

EMBASSY OF THE UNITED STATES OF AMERICA

PUBLIC AFFAIRS SECTION

TEL: 8802-55662000

FAX: 880-2-9881677, 9885688

E-MAIL: DhakaPA@state.gov

WEBSITE: <http://dhaka.usembassy.gov>



**Remarks
By
U.S. AMBASSADOR MARCIA BERNICAT
FOREIGN INVESTORS' CHAMBER OF COMMERCE
AND INDUSTRY (FICCI),
Dhaka, Bangladesh**

June 14, 2015

Foreign Investors' Chamber of Commerce and Industry

FICCI President Rupali Chowdhury,

FICCI Executive Director, Jamil Osman,

Members of the FICCI Executive Committee,

Other distinguished business leaders and members of FICCI,

Members of civil society,

Representatives of multilateral institutions,

Fellow diplomats,

Members of the Press Corps

As salaam-u Alaiykum

Namaskar

Shubho Aporaanno

Good afternoon

I am honored to speak with you today. My remarks will be relatively brief to leave time for questions and answers: I have expressed my excitement about Bangladesh's prospects in

numerous public venues -- so today, I would like to hear back from you, the business community... and respond to your specific comments, questions, and ideas.

The Foreign Investors' Chamber of Commerce and Industry is already well known to me as a highly respected business association with a strong track-record of advocating for the business community in Bangladesh. Your 182 members represent some of the most successful businesses in Bangladesh -- companies that have been instrumental in building Bangladesh's economy. We clearly share a sense of the importance of countries developing the full economic potential of their citizens through job creation and economic growth. We should always remember this includes improving the welfare and professional prospects of women, an area where Bangladesh is seeing significant and positive trends. Indeed, this country's economic success story has been built literally *by* its women in the Ready Made Garment sector.

Keeping our common and ambitious vision in mind, let me share my excitement at the very positive and historic visit by Indian Prime Minister Narendra Modi June 6 – 7. The agreements signed by Prime Minister Sheikh Hasina and her Indian counterpart underscored the positive trajectory for economic development across borders in South Asia through enhanced regional connectivity. They have laid the groundwork for cheaper and more reliable energy, better roads and bridges, the increased flow of people and trade, and better use of precious resources.

Our excitement at these prospects is reflected in America's own policies. President Obama has backed a strategy to increase the United States' engagement with Asia and to support efforts to better connect South and South East Asia through the Indo-Pacific Economic Corridor or what we call IPEC. The reasons for this are straightforward: The countries comprising these two regions collectively generate more than \$4.3 trillion in annual GDP and have almost 1.9 billion people.

South Asia in particular, however, remains one of the world's poorest and least integrated regions, with intra-regional trade at less than five percent of total trade, and intra-regional investment less than one percent of overall investment.

Our IPEC support is aimed at boosting energy production, reducing trade barriers, enhancing connectivity, and supporting stronger people-to-people ties. We are working with host country governments, multilateral institutions, think tanks, the private sector, and others throughout the region to address ongoing challenges, such as inadequate infrastructure and regulatory barriers.

Bangladesh's strategic location between South and Southeast Asia, its consistent six percent annual growth, its burgeoning ready-made garment sector, and its promising movement into other high-value sectors positions it well to facilitate economic connectivity. It is fitting that in September 2014, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, or BIMSTEC, opened its secretariat here in Dhaka.

U.S. assistance and policies focus on several areas where we see particularly strong potential. These include:

- Developing a South Asia regional energy market: Such an outcome would ideally draw upon the potential for clean, renewable sources of electricity in this region such as the enormous hydropower resources available in Nepal and Bhutan. It would also deploy efficiencies such as those promoted by the U.S. Agency for International Development's South Asia Regional Initiative for Energy Integration, or SARI, that facilitates transmission interconnections and the regulatory framework to enhance electricity trade and market integration in this critical region.
- Improving capacity to trade goods and services: South and Southeast Asia have limited road, rail, and port connectivity. Ports in the Bay of Bengal all suffer common challenges: shallow draughts and constraints to capacity and operations, with underdeveloped access via road and rail. Burma has no external rail connections, and South Asian countries have varying track gauges, limiting movement of goods by rail.

We applaud the Bangladesh, Bhutan, India and Nepal Motor Vehicle Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic due to be signed in Bhutan tomorrow, which will address these challenges.

- Reducing non-tariff barriers, including import licensing regimes, product standard testing, and lengthy exclusion lists, also constrain trade between South and Southeast Asia. The United States supports phase two of the cross-border sanitary and phyto-sanitary project to facilitate trade between India and Bangladesh. And USAID is developing a technical assessment of the regulatory and non-tariff barriers that prevent trade and foreign investment in South Asia.
- Fostering people-to-people ties: The U.S. is connecting groups from South *and* Southeast Asia through educational and vocational platforms. We have an established track record and will continue to bring together academics, civil society, youth, gender equality activists, and business communities to develop the prerequisite economic, political, and cultural relationships needed for pragmatic solutions to common regional issues, and overcome challenges to greater regional ties.

Along these lines, one of our most important activities is the promotion of women in business and expanding entrepreneurship through the South Asia Women's Entrepreneurship Initiative, a program that provides training, education, and access to financing, and can link aspiring and established businesswomen.

Turning to our bilateral commercial relationship . . . you have heard the trade numbers: trade is currently around \$6.4 billion a year. \$5.3 billion of that consists of Bangladeshi exports to the United States, not surprising, as we are the number one single country destination for Bangladeshi goods, overwhelmingly ready-made garments. U.S. exports to Bangladesh make up \$1.1 billion's worth of a wide-range of sectors from planes to chemicals. Can we increase these numbers? The answer is yes and I will turn to all of you to help make this a reality during my tenure in Dhaka.

With this ambition in mind, I recently participated in our semi-annual Partnership Dialogue with the government of Bangladesh. A central component of our discussions focused

on boosting economic growth through trade and investment. Secretary Kerry's Special Representative for Commercial and Business Affairs, Scott Nathan, led this part of our discussion, sharing insights drawn from his wide geographical and private sector experience. And yes, the Blue Economy was one of the new areas we discussed, as was regional trade. Our two countries will continue to develop these themes in our next Trade and Investment Cooperation Framework Agreement, or TICFA discussions, which we expect to hold later this year.

Let me also note that in March, I attended Secretary Kerry's annual conference for all U.S. Ambassadors, where Under Secretary Catherine Novelli – one of the highest-ranking U.S. officials working on economic issues - highlighted her goals to increase commercial advocacy, expand trade agenda, develop the blue economy, and, chief among these and other priorities, promote sustainable energy.

These issues are particularly relevant to the U.S. Embassy's work here in Bangladesh. My team and I continue to expand our engagement in each of these areas. We are increasing our strong support for building business ties with companies like yours.

You can see this engagement exemplified in our hard-working economic, commercial, and consular teams: in the multiple trade missions we organize to the United States every year, in multiple USAID projects, in the work of our Public Affairs Section to promote entrepreneurship and create employment opportunities for women living in economically disadvantaged communities and in facilitating travel to the U.S. to promote business and educational opportunities.

As the chief representative of the President of the United States in Bangladesh, my instructions are clear: to help this country, home to 166 million people, further develop economically and to strengthen our bilateral relationship, including our commercial ties.

I am so pleased that the United States is such a strong partner of Bangladesh's on this successful journey.

=====

**As prepared for delivery*

GR/2015