

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## GROUP 3(e) - BASIC DOCUMENTATION

### Agricultural Policies

#### Addendum

#### BANGLADESH

The agricultural output in Bangladesh suffered a sharp decline after liberation of the country because of four consecutive crop failures. In the backdrop of such a scarcity situation, the year 1972/73 witnessed the most serious drought of recent history. For a country which was already deficit in food production, this situation, coupled with an ever-increasing population, posed a serious challenge. The dimension of the problem can be assessed from the total import of foodgrains in 1972/73 which was estimated at 2,800 thousand tons.

On this background, when the first Five-Year Plan of the country was launched in 1973/74, it was only natural that agriculture would be given the highest priority. This happened for several important reasons as enumerated below:

1. An increase in production of commodities in agricultural sector has direct impact on price level, particularly on the prices of essential commodities.
2. Employment generation in agricultural sectors requires relatively small amounts of capital per unit of employment and output.
3. Its scope for import substitution is greater than any other sector.
4. It promotes social goals by devising development activities to attain a better distribution of income and by raising the standard of living of villages.
5. Proper development in agricultural sector can promote export earnings which are urgently needed to reduce the foreign exchange gap.
6. Agricultural sector has the greatest scope for the expansion of output in relation to investment.

In the first Five-Year Plan of Bangladesh as much as 24 per cent of the total financial development outlay of Taka 44,550 million has been earmarked for agriculture and water - this being the single highest sectional allocation.

The main objectives of the first Plan as far as agriculture is concerned are as follows:

1. Achieving self-sufficiency in food by the end of the Plan period. The aim is to eliminate gradually the deficit in food requirement running at 1,200 thousand tons in 1973/74, when net foodgrains production was 10,840 thousand tons. By 1977/78, the total net foodgrains production is expected to go up to 13,900 thousand tons. The Plan's target is to increase production of the following important crops substantially:

Figures in thousands

Crops	Unit	Bench-mark production	Plan target (1977/78)	Percentage increase over column 3
1	2	3	4	5
Rice	Tons	11,240	15,080	34
Wheat	Tons	90	360	300
Jute	Bales	6,600	9,100	37
Sugar cane	Tons	6,000	7,420	24
Potato	Tons	780	1,100	41
Tobacco	Pounds	87,000	147,500	69
Cotton	Bales	1,300	6,300	384.6

Note: Bench-mark production relates to the average of three years from 1968/69. For jute production excludes mesta.

The following are some of the measures adopted to achieve successful implementation of the agricultural programme as set out in the first Five-Year Plan:

- (i) Introduction of high-yielding varieties of food;

- (ii) To bring more areas under double and triple cropping;
- (iii) Supply of fertilizers, insecticides and pesticides at subsidized rates;
- (iv) Land reforms;
- (v) To make credit facilities available to the peasants in villages;
- (vi) Better and wide-spread agricultural extension service;
- (vii) Better irrigation and gradual implementation of flood control projects.