



## Rich countries must help Bangladesh cope with global price shocks, says UNDP Administrator

*Dhaka, Bangladesh, 19 March 2008*—The international community, including oil-rich countries, should increase support to Bangladesh as the country struggles to cope with global price shocks, while simultaneously trying to strengthen its democratic systems, according to Kemal Derviş, Administrator of the United Nations Development Programme (UNDP), who wrapped up a three-day visit to this South Asian country this week. During his trip, he met with high-level officials, including leading economists. They discussed international commodity price shocks and their consequences for the poorer, food importing countries of the world, like Bangladesh.

Rising food prices are a big concern for most people in Bangladesh, where roughly 40 percent of the population lives below the poverty line, and poor households spend nearly 70 percent of their income on food items. In December, annual food inflation in Bangladesh reached 16 percent, and prices of the most important essentials, like rice and oil, increased more than that in the last year.

“The real issue is protecting the vulnerable from these shocks,” said Mr. Derviş. “The international community cannot leave these huge world events unattended.”

The situation in Bangladesh is exacerbated by food shortages resulting from two devastating floods and Cyclone Sidr that decimated crops last year.

Mr. Derviş noted that Bangladesh stands at an important moment in its history. “It is determined to build stronger democratic institutions and deeper practices of democracy. At the same time, it is facing enormous challenges, such as rebuilding after the devastating floods and Cyclone Sidr and responding to global price shocks,” he said.

Mr. Derviş called on the international community to do more for Bangladesh. “Support from oil-rich countries, as well as other donors, could have positive benefits for Bangladesh and other lower income countries,” he said. “What happens here is particularly important to the people of Bangladesh, but a successful democratic Bangladesh that can overcome political and economic difficulties is an example to other lower income countries, to the Muslim world, and many other countries facing similar problems.”

During his visit to the country, he travelled to Jhalakati and Barisal, south of Dhaka, to visit UNDP-supported projects. He toured a voter registration centre where digital technology will prevent electoral fraud in the upcoming election, and a project to help slum dwellers create small businesses and build clean water sources and sanitation facilities. “I had an opportunity to see with my own eyes the resilience of the people of Bangladesh in the face of considerable economic hardship.”

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