, improving human capital, and strengthening institutions.

The priority policy actions include, amongst others, improving productivity through technological upgrading and innovation, leveraging information and communication technology (ICT) to increase productivity, building supply-side capacity by strengthening backward and forward linkages, fostering private sector development through enhanced government support, strengthening the supply-side capacity of micro, small, and medium enterprises (MSMEs) and enabling them to enter the export market, skilling, re-skilling, and up-skilling the workforce to reduce skills gaps in priority sectors, enhancing human capital development, revitalising domestic investment, attracting foreign direct investment, advancing green transformation for improved competitiveness and future-readiness, and strengthening institutional capacity.

Strategic Pillar 5: Fostering partnerships and international cooperation for promoting sustainable development and improving resilience against global uncertainty: The strategic objective of this pillar is to sustain and build upon the socio-economic progress achieved over the past decades through strengthened partnerships and international cooperation for promoting sustainable development and enhancing resilience for a successful and smooth transition post-graduation.

The smooth transition strategy of Bangladesh calls for enhanced collaboration and cooperation between the government, development partners, and stakeholders to implement the proposed actions. Bangladesh's graduation process will facilitate partnerships for targeted technical and financial assistance, revitalising coordination among development partners, and forming new trade and economic partnerships. Priority areas requiring financial and technical assistance include ensuring compliance with international conventions, fostering ESG compliance, facilitating productive capacity development, supporting SDGs and climate change resilience, fostering South-South partnerships, and reinforcing the multilateral global trading system for fair and development-friendly trade for facilitating effective participation of LDCs, graduating and graduated LDCs. Development and trade partners should ensure that graduating and graduated LDCs, including Bangladesh, are protected from the adverse impacts of geopolitical competition and conflicts, and refrain from implementing measures that could disadvantage these countries as a result of geopolitical rivalries.

V. STS Implementation Mechanisms

The STS delineates specific implementation strategies and institutional arrangements. It incorporates a time-bound action plan designed to ensure a smooth transition, prioritising and expediting the implementation of necessary reforms to achieve sustainable graduation. The principles of implementation mechanisms include the following:

- Under the leadership of the Chief Adviser's Office, with strong support from relevant ministries and departments, the implementation of STS action plans and necessary reforms will be prioritised and fast-tracked across all government plans, policies, and strategies.

- Collaborative partnerships among stakeholders are essential for the successful implementation of the STS. The implementation framework clearly defines the roles and responsibilities of key stakeholders, including the government, private sector, public-private partnerships, civil society, and development and trade partners. The strategic pillars in the STS and corresponding actions will be integrated into all the forthcoming national development plans, as well as sectoral policies.
- Financing STS implementation will depend on public resources channelled from the annual budget, private investment, and technical and financial assistance from development and trade partners.

An appropriate M&E framework will be prepared, based on the action matrix of the STS, to track the progress of the strategy, evaluate the effectiveness of the actions, and suggest appropriate measures to achieve the desired outcomes. The following measures will be implemented to facilitate implementation:

- A high-level LDC Graduation Steering Committee, chaired by the Chief Adviser/Head of the Government and including relevant ministers/advisers, will be established to offer strategic policy direction for the effective implementation of the STS. This committee will meet biannually to review progress and provide policy directives.
- The National Committee on LDC Graduation (NCG) will act as the central monitoring and evaluation committee for STS implementation, developing a robust M&E framework, conducting annual assessments, and coordinating with stakeholders to ensure efficient implementation.
- The Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD) will regularly undertake tasks to support the NCG in implementing the STS, leveraging its established knowledge base and consultation experience.
- Relevant ministries, divisions, and agencies will prepare and undertake specific measures to implement the STS and report progress against each indicator as part of the M&E exercise.
- M&E reports will identify areas of limited or no progress and make specific recommendations for improved implementation, which will be shared in public consultations.

Roles of stakeholders in STS implementation

Role of government ministries and departments: The major roles and responsibilities of government ministries, departments, and agencies include, among others, conducting thorough assessments of specific actions, undertaking reforms in accordance with the action plan, following up on activities to ensure steady progress, ensuring timely implementation and impactful results, assessing the scope of coordination with other agencies, the private sector, civil society, and development partners, adjusting existing policy measures to meet immediate graduation needs, optimising budget management, facilitating coordination with the private sector, development partners, and civil society to mobilise technical expertise, conducting reviews and commissioning studies to obtain practical recommendations for progress on implementation, and integrating the

specific targets and milestones of the STS into the Annual Performance Agreement (APA) of each relevant ministry and department.

Role of the private sector: Bangladesh's graduation from the LDC group is largely attributed to its dynamic private sector, which has propelled economic development, created employment opportunities, generated export earnings, and sustained business operations despite various challenges. Recognising this, engagement with industry stakeholders has led to the development of policies and strategies centred on the private sector. The private sector's preparedness and resilience will be crucial in addressing issues related to LDC graduation, such as the loss of trade preferences. The private sector is, therefore, a key player in implementing the STS, with business organisations and associations actively involved in its preparation. Key roles of the private sector include:

- Improving firm-level competitiveness to absorb any competitiveness pressure
- Enhancing labour standards and compliance irrespective of government regulations
- Adhering to ESG standards to participate in global value chains.
- Supporting STS policy actions to improve long-term competitiveness, attract foreign investment, and link with global supply chains.
- Prioritising product standards in local sales to boost export success.
- Investing in research and development (R&D) to drive innovation and productivity.
- Assisting the government in trade negotiations to balance defensive and offensive interests, recognising necessary trade-offs. Collaborating with the government, think tanks and development partners to act as knowledge hubs for LDC graduation-related issues.

Role of public-private partnerships: PPP authorities should review their PPP framework and adapt it where necessary to make it effective in undertaking projects in the areas of transport and logistics, energy, water and sanitation, social infrastructure, and Information and Communication Technology (ICT). Given its track record in implementing past projects, the PPP initiative could expedite the expansion of ICT services, improve connectivity, and make digital services more accessible and affordable for citizens and businesses in a timely manner.

Role of civil society organisations: The active involvement of civil society is crucial for the inclusive and transparent implementation of the STS, ensuring sustainable development beyond the transition process. Their roles include:

- **Monitoring and accountability:** CSOs can act as watchdogs, ensuring transparency and holding stakeholders accountable, thereby aligning the transition process with sustainable development goals.
- **Expertise and best practices:** They offer specialised knowledge and can identify global best practices that are beneficial for Bangladesh's implementation programme.
- **Government-public bridge:** CSOs serve as intermediaries between the government and the public, identifying ground-level issues and providing constructive solutions.
- **Private sector competitiveness:** By building awareness of evolving international regulations and providing context, CSOs can enhance perceptions and secure technical assistance for firms.

- **Global advocacy:** CSOs advocate for Bangladesh on the international stage, pushing for reforms and championing fair pricing and shared responsibility for decent work and wages.
- **Community empowerment:** They empower local governments and communities through town hall meetings and expert commentary, ensuring no one is left behind.
- **Resource mobilisation:** By collaborating with development partners, CSOs can mobilise resources and expertise to support key local initiatives for the STS implementation.

Role of development and trading partners: Development and trade partners play a crucial role in supporting Bangladesh's transition from LDC status. The STS provides a unique opportunity for these partners to align their support with Bangladesh's needs across various strategic pillars, highlighted explicitly in Pillar 5. This involves:

- **Extended transition period:** Providing an extended transition period to help Bangladesh adjust smoothly post-graduation amidst global economic uncertainties.
- **Enhanced technical assistance:** Providing technical assistance for implementing international conventions on human rights, labour rights, environmental protection, climate change, and good governance, as well as improving product standards and quality.
- **Capacity-building for trade policy and negotiations:** Offering support to government officials and think tanks to enhance trade negotiation skills and establish FTAs and PTAs effectively.
- **Financial support for SDGs:** Expanding financial assistance to help Bangladesh achieve its Sustainable Development Goals, focusing on health, education, food security, gender empowerment, and other key areas.
- **Support for productive capacity development:** Investing in infrastructure development, state-of-the-art technologies, improved business environments, ICT adoption, and human capital enhancement through education and health investments.
- **Skill development initiatives:** Fostering skill development programmes to boost workforce capabilities and support research and development to enhance firm-level supply-side capabilities and product quality standards.
- **Climate resilience and adaptation:** Investing in climate resilience projects and providing technical assistance for adopting advanced technologies and clean energy solutions.

The detailed STS Action Plan, outlining specific actions under the five strategic pillars, is provided at the conclusion of this Strategy. A selection of the highest-priority actions identified for immediate implementation is listed here.

Highest-Priority Actions for Immediate Implementation

Recommended Smooth Transition Measures	Specific Action(s)	Responsible Agency (In Bold) and Supporting Agency(s)	Potential Role of Development Partners (DPs)	Timeframe	Means of Verification
Strategic pillar 1: Ensuring macroeconomic stability					
Tackling inflation to restore macroeconomic stability and improve external competitiveness	1. Continue with market-oriented interest rates and use fiscal policy options to complement the monetary policy objective of tackling inflation.	BB		Continuous	-Monetary policy indicators consistent with inflation targets -Interest rates vis-à-vis changes in the price level -Trends in public spending -Government borrowing from the banking system consistent with monetary policy objectives
Boosting foreign reserves and improve the country's Balance of Payments situation	2. Maintain a unified, market-oriented exchange rate system while closely monitoring and evaluating movements in the real exchange rate (RER) and bilateral RERs with key trading partners to analyse trends in external competitiveness and support informed policy decisions.	BB		Continuous	-A uniform exchange rate system sustained -Analysis of the movements in the RER and bilateral RERs published regularly
Financing budget through sustainable debt and fiscal management	3. Secure concessional loans on favourable terms, attract foreign direct investment (FDI), and endeavour to boost formal remittance flows by reducing remittance-sending costs, assessing the potential magnitude of informal remittances, and addressing their underlying causes through measures such as enhanced digitalisation and removal of any barriers. 4. Take measures to mitigate any debt risks and challenges as identified in the Debt Sustainability Analysis (DSA) by MoF and IMF.	BB, FD, ERD, BIDA, MoFA, MEWOE, BMET	DPs	July 2025-June 2026 and the continue with the measures as required.	-Amount of new concessional loans and FDI received -Remittance flow through the formal channel -Foreign exchange reserves to cover at least six months' imports -Analysis/study undertaken on remittance-sending behaviour and recommendations made available -Measures taken to implement the improved remittance flows through formal channels.
		FD, MoF, ERD	DPs	July 2025- June 2029	-Effective implementation of DSA recommendations

Recommended Smooth Transition Measures	Specific Action(s)	Responsible Agency (In Bold) and Supporting Agency(s)	Potential Role of Development Partners (DPs)	Timeframe	Means of Verification
Improving domestic resource mobilisation (DRM) to broaden fiscal space	5. Develop and implement a time-bound action plan for tax reform (including enhanced digitalisation and automation, streamlined auditing process, broadening the tax net, separating tax policy division from the tax administration, improving the significance of direct tax in total tax, reforming the wealth and capital gains taxes, introducing a carbon taxation system, etc.) aiming to create a fair and efficient tax system that boosts government revenues.	NBR, IRD, GED, FD	DPs	Time-bound action plan by July 2025. Effective implementation: December 2025-July 2029.	<ul style="list-style-type: none"> -A time-bound action plan undertaken by NBR -Identification of key reform indicators -Raise the contribution of direct taxes to the total tax revenue -At least 70 per cent of TIN holders submitted personal income tax returns. -At least 70 per cent of BIN holders submitted corporate tax returns. -Increased automation in place -Separate tax policy division established.
Strategic Pillar 2: Exploring and securing trade preferences and favourable transition measures beyond LDC graduation					
Securing GSP+ and the removal of safeguard measures on textiles in the EU market	6. Engage with the EU to secure the most generous post-LDC GSP scheme, GSP+, including a waiver from EU safeguard measures against textile and clothing so that Bangladesh's RMG exporters can continue with duty-free market access after LDC graduation under GSP+.	MoC, MoFA, BTTC, EPB, industry/exporters' associations	EU	December 2026	<ul style="list-style-type: none"> -Number of engagements/meetings held -Favourable market access in the post-graduation regime secured -Removal of/waiver from safeguard measures on textile
Engaging with major trading partners that currently provide duty-free market access for securing extended transition periods for LDC-specific preferences	7. Engage with key trading partners providing GSP or duty-free market access for LDCs, following the WTO General Council's October 2023 decision, to secure an extended transition period, ensuring a smooth transition for Bangladesh	MoC, MoFA, ERD, industry/exporters' associations	DPs	December 2025	<ul style="list-style-type: none"> -Number of engagement meetings held, and the specific GSP-providing countries consulted. -GSP-providing trading partners deciding to offer an extended transition period.
Increase the number of skilled personnel in trade policymaking and negotiation, supported by targeted capacity development initiatives.	8. Establish a pool of trade negotiators comprising officials from government ministries, departments, specialised institutions, trade bodies, and think tanks, and enhance their skills through targeted capacity-building programmes focusing on both technical expertise and negotiation techniques.	MoC, BFTI, BTTC, relevant ministries, industry/exporters' associations, think tanks	DPs	June 2026	<ul style="list-style-type: none"> -A pool of trade negotiators established -Number of pool officials are trained -Specific training activities performed -Number of pool officials getting involved in negotiations.

Recommended Smooth Transition Measures	Specific Action(s)	Responsible Agency (In Bold) and Supporting Agency(s)	Potential Role of Development Partners (DPs)	Timeframe	Means of Verification
Undertaking bilateral economic partnership/free trade agreements with key trading partners to retain/broaden market access	9. Make progress and conclude the EPA negotiations with Japan, to retain the preferential market access, enhance economic cooperation, and foster mutually beneficial relations between the two countries.	MoC, BTTC, EPB, MoFA, Industry/exporters' associations	Japan	June 2026	<ul style="list-style-type: none"> -Numbers/rounds of negotiations covering different areas (such as goods, services, investment, etc.) -Likely liberalisation commitments to be undertaken by Bangladesh are analysed for informed negotiations -EPA with Japan concluded and signed
Strategic Pillar 3: Improving export diversification and competitiveness					
Addressing anti-export bias in the current trade policy regime with a view to striking a balance between protecting domestic industries and promoting export sector competitiveness	10. Prepare a time-bound action plan for the effective implementation of National Tariff Policy 2023 and rationalise tariffs (including supplementary and regulatory duties) progressively as stated in NTP.	NBR, MOC, BTTC, Duty Exemption and Drawback Office, industry/exporters' associations		July 2025-June 2027	<ul style="list-style-type: none"> -A time-bound action plan for effective implementation of NTP 2023 -Effective and timely implementation reviewed and monitored by the National Tariff Policy Monitoring and Review Committee -Supplementary/regulatory duties are reduced/eliminated -Applied tariff rates are reduced -Bonded imports with bank guarantees allowed for all exporters
Strengthening product quality and standards by introducing and enforcing standards in the domestic market aligning with international requirements	11. Align Bangladesh's standards with international market requirements, enhance the capacity of BSTI, BAB, and related institutions, and secure accreditation for testing laboratories from internationally recognised authorities.	MoI, BSTI, BAB, DAE, DLS, BFSA, BCSIR, industry/exporters' associations	DPs	June 2025 - July 2029	<ul style="list-style-type: none"> -BDS standards updated -Better understanding of the private sector of international standards -Enhanced capacity of BSTI in terms of human and financial resources, testing facilities, developing standards, certification capacity, etc. -Number of BSTI labs accredited by internationally recognised bodies -Number of testing labs upgraded with modern equipment and facilities.

Recommended Smooth Transition Measures	Specific Action(s)	Responsible Agency (In Bold) and Supporting Agency(s)	Potential Role of Development Partners (DPs)	Timeframe	Means of Verification
<p>Improve trade logistics and trade facilitation measures by implementing the National Logistic Policy 2024</p>	<p>12. Ensure the effective implementation and monitoring of NLP as directed by Section 4.2 of the NLP 2024 and some actions that need to be implemented immediately: (i) Identified policy reforms in annex 3.1 of NLP 2024 should be made time-bound; (ii) Immediate implementation National Single Window (NSW); (iii) Implement necessary steps to fulfil the commitment under the WTO Trade Facilitation Agreement; (iv) Enhance the capacity of land and seaports; (v) Expand the cold chain storage infrastructure; (vi) Launch container tracking system; (vii) Digitalise all clearance steps with visibility on waiting times and ASYCUDA performance; and (viii) Revise the Bangladesh Flag Vessels (Protection) Act, (ix) establish dedicated customs houses in the functional SEZs and EPZs.</p>	<p>CAO, NBR, Bangladesh Customs, Ministry of Shipping, MoFA, relevant ministries</p>	<p>DPs</p>	<p>June 2025- December 2027</p>	<ul style="list-style-type: none"> -Numbers of commitments under TFA implemented -Number of initiatives implemented pursuant to National Logistics Policy 2024 -Improvement in various indices of logistics performance - Revision of the Bangladesh Flag Vessels (Protection) Act - Short- to medium-term efforts are undertaken to implement the NLP -Dedicated customs houses established
<p>Strengthening the capacity of priority sectors for export diversification</p>	<p>13. Diversify exports within the RMG sector by increasing the production of apparel made from man-made fibres (MMF) and other natural fibres to align with global market trends.</p> <p>14. Fully operationalise Tannery Estate Dhaka and develop policies, schemes, and supporting environment for attaining Leather Working Group (LWG) certification for the factories in the leather and leather goods sector.</p>	<p>MoC, MoTJ, FD, NBR, DoT, Industry/exporters' associations</p> <p>BSCIC, MoI, MoC, MoTJ, Industry/exporters' associations</p>	<p>DPs</p>	<p>December 2025</p> <p>July 2025 - June 2026</p>	<ul style="list-style-type: none"> - Expansion and diversification of MMF products and markets -Tannery Estate Dhaka fully operationalized -Number of factories with LWG certification

Recommended Smooth Transition Measures	Specific Action(s)	Responsible Agency (In Bold) and Supporting Agency(s)	Potential Role of Development Partners (DPs)	Timeframe	Means of Verification
Enforcement of intellectual property rights (IPR) and enhanced support for the relevant domestic industries	15. Strengthen the capacity of the Department of Patent, Design, and Trademarks (DPDT) and the Copyright Office, establish a specialised IP court, and build the capacity of judiciaries, attorneys, lawyers, and legal enforcement agencies to ensure robust enforcement of intellectual property rights and effectively address infringement cases, particularly in the post-LDC-graduation context.	MoLPA, MoI, DPDT, Copyright Office, MoHA, MoCA, MoF, Industry associations	DPs	July 2025-June 2028	<ul style="list-style-type: none"> -Personnel and technical capacity of the relevant authorities assessed -Number of training sessions conducted for judges, legal personnel, and IP office staff -Establishment of the IP court -Enhancement of the capacity of judiciaries services related to IP protection.
Developing and implementing WTO-compatible support measures to help exporters improve competitiveness	16. Identify WTO-compliant export support measures, develop mechanisms for their effective implementation, and expand existing support measures that align with WTO regulations.	MoC, BB, BEPZA, Industry/exporters' associations	DPs	July 2025-June 2026	<ul style="list-style-type: none"> -WTO-compliant support measures identified -Support mechanisms devised and implemented -Existing WTO-compatible support measures enhanced.
Strategic Pillar 4: Building productive capacity					
Improving productivity through technological upgradation and innovation	17. Effectively implement the strategies and actions in the Bangladesh National Productivity Masterplan FY2021-FY2030 and ensure the effective implementation of the National Industrial Policy 2022, with particular emphasis on specific development initiatives.	NPO, MoI, MoF, MoFECC, and other relevant ministries MoI, SME Foundation, BSCIC, BIDA, ICT Division, MoC, MoF, NBR, BB, Industry/exporters' associations	DPs	July 2025- June 2030	<ul style="list-style-type: none"> -Outcomes of strategies and action plan are identified to track progress -Average annual productivity growth as targeted during 2021-31 achieved. -Number of new startups established and supported -Amount of funding and resources allocated to startup incubators and accelerators. -Success rate of startups in scaling up and achieving sustainability. -Number of women-led businesses registered and supported annually. -Impact assessments of initiatives aimed at supporting women's entrepreneurship. -Progress reports on the implementation of reforms and management strategies for state-owned enterprises.

Recommended Smooth Transition Measures	Specific Action(s)	Responsible Agency (In Bold) and Supporting Agency(s)	Potential Role of Development Partners (DPs)	Timeframe	Means of Verification
Building supply-side capacity by strengthening backward and forward linkages	18. Establish a low-cost strategic investment fund for developing man-made fibre and fabric production capacity and for promoting similar backward linkage activities in other priority sectors.	FD, MoI, MoC, BB, Industry/exporters' associations	DPs	July 2025-June 2029	<ul style="list-style-type: none"> - Investment fund established -Amount of funds allocated -Number of firms received support -FDI attracted in the relevant sectors
Supporting SMEs for private sector development	19. Promote women entrepreneurs, especially in export-oriented sectors and provide targeted support to cottage, micro, small, and medium-sized enterprises (CSMEs) especially related to the export sector.	FD, MoI, BB, SMEF, NBR, Industry/exporters' associations	DPs	July 2025-Continuous	<ul style="list-style-type: none"> -Number of supports received by the CSMEs -Amount invested/lent -Number of firms collaborated with SMEs -Participation of women entrepreneurs in the exporting sector increased
Skilling, re-skilling and up-skilling of the workforce (both domestic and overseas workers) by implementing national action plans, updating course curricula, and ensuring access to high-quality training resources	20. Implement the National Action Plan 2022-2027 for Skills Development in Bangladesh, and implement the National Skills, Qualification Framework (NSQF) and Competency Based Training and Assessment (CBT&A) system nationwide.	NSDA, DTE, BMET, BITAC, 16 ISCs, Industry/exporters' associations	DPs	Continuous until 2027 and consider the next strategy/plan	<ul style="list-style-type: none"> -Targets in the National Action Plan 2022-2027 for skills development achieved -Mid-term review of the action plan undertaken -An assessment of the implementation of NSQF and CBT&A undertaken
Supporting human capital development through providing quality education, affordable healthcare, and improving access to social protection	21. Increase budgetary allocation for children, education, skill development, healthcare, and social protection.	FD, MoWCA, MoE, MoPME, NSDA, MoHFW, MoSW, DGHS, and other relevant ministries/agencies	DPs	July 2025-Continuous	<ul style="list-style-type: none"> -Allocation as per cent of the budget and as per cent of GDP increased -Quality assessment of health services in public hospitals undertaken to assess improvements
Revitalising domestic investment and attracting foreign direct investment by improving the overall business climate and making the most of the SEZs and EPZs	22. Fully implement the Bangladesh Investment Climate Improvement Programme (BICIP) and introduce a new Foreign Private Investment Promotion and Protection Act to ensure investment-friendly profit repatriation, safeguard investor interests, reduce red tape, and enhance transparency.	BIDA, CAO, MoEFCC, Industry/exporters' Associations	DPs	July 2025-December 2027	<ul style="list-style-type: none"> -BICIP rolled out fully and all the actions implemented -Formulation of Foreign Private Investment Promotion and Protection Act -All the necessary indicators are included in CRM and IRMS -Number of complex administrative procedures, paperwork, red tape barriers, etc., reduced -Transparency of investment measures improved

Recommended Smooth Transition Measures	Specific Action(s)	Responsible Agency (In Bold) and Supporting Agency(s)	Potential Role of Development Partners (DPs)	Timeframe	Means of Verification
	23. Update the legal framework for corporate governance and international investment agreements with key trading partners, and establish commercial courts to streamline dispute resolution for foreign investors.	MLJPA, BIDA, MoC, Cabinet Division, Law and Justice Division, Industry/exporters' associations	DPs	July 2025-December 2027	-Legal framework for corporate governance updated -Commercial courts for foreign investors established -Engagement in international investment treaties increased
	24. Consolidate all investment promotion agencies (BIDA, BEZA, BEPZA, and HTPA) under a single authority, enhance the investment regulatory environment with policy predictability, and focus on making 5–10 model SEZs and EPZs fully operational with necessary facilities, rather than pursuing 100.	CAO, BIDA, BEPZA, BEZA, MoI, MoC, BIDA, industry/exporters' associations	DPs	July 2025-June 2029	-One separate authorisation institution established -Regulatory impact assessment conducted, and policy predictability environment improved -The number of operationalised SEZs increased
Providing incentives, and undertaking investment promotional measures to attract more private investment (domestic and foreign)	25. Conduct investment promotion activities with the involvement of foreign missions, prioritising FDI in technologically advanced export-oriented sectors such as man-made fibre-based apparel, electronics, ICT, pharmaceuticals, chemicals, and renewable energy generation.	BIDA, MOFA, MoPEMR, Industry Associations, BPDB, Power division, MoEFCC MoC, MoI, industry/exporters' associations	DPs	July 2025-June 2029	- Number of campaigns and investment promotion activities - Number of promotional activities in coordination with foreign mission - FDI in technologically advanced sectors increased substantially - Uninterrupted power supplies to industrial sectors ensured - Share of renewable energy in total energy generation increased
Advancing green transformation for improved competitiveness and future-readiness, by increasing funds for green financing, reducing carbon emissions, and improving climate resilience	26. Undertake evidence-based research to identify areas and modalities of green financing; increase funds for green financing and develop a domestic carbon market policy.	BB, MoI, FID, MoI, MoC, MoFECC, Cabinet Division, MoFA	DPs	January 2025-December 2026	- Total funds for green financing increased -Assessment reports on green financing and investment published -Domestic carbon market policy approved and mechanism developed
Strengthen institutional capacity by undertaking capacity development initiatives, enhancing accountability and transparency of public institutions and agencies,	27. Leverage ICT in all public institutions and service delivery mechanisms and undertake capacity development programmes for government officials in all relevant ministries and agencies on LDC graduation-related issues and STS policy actions.	CAO, SSGP/ERD, ICT Division, a2i, Relevant ministries and agencies	DPs	July 2025-June 2028	- Number of capacity development initiatives undertaken -Expanded adoption of ICT in public service delivery

Recommended Smooth Transition Measures	Specific Action(s)	Responsible Agency (In Bold) and Supporting Agency(s)	Potential Role of Development Partners (DPs)	Timeframe	Means of Verification
Strategic Pillar 5: Fostering partnerships and international cooperation to enhance sustainable development and bolster resilience amidst global uncertainty					
Mapping DPs interest in supporting the implementation of international conventions, negotiations for additional transition periods, and productive capacity development	28. Map development partners' interests in supporting STS implementation and mobilise financial and technical assistance to advance international conventions on human rights, labour rights, environmental protection, climate change, good governance, ESG compliance, and the development of productive capacities, particularly in technology adaptation, infrastructure, and human capital.	SSGP/ERD, FD, MoFA and other relevant ministries	DPs	July 2025– Continuous	<ul style="list-style-type: none"> -Completion of the mapping exercise -Number of countries provided additional transition period. -Important international agreements and conventions are effectively implemented. -Productive and supply side capacity improved -Financial and technical support for developing technological adaptation, infrastructure development, ICT advancement, human capital development, and skill enhancements increased
Supporting SDG implementation for boosting LDC graduation-related preparedness and building resilience against climate change-related adversities	29. Address SDG achievement and climate financing needs, and secure financial and technical assistance in fulfilling the commitments under NDCs and in implementing the National Adaptation Plan of Bangladesh 2023-2050.	GED, ERD, MOFA, MoC , FD, Mol, MoFECC, relevant ministries	DPs	July 2025– June 2029	<ul style="list-style-type: none"> -Additional financial support for SDG implementation achieved. -Progress made against NDCs targets - Collaboration undertaken in NAP implementation -Funds for climate adaptation and mitigation increased - Adaptability of sustainable energy solutions expanded
Support for strengthening the multilateral global trading system to promote a fair and development-friendly trade regime	30. Strengthen rules-based, fair, and development-friendly multilateral trading systems and work with WTO members provide support for the graduated LDCs.	MoFA, Mol, MoC, MoF and other relevant ministries	DPs	July 2025– June 2029	<ul style="list-style-type: none"> -Rules-based WTO trading system strengthened. -Extension of S&DT measures, and market access for graduated LDCs - TRIPS waiver extended for graduated LDCs - Increased participation of LDCs and graduated LDCs in WTO decision-making and world trade - Extended benefits in regional trade agreements extended.