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Press Release



Speaker urged on the Eve of G8 summit

Debt Burden Eating-up MDGs Bangladesh Demands Total Debt Cancellation

External debt must be cancelled to achieve MDGs of Bangladesh as well as other poor countries. UN declared Millennium Development Goals in 2000; nonetheless industrialized nations did not keep their promises to help achieve these goals. Though extended support is needed to face food crisis, price hike of fuel and climate change, Bangladesh is spending more on external debt service than on health or education.

In 2007, the country had to pay US\$ 1551.3 million for external debt servicing which is 18% (2.4% of GDP) of total government expenditure of that year. During the same year, public spending on education and health were 16.5% and 7.4% of total spending respectively. In this context, if rich countries do not keep their promises to provide 0.7 % of their GNI unconditionally to poor nations; MDGs achievement would not possible by 2015. Speakers reiterated this concern in the press conference organized by SUPRO on 2 July 2008 at Dhaka Reporters Unity, Dhaka.

On the eve of G8 summit to be held in Hokkaido, Japan from 7-9 July 2008 – SUPRO organized this press conference. SUPRO chairperson Abdul Awal placed the welcome speech, Mohammad Shahid Ullah, coordinator read out the written statement. While researcher Monower Mostofa and Prodip Kumar Roy – CEO of SUPRO replied various questions of journalists.

Speakers said that debt sustainability has been considered as the ratio of debt service payments to export earnings or GDP, these calculations do not take into account estimated requirements of spending of MDGs, which makes it debatable and unacceptable. Bangladesh has been considered as debt sustainable as export earnings and growth has been increasing over time. G8 country has written of debt burden of 18 countries but not considering debt cancellation of Bangladesh. Speakers demanded that debt sustainability should be redefined considering the level MDGs achievement and needs.

Speakers also demanded, the international community including the G-8 must take necessary steps immediately to ensure total debt cancellation for Bangladesh; additional fund should be released to mitigate the adverse effect of climate change and subsidized bio-fuel production must be stopped which created food crisis globally.

From this press conference it was urged to the government of Bangladesh to take effective steps to uphold the demand of debt cancellation and take necessary measures in international forum including UN to cancel the debt of Bangladesh.