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Trade Capacity Building Case Study: Bangladesh

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Growth and Assistance Over the Years

As Bangladesh has developed rapidly, U.S. Trade Capacity Building (TCB) has served as a key tool in providing critical developmental assistance.

Bangladesh has developed significantly in the 50 years since its founding in 1971. It is now globally recognized as a rapidly growing economy with vast market potential. The United States, in the same period, has funded over \$9.5 billion in support of Bangladesh's development and has become Bangladesh's largest trading partner.^{1, 2}

The United States Agency for International Development (USAID) and the Department of Agriculture (USDA) have played key roles in Bangladesh's impressive economic growth by leading trade capacity-building (TCB) projects totaling \$124 million in funding since 1999.³ TCB programming in Bangladesh has targeted improvements to customs and business operations, sanitary/phytosanitary (SPS) measures, cold storage, and value chain development. USAID activities have spurred progress in streamlining border procedures and reducing the time required to conduct trade. USDA technical assistance, through the Food for Progress Program and Trade and Regulatory Capacity Building Division, has supported important advancements in food safety standards compliance and testing, as well as the establishment of cold chain facilities across the nation.

TCB programs have laid the groundwork for Bangladesh's future success in trade facilitation by having established best practices and identified key challenges to creating a more efficient trade environment consistent with international standards. However, these goals will likely not come to fruition without additional commitments from Bangladesh and donors to address the identified priorities.



Bangladesh has grown since independence...



\$323B USD

GDP in 2020



-5% to 8%

Annual GDP growth
from 1971 to 2019 ^{4,5}



-37%

Extreme Poverty Declined from
44% in 1989 to 7% in 2019 ⁶



... thanks in part to U.S. Government official assistance...

\$9.8B

Total USG foreign assistance obligations
to Bangladesh (1972-2022)⁷

\$379M

Total 2021 USG foreign assistance
obligations to Bangladesh⁸

\$124M

Total USG trade capacity building
obligations to Bangladesh (1999-2020)⁹

\$33M

Total 2020 USG trade capacity building
obligations to Bangladesh¹⁰



... which benefits both the U.S. and Bangladesh via trade.

81%

Growth of Bangladesh's exports
to United States: \$3.7 billion in 2009;
\$6.7 billion in 2019¹¹

475%

Growth of United States exports
to Bangladesh: \$0.4 billion in 2009;
\$2.3 billion in 2019¹²

-\$4.3B USD

U.S. goods trade balance with
Bangladesh in 2019¹³



Top U.S. exports to Bangladesh:

aircraft; misc. grain, seeds, fruit; cotton¹⁴



Top U.S. imports from Bangladesh:

woven apparel, knit apparel, headgear¹⁵

Bangladesh's Rapid Economic Growth

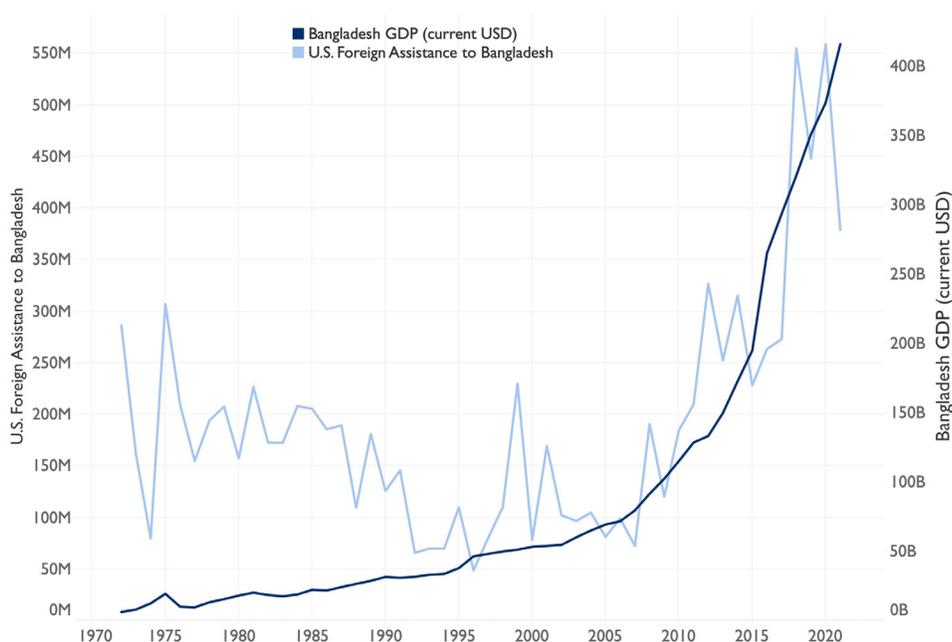
Bangladesh achieved lower-middle-income status in 2015 and is expected to graduate from the Least Developed Countries classification in 2026, having drawn from U.S. assistance to improve trade facilitation.

In recent years, pessimism concerning Bangladesh's development has turned on its head. In 2007, the World Bank President recognized Bangladesh's potential to become a powerhouse in the international market.¹⁶ International development experts at the World Bank, Center for Strategic and International Studies, and Brookings regard Bangladesh as a success story due to its impressive progress in economic and social indicators.¹⁷ Bangladesh reached lower-middle-income status in 2015 and is expected to graduate in 2026 from the United Nations' list of Least Developed Countries (LDCs).¹⁸ Poverty in Bangladesh has declined from 44 to 7 percent between 1989 and 2019.¹⁹ GDP has consistently grown at a rate of over 6 percent per year during the past decade, even reaching 8 percent in 2019.²⁰

United States Government (USG) foreign assistance has contributed significantly to Bangladesh's growth, **investing \$9.8 billion to date.**²¹ USAID programs in Bangladesh have focused on food security, democracy and governance, health, and education.²² These programs assist impoverished farmers and businesses by coordinating with Bangladesh's government agencies to develop food policy, improve supply chains, and promote private sector competitiveness. USDA technical assistance in Bangladesh has centered on agricultural programs that seek to boost farmers' incomes, alleviate poverty, and increase agricultural trade.²³ These USDA programs have been especially impactful considering 40 percent of Bangladesh's population are primarily employed in agriculture.²⁴

Bangladesh GDP and U.S. Foreign Assistance since 1972

Sources: U.S. Foreign Assistance Database; World Bank



TCB projects represent a subset of USG foreign assistance that focus on improving trade efficiency and the business enabling environment to achieve broader goals, such as economic growth, food security, and poverty reduction. Although TCB projects have helped improve Bangladesh's economic and trade environment, both programmatic and political challenges remain, such as inefficient customs and business procedures, weak sanitary and phytosanitary (SPS) measures, and insufficient commitment from local authorities to execute on planned improvements.

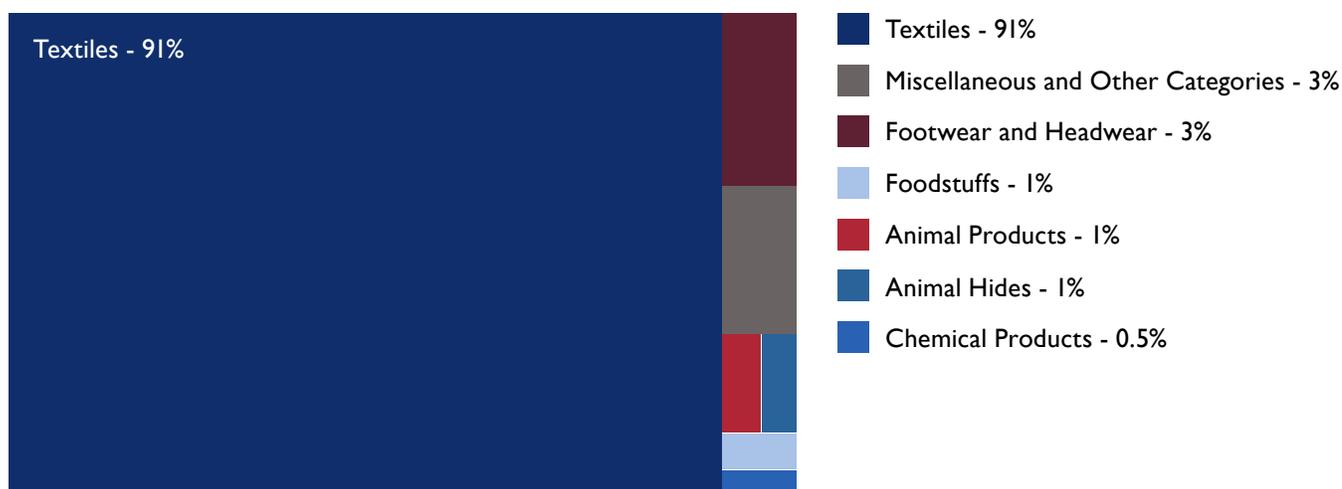
Trade Environment

Bangladesh continues to make significant improvements to its trade infrastructure and regulatory environment, while opportunities for future improvements remain.

Having maintained an annual growth rate of 5.5 percent from 2000 to 2012 and reaching 8 percent in 2019, Bangladesh has become globally recognized as a rapidly growing economy and is on track to graduate from LDC status by 2026.^{25,26} Bangladesh's economy relies heavily on labor-intensive manufacturing, and its large, low-cost labor force has created a competitive advantage over other neighboring manufacturing-intensive economies. Textile production dominates trade and the economy, accounting for 91 percent of Bangladesh's export value.²⁷

2020 HS2 Export Value Shares²⁸

Source: OEC 2020 Bangladesh Exports (HS2)



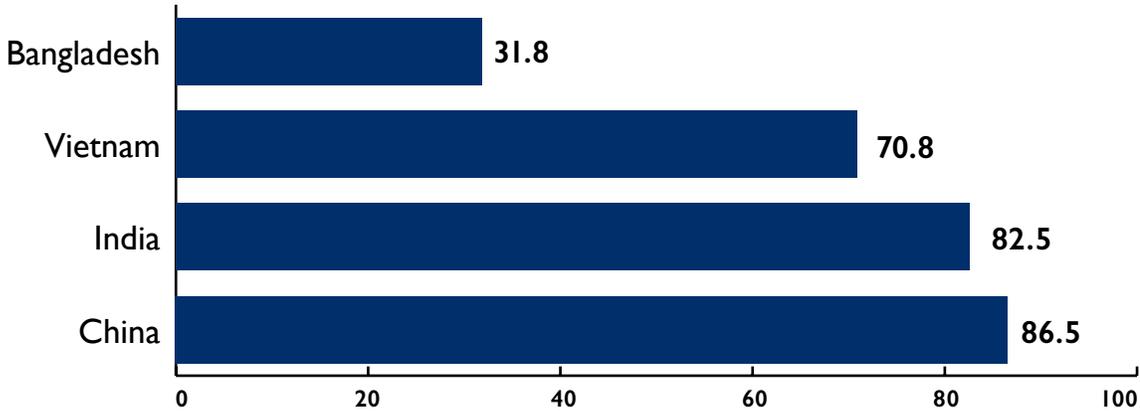
Bangladesh has begun making progress towards improving its ease of doing business scores in recent years. In 2016, the government of Bangladesh ratified the World Trade Organization (WTO) Trade Facilitation Agreement (TFA). Once fully implemented by all the WTO Members, the TFA's benefits are expected to reduce international trade costs by 14 percent and boost global export value by \$1 trillion per year, with LDCs including Bangladesh capturing a larger proportion of these gains.²⁹

Bangladesh faces many critical challenges on its path to reaching upper-middle income status. Overconcentration in ready-made garment (RMG) manufacturing became especially pronounced during the COVID-19 generated economic slowdown. A 2020 survey on a sample of Bangladesh's RMG producers found their revenues fell by 17 percent from the previous year.³⁰ While the RMG sector continues to drive Bangladesh's trade and growth, government policies are looking to diversify away from reliance on a single industry. Other **obstacles to growth include poor working conditions, increased export competition, and a burdensome regulatory environment** that prevents other industries from developing.

Bangladesh's low-lying plains provide opportunities for aquaculture cultivation. International demand for frozen seafood paired with high returns for farmers have created increased activity in this industry.³¹ However, Bangladesh farmers struggle with low productivity levels; increasing input costs; and climate-caused erosion and infrastructural damage to floodplains where shrimp and prawn farming occurs.

Bangladesh also faces numerous international, commercial, infrastructural, and regulatory challenges. In the 2020 Trading Across Borders report, which estimates the total time and costs of exporting and importing a shipment of goods, Bangladesh ranked 176 out of 190 while its neighbor – and frequent trade competitor – Vietnam ranked 104.

Trading Across Borders Scores³²



Trading across Borders is a topic under the overall Doing Business score. It specifically measures the time and costs required to export and import, including documentary and border compliance.

Source: Doing Business 2020

Low Trading Across Borders scores illustrate a disjointed business environment that impedes the documentary and border compliance processes and disrupts trade overall. For example, a 2017 USAID study found Bangladesh's Chittagong port is burdened with inefficient processes; it lacks cargo handling equipment and is constantly congested with transit delays of up to 10 extra days.³³ Furthermore, lack of proper roads or storage facilities at land ports contributes to food safety issues. The USAID study concluded that inadequate food safety standards and testing institutions further contribute to health compliance challenges. Additional obstacles cited in the study include internet connectivity issues, inadequate knowledge of customs clearance requirements, and deficient goods declaration equipment.

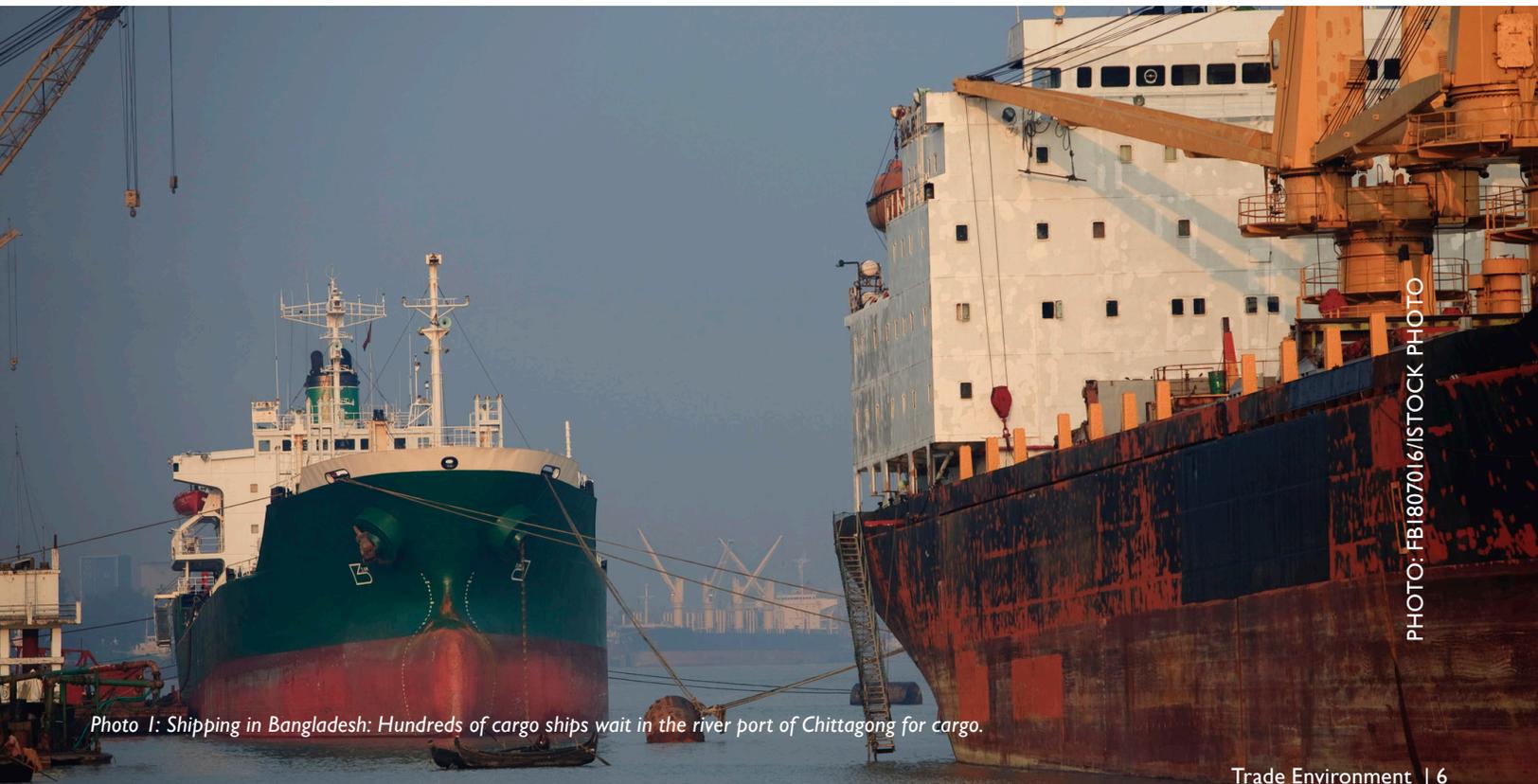


Photo 1: Shipping in Bangladesh: Hundreds of cargo ships wait in the river port of Chittagong for cargo.

PHOTO: FBI807016/ISTOCK PHOTO



PHOTO: JOSH ESTEY, USAID

Photo 2: Factory workers in Gazipur receive training on use of fire extinguishers. Source: medium.com

Highlight: Worker Rights and the U.S. GSP

Workers' rights and workplace safety have increasingly raised concerns in bilateral relations between the United States and Bangladesh. In 2013, the Obama Administration suspended Bangladesh from the U.S. Generalized System of Preferences (GSP) program over its failure to uphold the program's statutory requirements on workers' rights and workplace safety.³⁴ During the annual GSP assessment, several fatal worker incidents in Bangladesh underscored the urgency for worker safety improvements. In November 2012, 112 workers lost their lives in the burning Tazreen Fashion factory; and in April 2013, 1,132 were killed and 2,500 injured in the Rana Plaza building collapse.³⁵ While Bangladesh's RMG industry had previously garnered attention for its contribution to Bangladesh's remarkable economic growth, these incidents revealed the hazards and injuries workers were forced to endure. In the absence of effective workplace inspection and enforcement systems, workplace accidents have continued across industries.³⁶

GSP suspension is intended to incentivize the Government of Bangladesh (GoB) to address its labor safety concerns. However, the GSP suspension on tariff-free access affected only 1 percent of all exportable items to the United States, including tobacco, plastic products, and sports equipment.³⁷ Considering Bangladesh's primary exports of textiles and apparel are prohibited from GSP treatment, the suspension has had minimal effect on its trade with the United States.³⁸ At the time of the suspension, the United States issued a plan that outlined the actions the GoB must take to have its GSP benefits regranted.³⁹ Some of these actions for labor, fire, and building standards included increasing the number of inspectors, expanding resources to conduct effective inspections, raising sanctions on violations, and establishing a hotline for workers to anonymously report any safety violations.⁴⁰

Bangladesh has also made efforts to address labor safety alongside other members of the international community. The Sustainability Compact was formed as a multi-government effort with the International Labor Organization (ILO) to improve Bangladesh's labor rights in the RMG industry. In its last review in 2018, the Sustainability Compact determined Bangladesh must do more to align its labor laws with international standards.⁴¹ Based on these findings, Bangladesh's workers' rights were considered inadequate to fulfill GSP requirements. The United States continues to work with the Bangladesh government to ensure further progress on workers' rights.

Project Highlights

Customs and Business Operations

Assistance to improve and modernize customs offices and operations by lowering trade costs and reducing trade time.

Sanitary and Phytosanitary (SPS) Measures

Assistance to comply with basic rules on food safety and animal and plant health standards to ensure that food is safe to eat. Countries may set their own standards, but by international agreement, the regulations must be based on science.

Cold Chain

A temperature-controlled, transport supply chain network used to preserve perishable products.

Value Chain

Actors and activities connected in sequence from producing to delivering goods to final consumers.

Bangladesh Trade Facilitation Activity (BTFA) 2013-2018 – USAID – \$12 million

BTFA contributed to Bangladesh's development goals through addressing trade congestion by lowering the cost and time required to conduct trade. Its activities sought to strengthen Bangladesh's trade capacity through improving customs procedures in compliance with the WTO's Trade Facilitation Agreement (TFA). Prior to BTFA, there was no central repository of trade customs information, and every cargo shipment was inspected. BTFA mitigated processing delays, with programs enhancing transparency and risk management, including its public Customs Information Portal, National Enquiry Point, Authorized Economic Operator, and risk management system.

Bangladesh Improving Trade and Business Enabling Environment (Feed the Future Bangladesh Trade Activity) 2019-2024 – USAID – \$20 million

After BTFA, USAID funded this project to foster economic growth and food security in Bangladesh. Feed the Future identified a need for improved agricultural productivity and diversification within an enhanced business enabling environment.⁴² This project's predecessor, BTFA, did not directly address challenges to agricultural trade. This activity concentrates on facilitating trade through expediting clearance times for perishable goods, improving food safety procedures, and simplifying business operations.

Bangladesh Trade Facilitation Project (BTF) 2020-2025 – USDA, Food for Progress Program – \$18 million

Sharing goals with the Feed the Future Bangladesh Trade Activity to expand cross-border trade, the USDA funded BTF to further develop Bangladesh's food security and agricultural trade. BTF's planned activities include transparent information programs in compliance with the WTO TFA, enhancing pre-clearance processing, and strengthening risk management systems along World Customs Organization (WCO) guidelines, and advancing health testing procedures and laboratory capacity. BTF distinguishes itself from past projects by planning infrastructure investment activities to handle perishable goods at the border, including facilitating private and public investment in cold storage.

Bangladesh Sanitary and Phytosanitary Trade Capacity Building Program, 2019-2022 – USDA/USAID – \$1.7 million

Under this Participating Agency Program Agreement, USDA is drawing upon the expertise of its technical agencies, regional agricultural institutions, agriculture technical consulting firms, and in-country partners to improve Bangladesh's ability to reform its institutional regulatory systems. Increasing Bangladesh's institutional capacity will enable sustainable adoption and implementation of obligations under the international SPS Agreement of the WTO, support Bangladesh's increasing competitiveness in the regional and global marketplace, and benefit both the Bangladesh and United States by helping it become a more reliable trading partner.

Safe Aqua Farming for Economic and Trade Improvement (SAFETI) 2016-2021 – USDA, Food for Progress Program – \$15.7 million

SAFETI aimed to expand trade and improve productivity within the growing shrimp and prawn sub-sector in Bangladesh. The project engaged across the value chain to boost farmers' incomes and improve food safety. SAFETI improved farmers' harvesting techniques, built capacity within laboratories, and worked towards enhancing food safety regulation.



PHOTO: SAFAYET SABIK

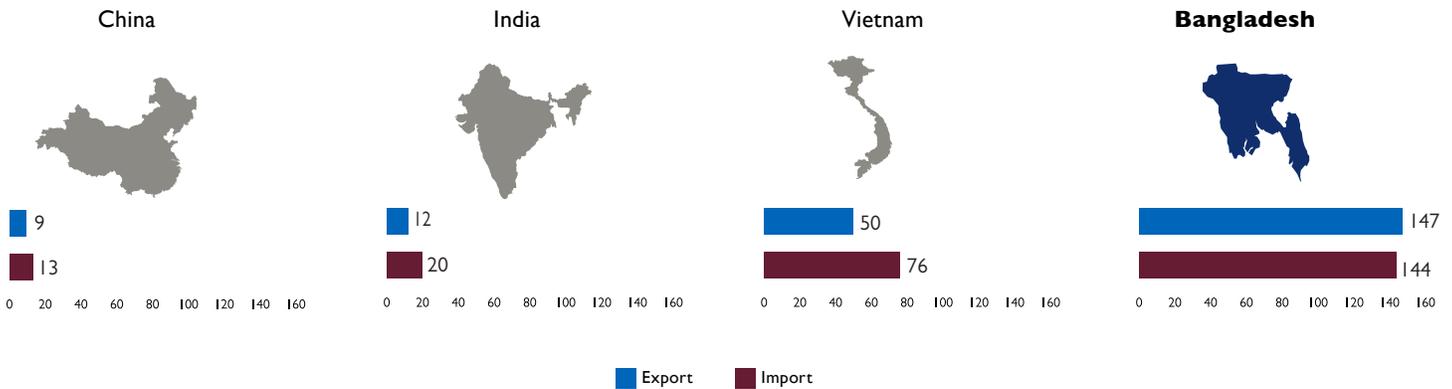
Photo 3: Ullapara, Sirajganj, Bangladesh - May 18, 2022: A small group of laborers unloading paddy from a freight train.

Trade Capacity Building in Bangladesh

TCB projects have promoted essential improvements in customs and business procedures, sanitary and phytosanitary (SPS) measures, cold chain, and value chain development.

The United States continues to fund key trade facilitation projects in Bangladesh for expediting the movement, release, and clearance of goods, as well as improving coordination among, and capacity of, border clearance and related regulatory authorities. These activities contribute to reducing trade barriers and result in measurable improvements to the economy. USAID has funded projects that aim to improve Bangladesh's trade environment by reducing export delays, expediting the import clearance process, and implementing risk management systems. Recent attention has turned to the agricultural sector, which offers growth potential and a means to promote food security. USDA has funded value chain and trade facilitation activities which seek to aid suppliers' livelihoods and contribute to agricultural export potential. All these projects strive to streamline customs procedures and regulatory systems and contribute to long-term efforts to build upon Bangladesh's existing institutional capacity.

Evaluations and assessments of TCB projects identify key priorities for future trade facilitation improvements. However, even prioritized capacity building efforts still face institutional roadblocks. For example, Bangladesh's civil service rotation policy, in which staff must rotate out of their position after two years, creates complications for knowledge retention from the highest to lowest levels of local agencies.⁴³ With this in mind, ensuring sustainability of invested time and funds continues to be a challenge for existing projects.



Time to Trade: Documentary Compliance (Hours)⁴⁴

Among its competitors, Bangladesh's documentary compliance is the most time consuming. Documentary compliance involves submitting the necessary forms to import or export from the country of origin.⁴⁵

Source: Doing Business 2020

Bangladesh's consistently low Trading Across Borders scores point to a trading environment hindered by operational inefficiencies and capacity constraints.⁴⁶ These deficiencies can cause shipment delays, cargo damage, and order cancellations. The Bangladesh Trade Facilitation Activity (BTFA) and Feed the Future Bangladesh Trade Activity are two USAID-led TCB projects that provided technical assistance to lower the cost and time to conduct trade. The BTFA effectively streamlined the Bangladesh Customs Administration's processes and the Feed the Future Bangladesh Trade Activity is working to enhance the business enabling environment through its work with stakeholders including growing businesses, private sector trade organizations, and government agencies.

Bangladesh Trade Facilitation Activity: To reduce customs clearance times, the BTFA improved trade processing by expanding access to trade-related information through its public Customs Information Portal, National Enquiry Point system, and Authorized Economic Operator Program. BTFA also implemented a modified risk management (RM) approach, which aligns with WCO standards and is a foundational trade facilitation activity that significantly reduces processing time. This system divides shipments by risk level and allows Customs to allocate scarce resources from low- to high-risk shipments.

BTFA's information portals and RM activities mark progress in efforts to reduce trade congestion and are expected to have greater effects over time as the programs take effect and become more widely used. The 2020 Doing Business Report indicates Bangladesh border compliance times were 168 hours for exporting and 216 hours for importing. Documentary compliance times were 147 hours for exporting and 144 hours for importing.⁴⁷ The United States reported that BTFA achieved its import target on documentary compliance measures with significant improvements and notable progress overall. Compared to 2016, 68 percent more declarations were processed within 24 hours than in 2018.⁴⁸

Feed the Future Bangladesh Trade Activity: The Feed the Future Bangladesh Trade Activity is a USAID project that focuses on enhancing food safety procedures and facilitating food related trade. It seeks to combat the detrimental effects trade congestion can have on food product trade by providing technical assistance, improving regulatory systems, and building capacity within food safety agencies. One of the project's main activities seeks to increase agricultural export competitiveness within an enhanced business enabling environment. **The project identified important ways to ease business operations through digitizing and streamlining antiquated processes.** Through this program, Bangladesh has already implemented an electronic auction system which expedites movement along the value chain, improves goods quality, and reduces port congestion through automation. The Feed the Future Bangladesh Trade Activity aims to eliminate superfluous documents and procedures and to register businesses fully online in the coming years. This work relating to food safety procedures lays the groundwork for sanitary and phytosanitary (SPS) projects.

Sanitary and Phytosanitary (SPS) Measures

Effective implementation of SPS measures is critical to mitigating food safety risk and fostering agricultural export growth. **Bangladesh's entangled regulatory system has been a continuing challenge to its agricultural trade.** Currently, food safety and inspection responsibilities are divided among 15 different ministries and 18 agencies.⁴⁹ This lack of regulatory coherence creates unnecessary confusion, costly regulatory burdens, and duplicative requirements among agencies. Further, it compromises Bangladesh's efforts to meet the United States and other countries' import requirements. USAID and other donors have focused on solving these complex issues through a number of programs over the years. In doing so, USAID has better positioned Bangladesh, including its less developed rural areas, to take advantage of higher prices for their products in global markets.

Bangladesh Sanitary and Phytosanitary Trade Capacity Building Program: Through the Bangladesh Sanitary and Phytosanitary Trade Capacity Building Program under the Food Safety Network Partnership, USDA and USAID focus on strengthening the phytosanitary system in Bangladesh by working with government institutions, regulatory authorities, and the private sector. The program aims to improve the regulatory system and enhance SPS compliance with pesticide trade standards and procedures. The activity seeks to strengthen the institutional capacity of the Plant Quarantine Wing and Plant Protection Wing of the Department of Agricultural Extension under the Ministry of Agriculture and other related stakeholders to operationalize the National Plant Protection Organization.

The Feed the Future Bangladesh Trade Activity provided technical assistance to BFSa in developing health guidelines and defining other agencies' roles to resolve frictions in food safety oversight. It also supported Department of Agricultural Extension (DAE) training for developing Bangladesh's SPS measures and related health guidelines. Some of the guidelines provided by the Trade Activity to DAE included SPS risk-based controls, standard operating procedures for developing food assurance schemes, the regulation of food product traceability and guidelines for the proper use of pesticides, and the establishment of fresh produce packing houses. These guidelines have been accompanied by training on food safety regulations, the Food Safety Act of 2013, and two training courses on SPS and WTO Commitments.

Bangladesh Trade Facilitation: The USDA Bangladesh Trade Facilitation (BTF) project seeks to improve laboratory food safety testing capacity and incentivize cold storage investment. Building laboratory capacity is crucial to improving processing times and ensuring compliance with SPS requirements. BTF seeks to expand the scope of laboratory testing and develop systems to automate testing and electronically transmit lab results to relevant border agencies. The BTF evaluation also recommends establishing pilot programs to test the privatization of testing functions, which would further streamline certification processes, expand food product trade, and complement government agency staffing capacity.

SPS Trade Capacity Building Program: The SPS Trade Capacity Building Program, an interagency partnership of USDA and USAID, focuses on strengthening the phytosanitary system in Bangladesh by working with government institutions, regulatory authorities, and the private sector to improve the regulatory system and enhance compliance with pesticide trade standards and procedures.

USDA continues its long-term partnership with the Government of Bangladesh, specifically the Department of Agricultural Extension, its respective wings, and other institutions and collaborators. The program is implemented in collaboration with Asia-Pacific Association of Agricultural Research Institution (APAARI).

Feed the Future Food Safety Innovation Lab: In 2019, Feed the Future Food Safety Innovation Lab (FSIL) – run jointly by USAID, Cornell University, and Purdue University – launched a project to improve food safety measures. This project trains inspectors on risk identification, works with partners to evaluate stakeholder capacity, and advocates for improved food safety working conditions. FSIL also introduced projects in Bangladesh that assess food safety risks, enhance food safety in fish and chicken value chains, and respond to COVID-19 food security challenges.⁵⁰

Cold Chain

Contamination along the food supply chain is one of the greatest challenges facing agricultural trade in Bangladesh today. Past studies have estimated postharvest losses along the vegetable market chains can range from 5 to 39 percent.⁵¹ Moreover, a 2015 assessment found that Bangladesh's cold chain actors did not understand the importance of maintaining temperature control throughout the supply chain.⁵² To improve product quality and to reduce food loss, USAID has focused on making improvements to

food safety policy, cold chain facilities, and climate-controlled transport and storage equipment.⁵³

Cold Chain Bangladesh Alliance: USAID’s Cold Chain Bangladesh Alliance (CCBA) conducted a pilot project between 2013 and 2016 to establish Bangladesh’s first integrated cold chain and deliver high-quality agricultural products to market.

CCBA programs reduced postharvest loss from 6 percent to 3 percent.⁵⁴

Safe Aqua Farming for Economic and Trade

Improvement: The USDA Safe Aqua Farming for Economic and Trade Improvement (SAFETI) project linked farmers with processors to “chill kill” and transport products with ice in accordance with food safety and hygiene standards. “Chill kill” is a process that involves homogeneously cooling live prawns in an ice slurry until they reach 34-36F, resulting in superior quality at the point of sale. Prior to the project, only 7 percent of farmers used chill killing practices and 13 percent used ice during transport.⁵⁵

Bangladesh Trade Facilitation: Though still in its early stages, the USDA BTF project also aims to incentivize private and public investment in cold storage to handle perishable goods at the border. **BTF efforts to expand SPS testing and cold storage facilities will have the combined effect of facilitating agricultural trade by reducing product clearance time and export rejection.**

Value Chain

While other trade facilitation activities aim to reduce trade congestion, value chain development in Bangladesh has focused on key upstream challenges within the agricultural sector. In a 2013 study, **USAID identified shrimp and prawn aquaculture as one of the sectors with the highest export performance potential.**⁵⁶ As a result of these findings, from 2013 to 2020 USAID and USDA gave significant attention to the shrimp and prawn sub-sector to advance Bangladesh’s food security and poverty reduction goals and expand exports. Given the overall success of the programs in increasing farmers productivity and production, USAID has shifted its focus to other areas.

Safe Aqua Farming for Economic and Trade

Improvement: The USDA SAFETI project identified several main drivers and barriers affecting farm and shrimp harvesting productivity. Impediments included a lack of disease-free seed, farmer’s lack of knowledge of modern production technologies, and a shortage of appropriate financing mechanisms to support infrastructure development.⁵⁷ SAFETI

therefore aimed to improve farming practices and to boost productivity by introducing disease management techniques and improving harvest quality with sanitary controls. The project’s activities provided farmers with increased knowledge of pH testing, sampling health checks, and higher-quality feed and financing sources. The project engaged stakeholders across the value chain to build capacity among input suppliers, processors, and regulatory officials. The SAFETI project reported **farmers that received SAFETI training saw significant product quantity and quality increases.** Average productivity among participating shrimp and prawn farmers increased their production from 569 kg/ha in 2018 to 664 kg/ha in 2021.^{58,59} Improved practices and resources, including “chill kill” and ice transport, helped increase the program’s farmers’ average productivity by 18 percent from 2018 to 2020.⁶⁰



Photo 4: FFP and FTF work together to promote aquaculture in Bangladesh

Conclusion

The expanded economic opportunities bolstered by U.S. TCB, alongside firmly established labor rights will meaningfully enhance the livelihoods of the Bangladesh people.

Throughout Bangladesh's remarkable progress toward sustainable and equitable growth, the United States has provided assistance along the journey. To best support Bangladesh, the United States followed data-backed evidence and focused primarily on four areas: customs and business operations, sanitary and phytosanitary measures, cold chain, and value chain. The resulting TCB programs totaling \$124 million since 1999 have expanded economic activity, increased export volumes, and raised living standards.

Implementing the Bangladesh action plan for addressing labor safety and rights concerns would enhance domestic working conditions and overall public safety for the people of Bangladesh. Additionally, it would serve to strengthen relations with the United States and other important trading partners.

Bangladesh's economic achievements to-date have resulted in the World Bank reclassifying it as a lower middle-income country in 2016 and positioned it to graduate from Least Developed Country status in 2026. Even as Bangladesh progresses along the economic development path, the United States continues to provide assistance. USAID and USDA have recently obligated nearly \$40 million for two projects through 2025 highlighting the U.S. intention of continued support.



Photo 5: Woman drying fish.

Endnotes

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