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**AUSTR DELANEY REMARKS
AMERICAN CHAMBER OF COMMERCE BANGLADESH
TUESDAY, OCTOBER 20, 2009**

Mr. Aftab ul-Islam, President of AmCham Bangladesh,
Mr. A. Gafur, AmCham Executive Director,
Mr. Nicholas Dean, Chargé d'Affaires at the U.S. Embassy in Dhaka,
Ladies and Gentlemen,

It is indeed a pleasure to be here in Bangladesh. I have long wanted to visit Bangladesh, so I am delighted this opportunity presented itself. It is a time of great promise in the U.S.-Bangladesh economic relationship. I look forward to further deepening our already strong bilateral relations while I am here.

Businessmen in the United States and Bangladesh, including yourselves, have made great strides in building trade and investment relations between our two nations. U.S.-Bangladesh bilateral trade exceeded \$4 billion last year. At a time when global trade was faltering, Bangladesh apparel exports to the United States grew by 11 percent. We remain your single largest export market.

U.S. exports to Bangladesh are modest, but growing. Last year we exported to Bangladesh \$468 million in cotton, yarn, fabric, machinery and food grains. We look forward to boosting those numbers, including through the sale of Boeing aircraft to Biman Bangladesh Airlines.

U.S. direct investment in Bangladesh continues to grow steadily. U.S. energy companies have invested hundreds of millions of dollars over the years to help build Bangladesh's energy capacity. Bangladesh still has immense power and energy needs. U.S. firms stand ready to invest further in this sector.

The right policy environment could improve trade and investment between the United States and Bangladesh. One mechanism that can help create this environment is a Trade and Investment Framework Agreement, or TIFA.

TIFAs can yield many direct benefits. A U.S.-Bangladesh TIFA would serve as a forum for government and business representatives from our two nations to discuss economic issues of mutual interest. Its objectives include improving cooperation and enhancing opportunities for trade and investment.

The United States has already signed TIFAs with more than 30 trading partners, including Pakistan, Sri Lanka, Afghanistan, a grouping of Central Asian nations and ASEAN. We would like Bangladesh to be our next TIFA partner.

I have read with great interest the many articles in your newspapers discussing a U.S.-Bangladesh TIFA. There are some inaccuracies that have surfaced in these discussions. A TIFA does not alter Bangladesh's other trade commitments and agreements, including its WTO obligations. A TIFA looks for ways to build on those commitments and seek new opportunities for trade and investment.

A TIFA can be a stepping stone to future trade agreements between our nations, but at its heart a TIFA is simply an agreement in which both sides agree to meet regularly and explore opportunities to expand economic relations.

The Minister of Commerce and I had very productive talks yesterday regarding the TIFA. Along with my colleagues at the U.S. Embassy, we at the U.S. Trade Representative's Office look forward to further talks and, ultimately, to signing an agreement with the Government of Bangladesh.

In addition to a TIFA there are ways Bangladesh can increase its exports to the United States almost immediately. Since 2006 Bangladesh has benefitted from the U.S. Generalized System of Preferences, or GSP. GSP allows Bangladesh to export certain goods to the United States with low, or no, duties.

Despite this golden opportunity, I must be honest and state that Bangladesh has not adequately taken advantage of GSP. There are many goods Bangladesh produces that it could export to the United States under GSP. An excellent example is porcelain or china. Under GSP, Bangladesh can export to the States porcelain or china table and kitchenware duty free. Bangladesh already exports china to the United States, but I would argue that, given the strength of this sector here, Bangladesh should actively seek new buyers for its china and increase exports in this area.

GSP benefits focus on products that are less successful in getting into the U.S. market. We all know it is in Bangladesh's interest to diversify its exports. The GSP program can help you to do that. I urge you all, as successful and creative entrepreneurs, to examine the list of goods that enjoy GSP benefits and seek new U.S. markets for Bangladesh exports.

GSP benefits come with certain responsibilities. USTR is currently reviewing Bangladesh's progress on labor issues following the submission of a petition by the AFL-CIO to suspend Bangladesh's GSP benefits. I am delighted by the progress Bangladesh has made in addressing the concerns outlined in the petition.

President Obama and U.S. Trade Representative Ron Kirk firmly believe that adequate protection of the status, conditions and compensation for workers is a key component of a healthy global trading system. Bangladesh has demonstrated its resilience in the face of the global economic crisis. I am confident your great nation will remain resilient even as it expands benefits for the workforce that is at the root of Bangladesh's success in trade.

I look forward to discussing these and other issues with you. The American Chamber of Commerce long has been the centerpiece of business ties between the United States and Bangladesh. Thank you for your many contributions to building economic relations between our countries. I am confident we can find new areas of cooperation that will deepen and broaden the U.S.-Bangladesh relationship.

Thank you for inviting me to join you today.

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**As prepared for delivery*

GR/ 2009