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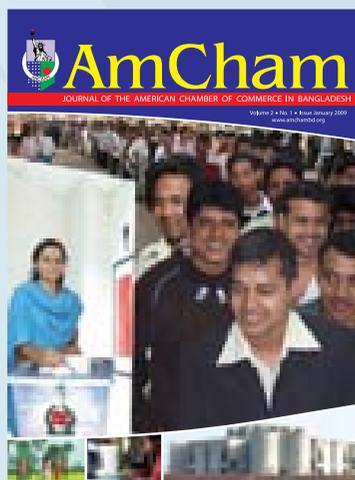
JOURNAL OF THE AMERICAN CHAMBER OF COMMERCE IN BANGLADESH

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AmCham Journal is a quarterly magazine of news and views for management executives and members of the AmCham in Bangladesh.

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President's Memo

Syed Ershad Ahmed

President, American Chamber of Commerce in Bangladesh



Syed Ershad Ahmed

Happy Holidays and Happy New Year 2009!

The American Chamber of Commerce in Bangladesh (AmCham) is happy to present its fourth quarterly Newsletter. Year 2008 was quite an eventful year for both the country and AmCham.

Country witnessed the biggest event this December - the parliamentary election, which according to many, was a free and fair election. Foreign and local election observers, donor community, and others involved echoed the same view and expressed deep satisfaction over this election. The Election Commission and of course the Interim government deserve Kudos for this great success. While talking about the Interim government, we must say that they have been successful on most of their undertakings and certainly completely successful on holding the election. We believe all political parties would behave positively and deliver their responsibility with utmost sincerity. Now the party in power, Awami League led Grand Alliance, with landslide victory, has huge responsibility of taking the country ahead. As usual, there are some challenges ahead specially in the face of global slowdown on trade and investment, they have to take every step with utmost caution. We would like to see Awami League fulfill their commitment they made before the election and thereby help institutionalize Bangladesh democracy. The citizens of this country would also like to see Bangladesh Nationalist Party (BNP) play their due role in taking the country ahead.

There are of course many issues ahead of the elected government. In the short term, we strongly feel that they need to focus on some burning issues which include, but not limited to:

- Price of essential commodities: Need to devise effective mechanism to control pricing of essential commodities. Among others, they need to concentrate on increasing agricultural production, ensure effective supply chain management, and monitor market effectively.
- Law and order situation: Newspapers reporting oppression on opposition political groups, which should be addressed immediately. Rules of law always should be upheld.
- Good governance: Good governance should be ensured at all levels. Awami League needs to remain far away from politicization.
- Parliament: The honorable elected parliamentarians may please be reminded that Parliament is an important place and efforts should be made towards making this an effective decision making house.
- Bureaucracy: The government may please keep an eye on bureaucracy so that it can not hold bar to initiatives that can help improving conditions of the people of this country.
- Investment: Investment scenario has been gloomy for some time already. Not only number of investment proposals went down, but also some investment proposals remained undecided. Proposals should receive immediate attention and prompt decisions should be made. This will encourage prospective investors come forward with proposals. More importantly, the Board of Investment (BOI) should be made more active. If needed, experts from private sector may be involved in the evaluation process.
- Chittagong Port: The efficiency of the port, achieved during the Interim government, should be allowed to continue for a better Bangladesh. If interest groups are allowed to be active, country will lose its competitiveness.
- Media: Undoubtedly, media in Bangladesh is playing increasingly strong role. They should be allowed to continue doing that without any control

so that they can also take part towards better Bangladesh.

Furthermore, there are lots of issues that need to be addressed in the long term like developing infrastructure, improving living conditions of the poor, population control, spreading education, HR development, strengthen economic diplomacy, etc. Among infrastructure power tops the list. We would like to see this government fulfills their commitment by carrying out 3-year implementation program for power projects and increase generation to 7,000 MW by 2013 from 5,000 MW currently. As gas reserve is depleting shortly, government should focus on increasing gas reserve. To this end, contracts should be awarded to the companies that won the bidding for Offshore Bid Round 2008, so that drilling process starts without much delay. At the same time, Coal Policy should be finalized which will help making decision on pending FDI proposals. This will also generate fresh FDI.

This last quarter was also eventful for AmCham as some important personalities graced monthly lunch meetings. In October lunch meeting, AmCham invited Dr. Debapriya Bhattacharya, Ambassador and Permanent Representative of Bangladesh to the WTO and UN Offices in Geneva, who spoke on "WTO and Bangladesh". In November lunch meeting, AmCham invited H.E. Dr. Stefan Frowein, Ambassador and Head of the Delegation of the European Commission, who spoke on "Election, Democracy and Development". And in December lunch meeting, AmCham invited Honorable Sheikh Hasina, President of Bangladesh Awami League, present Prime Minister, who spoke on her government's economic agenda.

People of Bangladesh have mandated this government to serve the country again. We expect that Awami League will learn lessons from the past and lead the country with utmost sincerity and help country alleviate poverty and ensure economic freedom. And in doing so, they should seek opposition support and we expect opposition should come forward with constructive ideas. Decisions should be made on economic ground rather than emotions or political ground. A better Bangladesh is everyone's dream, and everyone should play their due role towards this noble goal. Finally, the AmCham Board would like to take this opportunity to thank its members for always being so supportive to AmCham matters. Before I conclude, I would like to welcome all to the US Trade Show at Dhaka Sheraton Hotel on February 26-28, 2009.

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AmCham in Action

A. Gafur

Executive Director, American Chamber of Commerce in Bangladesh



A. Gafur

It is quite encouraging and inspiring that the massive amount of support AmCham Journal has been enjoying from the AmCham Members and its Readers since its inception in February 2008. All of our Members deserve appreciation and thanks for their continued outstanding support to the Journal and AmCham activities. I offer profound thanks to AmCham members who have been making significant contribution providing advertisements and intellectual cooperation to AmCham Journal.

Bangladesh is recovering from the mammoth organization of the national election on December 29, 2008. About 87% voters took part in this long awaited election and gave their clean verdict for change. The election has been remarkably well-participated, well-organized and widely peaceful. For the first time the voters list included the photograph of the voters in the list of voters. This largely prevented malpractices and rigging in the process of voting. The voters were found highly enthusiastic to use their right to vote. The demonstration of discipline during the

voting is praiseworthy. Most of the national and international poll observers expressed their deep satisfaction at the proper governance of the polling by the Election Commission and certified that the election has been fundamentally satisfactory and credible. They further opined that the Election of Bangladesh met most of the standards normally found in election of the developed democracies.

Now the immediate challenge for the newly elected Government is to set the country to right track. The urgent task should be to ensure the continuation of policies and programs of the immediate past government, mainly to continue the drive against corruption, terrorism and mal-governance. The outstanding achievements at the Chittagong Port, Judiciary and other areas have to be maintained and sustained. The politics of cooperation and reconciliation has to be established. The expectations of the people are running very high and the Government should demonstrate that they are devising all kinds of policies and strategies and taking actions that



conform to the desire of the people of Bangladesh.

The popular demand to establish good governance, fighting corruption, ensuring education for all, participatory and functional parliament, supportive bureaucracy, improved infrastructure, faster economic development, rethinking on national matters, promoting innovative ideas, rule of law, etc. should receive the highest possible consideration from the Government.

We observe a new beginning in the society and in the country. The business community has started sensing badly required stability and predictability in the future operation of their businesses. As usual AmCham is optimistic about the dignified future of Bangladesh and it would redouble its efforts towards building a dynamic and prosperous Bangladesh through the promotion of increased trade and investment related activities. Some of the past activities of AmCham have been recorded below:

December 23, 2008: Economic Plans for Next Five Years, Honorable Sheikh Hasina

As part of AmCham's plan to have multiple political leaders to present their plans for the next five years, we invited Honorable Sheikh Hasina, President, Bangladesh Awami League and former Prime

Minister of Bangladesh to share her thoughts with AmCham Members

and invited guests on her “Economic Plans for Next Five Years”.

This has been the fourth time for Hon’ble Sheikh Hasina to grace AmCham Luncheon Meeting. AmCham viewed this as her kind gestures, demonstrating the political will and due importance for the business community in general and to AmCham in particular to push the country to prosperity. The meeting was attended by a large number of AmCham Members, Diplomats and Dignitaries from the political circle and civil society. The Press and electronic media gave extensive coverage to the event.

Sheikh Hasina in her deliberation adequately covered many vital areas of the national and economic life of Bangladesh. She stressed on globalization, dissemination of information, proper utilization of human and natural resources, eradication of poverty, food security, social security, energy security, literacy, telecommunication, independence of judiciary, electricity generation, reduced corruption, capital market development, modernizing the office of the registrar of joint stock companies, upgrading BOI, protection of IPR, export diversification, steps against global warming, IT education, infrastructure development, developing highways, railways and river-ways, ports development, tourism development, creation of better and right image for Bangladesh, democracy, economic development, etc. The speech of Hon’ble Sheikh Hasina has been incorporated.

AmCham Member Center for Executive Development Studies (CEDs) made a short presentation as a part of regular AmCham Market Place Presentation Program during the luncheon meeting.

November 26, 2008: Election, Democracy and Development, HE Dr. Stefan Frowein

AmCham invited Dr. Stefan Frowein, Ambassador and Head of the

Delegation of the European Commission to give a talk on “Election, Democracy and Development” at its November Lunch meeting. The meeting attracted a large number of AmCham members and guests as Bangladesh was set to hold an election in December 2008. Ambassador Frowein shared his thoughts touching many important points, such as, successful and credible parliamentary election, electoral

AmCham Member IPSSL made a short presentation as a part of regular AmCham Market Place Presentation program during the luncheon meeting.

November 13-15, 2008: APCAC Meeting, Bali, Indonesia

AmCham Bangladesh Executive Director Mr. A. Gafur attended



system, business environment, reform in Chittagong Port, good governance, human rights, relationship between democracy and development, European Union’s partnership with Bangladesh, election and development, genuine coalition for development and

2008 APCAC AmCham Executive Directors meeting held in Bali, Indonesia. Twenty seven delegates from various AmCham’s of the Asia-Pacific region attended the Bali meeting and discussed American business competitiveness in Asia. The meeting also provided



prosperity, etc. The speech of Dr. Frowein has been incorporated separately.

opportunities to the delegates to exchange thoughts and ideas over different trade related issues, best

practices, possible future direction of American business in the rapidly growing business potentials in Asia-Pacific region.

October 28, 2008: WTO and Bangladesh, HE Dr. Debapriya Bhattacharya

Dr. Debapriya Bhattacharya, Ambassador and Permanent Representative, Bangladesh Permanent Mission to the UN Office, WTO and other International Organization in Geneva and Vienna, attended AmCham Lunch meeting as a Guest of honor and spoke on "WTO and Bangladesh".



He made a power point presentation and discussed the history of WTO, Reasons for Bangladesh to join WTO, Achievements of Bangladesh during the WTO years, Challenges to address, Dispute settlement mechanism, Capacity building, Market access, Focus on service sectors, Regional trading arrangements, etc. Dr. Bhattacharya answered many questions from the audience. Based on the presentation we have separately incorporated an Article by Ambassador Bhattacharya on "WTO and Bangladesh: An Exposé".

AmCham Member Daffodil Computers Ltd. made a short presentation as a part of regular AmCham Market Place Presentation program during the luncheon meeting.

October 15, 2008: The U.S. Overseas Private Investment Corporation

AmCham facilitated a presentation and discussion on "The U.S. Overseas Private Investment Corporation (OPIC) and its Services." The presentation was held at the American Club, where a good number of AmCham Members were present and actively participated in the discussion. The presentation was conducted by Mr. Ali Ayub, a Senior Investment Officer in the Portfolio Management Division of the U.S. Overseas Private Investment Corporation.

Mr. Ayub in his presentation explained in detail on Overseas Private Investment Corporation



(OPIC) and on its services that was established as an agency of the U.S.

Government in 1971. OPIC helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers. Mobilizing the U.S. private sector to advance U.S. foreign policy and development initiatives, OPIC-supported projects make a difference by expanding economic development, which can encourage political stability and free market reforms. Currently, OPIC services are available for new and expanding business enterprises in more than 150 countries worldwide. OPIC's financing and political risk insurance also help U.S. businesses of all sizes to compete in emerging markets and meet the challenges of investing overseas when private sector support is not available. OPIC promotes U.S. best practices by requiring projects to adhere to international standards on the environment and worker and human rights. OPIC can be accessed through its website: <http://www.opic.gov/index.asp>. The presentation created a lively discussion among the audience and Mr. Ayub answered a number

of questions during the Question and Answer session.

October 6, 2008: Mr. Brent R. Hartley, US Department of State

AmCham Board hosted a lunch in honor of Mr. Brent R. Hartley, Director for Pakistan and Bangladesh Affairs of the U.S. Department of State. Mr. Hartley is responsible to oversee U.S. policy towards these two countries. The discussion provided useful and interesting insights to Mr. Hartley about Bangladesh society, its history, challenges and opportunities concerning possible economic development for Bangladesh, trends towards harmonious political development, etc.



Economic Plans for Next Five Years

Honorable Sheikh Hasina

(Speech given by Honorable Sheikh Hasina at AmCham Luncheon Meeting on 23 December 2008 at Dhaka Sheraton Hotel. Currently she is the Prime Minister, Govt. of the People's Republic of Bangladesh)



Honorable Sheikh Hasina

Distinguished Guests, Ladies and Gentlemen, Excellencies,

I wish you the best!

December is the month of victory for the Bangalis. We won independence on December 16, 1971 under the leadership of Bangabandhu Sheikh Mujibur Rahman. Hundreds of thousand sacrificed their lives for our independence.

Today, I remember – and pay respect to – those martyrs whose sacrifice created Bangladesh as a nation state, and put it on the map of the world.

The goal of our politics is to make Bangladesh free from hunger, establish the fundamental rights of the citizens, and ensure that they have access to the basic needs such as food, clothes, education, health services and shelter.

The world today is a global village. Globalization and the wide dissemination of information, made possible by information communication technology, have added

a new dimension to international relations. In the contemporary globalized economy, it is not possible to pursue economic development in isolation from others.

Poverty is our worst enemy. You know that. Not only Bangladesh, but all the countries of South Asia, are now struggling against poverty. We need a strong economic policy to win the battle against poverty. We cannot build a strong economy by focusing only on the domestic economy; it is necessary to keep track of the changes in the world economy – global supply and demand that shape the world market. We have to prepare ourselves to take advantage of the global economy as well as respond to its challenges. We have to seek new market for our export, diversify export products, and create conditions conducive to foreign investment.

There is poverty in South Asia, including Bangladesh. But there exist also a huge market and stock of human resources. We can take the economies of South Asia to a higher level of development by raising income per capita and training in the right kind of skills which transform the population into a valuable resource.

It is a difficult task that cannot be realized only by our own efforts and commitment. The developed countries have to join in our endeavors. Aid and loan are not enough; the development partners have to come forth with innovative ideas, technical know-how as well as investment.

As you all know, Awami League formed the government in 1996 with popular mandate.

The five years of Awami League Government – 1996 to 2001 – is a period of great successes.

I take this opportunity humbly to remind you that our sincerity, honesty, diligence and commitment could generate economic development, social security, and the trend of positive politics. Bangladesh, known for food deficit, became self-sufficient in food production. Prices remained stable and within the purchasing power of the people. Inflation decelerated to 1.59 percent.

Economic growth accelerated to 6.2 percent per annum. Poverty declined by 1.5 percent annually, up from 0.5 percent, and human Poverty Index improved from 41.6 to 32. Literacy rose from 45 percent to 65 percent. Domestic saving ratio rose from 14.7 percent to 18 percent of gross domestic product, and investment from 20 percent to 23.1 percent of gross national product.

Power generation was raised from 1600 megawatt to 4300 megawatt. Private entrepreneurs were allowed to operate mobile phone, television network and many other service industries. The private sector set up electricity generation plants also. Import duty was cut in order to make computer and information technology affordable for all. Investment from USA alone rose from \$25 million to \$1.2 billion in five years. The development of infrastructures was founded on increased production of gas and construction of the Bangabandhu Bridge on Jamuna River, 62 thousand kilometers of paved and unpaved road, and 19 thousand bridges and culverts.

The Ganges Water Sharing Treaty, the Chittagong Hill Tract Peace Accord, recognition of 21 February as the International Mother Language Day, election to the UN Security Council, and membership

of the sub regional cooperation for a including D-8 and BIMSTEC won Bangladesh a respectful place in the world's comity of nations.

I believe that development is a continuous process. Government changes according to the norms of democracy, but development is not interrupted. However, we were baffled and pained to see that BNP-Jamaat Jote stopped all the steps we had taken for the welfare of the people.

Price rose by 100 to 200 times relative to the period of Awami League Administration. Inflation exceeded 10 percent compared with 1.59 percent. The average growth rate fell from 5.6 percent to 5.1 percent. Reduction of poverty fell to 0.50 percent per annum. One crore and 20 lakh (120 million) people were added to the number of people below poverty. Both domestic and foreign investment declined. Power and energy crisis became unbearable. Industrial and agricultural production became stagnant.

Distinguished Guests,

Our sole aim is to create a happy and prosperous life for our people. We shall celebrate the Golden Jubilee of our independence in 2021. We dream that by 2021 we shall attain a high rate of economic development so that the ignominy of poverty disappears from Bangladesh and we can ensure the basic needs of the people. We dream of a participatory democracy which shall ensure social

justice, equal rights and opportunities for women, the rule of law, human rights, good governance, and a pollution-free environment. We dream of a secular, progressive and liberal State that will strive for the welfare of the people. Commitment to change is at the core of the Bangladesh Awami League's strategy based on this VISION. The strategy includes long term perspectives as well as plans for the short and medium terms. I believed that business-friendly environment and investment are preconditions for development. If we were to break out of the vicious circle of poverty, it would be necessary to attain double-digit growth. That is possible only through entrenching good governance. If we get electoral support to form government, our highest priority will be to stabilize price

earlier: Ekti Bari Ekti Khamar, Asrayan, Grihayan, and Ghare Fera. The number of beneficiaries of Old Age Allowance and Distressed Women's Allowance will be doubled at least. We will review the current PRSP (Poverty Reduction Strategy Paper) and prepare a new PRSP consistent with our program. Effective steps will be taken to curb corruption. We shall strengthen the Anti-Corruption Commission (ACC) and ensure its independence. The independence and neutrality of the judiciary in the true sense shall be ensured, and steps taken to stop extra-judicial killings. The judgment of the murder case of Bangabandhu will be implemented and retrial of the Four National Leaders in jail shall be completed. The Grenade Attack of 21 August shall be properly investigated with a view to punishing the real criminals.

A more effective Independent Human Rights Commission shall be constituted and Ombudsman appointed. Three-year long crash programs will be undertaken to complete urgently

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MW power plant projects which are being implemented or have already been accepted. We shall also resume the program for having the private sector set up small power plants of 10, 20 and 30 MW generation capacities. Electricity generation shall be increased by repairs, maintenance and rehabilitation of the old plants. We shall take steps to resume Rooppur Nuclear Power Project. Generation of electricity shall be raised to 5 thousand megawatts within



down to the level within the reach of the common people. We shall strive to secure balance between supply and demand.

Poverty and ultra-poverty will be brought down to 25 and 25 percent respectively by 2013. The number of people in poverty, which now stands at 6.5 crores, will decline to 4.5 crores in 2013 and 2.2 crores in 2021. In order to attain that goal, we shall revive the following projects taken up by Awami League Government

the next three years by 2011, to 7 thousand megawatt by 2013, and 20 thousand megawatt by 2021.

Exploration for finding new gas and oil fields will get priority. A coal policy shall be made consistent with national interest. Steps will be taken for economic use of coal found so far and for setting up industry based on coal. Priority will be given to endeavors for finding new coal fields and other minerals. Efforts will be made to enhance management capability and create conditions for development of the capital market with a view to accelerating industrialization. Opportunities for domestic and foreign investment shall be created by removing administrative bottlenecks and creating investment friendly conditions. A more efficient One-Stop Service Facility shall be set up.

The Board of Investment shall be modernized and made more efficient. The Foreign Exchange Regulatory Act shall be modernized. The Export Promotion Bureau will be improved. The office of the Registrar for Joint Stock Companies shall be improved. The intellectual property law shall be strictly enforced for protection of the inventions in IT, medicine and other industries.

IT industry shall be developed; readymade garments and textile industries shall be expanded and strengthened as well as cushioned against risks. Priority shall be assigned to ship building, food processing, medicine, toys, jewellery and furniture. Special steps shall be taken for finding alternative uses of jute and making jute industry profitable.

Development of tourism, export of manpower and investment of remittances shall be ensured. Special efforts shall be made to attract remittances into investment and to build up network of expatriate Bangladeshis for utilizing their talents and consultancy services. We shall take steps for reform of governance, establishing right to information, and introduction of e-governance. Coordinated policy and plan will be adopted for safeguard against global warming as well as pollution of environment and water resources. Regional and international cooperation shall be promoted for



protection of environment and water resources. Allocation for education, science and information technology shall be raised to the maximum with a view to enhancing human resource development. A new education policy which meets the needs of the time shall be formulated. Enrolment at the primary level shall be raised to 100 percent by 2010 and illiteracy removed by 2014. Education shall be made free up to graduation level in phases. Steps shall be taken for realizing the potentials of ICT sector, including assistance to the promising young entrepreneurs for development of software industry.

We aim at Digital Bangladesh by 2021

IT education shall be made compulsory at the secondary level by 2013 and at the primary level by 2021. High-tech Park, Software Technology Park, ICT Incubator and Computer Village shall be set up across the country.

Necessary steps shall be taken for construction of Padma and Karnafuli Bridges, Dhaka- Chittagong Four Lane Expressway, and expansion and modernization of the railway. The Asian Railway and the Asian Highway shall establish links with the neighboring countries. Deep sea port shall be established

and Chittagong and Mongla ports shall be modernized and opened up to Asia. Land ports shall be modernized. Bangladesh Biman shall be made profitable on a commercial basis. Private airlines shall be encouraged.

New airports of international standards shall be established. Private entrepreneurs shall be encouraged in the telecommunications sector.

The problem of traffic congestion in Dhaka shall be addressed through underground, elevated or circular railway and waterways around the capital city. Freedom of the mass media and flow of information shall be protected and ensured. We shall establish foreign policy based on the principle "Friendship with all, enmity with none". We shall maintain friendly relationship with the neighboring countries including Bhutan, India, Myanmar and Nepal while pursuing cooperation in multilateral framework.

We seek to establish South Asian Task Force to combat terrorism and militancy. Regional and sub-regional cooperation will be strengthened including relationships with the member of SAARC, BIMSTEC and D-8

Development cooperation shall be expanded and strengthened with the United States, the European Union, Japan, Canada and other developed countries. We welcome increase of investment from USA. The image of Bangladesh in the international arena shall retrieve and improve. Our dream is to establish a modern Bangladesh based on equity and justice. We do not want power just for its own sake. We are deeply committed to move the country ahead in terms of development, democracy, peace and progress. With that end in mind, Awami League put forward the long term VISION as well as the programs for implementation over the next five years and for the short term or immediate implementation, which I have presented above in short.

I do believe that a strong sense of unity and collective effort of the people alone can realize the VISION and the programs we have put forward. I intend to build up and utilize the immense potentials, talent and knowledge of the new generation so that we can meet the challenges of globalization in the 21st century. We want to see Bangladesh as a prosperous economy on the Golden Jubilee of Independence.

Distinguished Guests and Excellencies,

While I tell you about my dream of Bangladesh as a democracy which is prosperous, free from hunger and equitable, I am aware of the vulnerabilities generated by the current global economic downturn. The policy of progressive liberalization has integrated our economy closely with the global economy. While the economies at



a relatively low level of development and structural articulation take time to realize the benefits of openness, they fall victim to the global shocks rather quickly. The downturn has put to test the efficacy of policy based on the political economic paradigm dominated by the mix of ideas drawn from libertarian social philosophy, monetarism and minimal state.

The paradigm places an unqualified faith in the market, refusing to recognize even failure or asymmetry of information. It would be a happy matter if there were no regulation of the market, but compromises for the loosest regulatory rules as a matter of necessity. The inadequacy of the paradigm surfaced with the collapse of the Wall Street. Each day reveals wider and deeper wounds.

The intervention by the US Government - that is, the Treasury and the Federal Reserve Board - is expected to stop the meltdown from deepening into depression. The governments and the central banks of Europe have also done likewise.

There has been a call to the international financial system to intervene so as to avoid global depression. It is time that the international financial institutions - the World Bank and IMF - revisited their policies based on the dominant economic paradigm. They need to restructure their policies and instruments to be able to respond to the crisis facing the developing economies, the low income countries in particular. The initiative to create the fast-track facility for the low income countries is a welcome start. Having the instruments in place is only the first step; to make them effective will need adequate resources and actual disbursements for viable operations. A quick and dramatic upturn of the global economy is necessary for sustaining our plan for accelerated growth and poverty reduction.

I appreciate determined initiatives taken by the US Government, notwithstanding the problems that attend the transition to a new presidential administration

I appreciate determined initiatives taken by the US Government, notwithstanding the problems that attend the transition to a new presidential administration

Distinguished Guests,

I thank you all for bearing with me for a long time.

Khuda Hafez. Joy Bangla. Joy Bangabandhu.

Election, Democracy and Development

H.E. Dr. Stefan Frowein

Head of Delegation of the European Commission

(Speech given by H.E. Dr. Stefan Frowein at AmCham Luncheon Meeting on 26 November 2008 at Dhaka Sheraton Hotel)



H.E. Dr. Stefan Frowein

I am pleased to be afforded the opportunity of addressing the American Chamber of Commerce on a topic which is both timely and challenging: the complex inter-linkages between elections, democracy and development.

The successful holding of credible elections is only one indicator of the health of democracy in a given country: however, it is a vital one. I stress the adjectives “successful” and “credible” as the world is only too used to witnessing deeply flawed and rigged elections that are mere vehicles for rubber-stamping the rule of despots.

Here in Bangladesh, the situation is somewhat different and

complex. On the one hand, the authorities have constructed an electoral system that includes an impeccable voter list with photographs and constituencies which better reflect the distribution of voters in the country. On the other hand, the political system has for many years endured a culture of confrontation, where responsible co-operation in a parliamentary context has appeared elusive, where boycotts of the legislature and the resort to hartals (political strike) are the norm, with a corresponding impact on the social and business climate of the country. We can draw one conclusion immediately: it is not only undemocratic States that struggle to maximize their development potential. Dysfunctional



and unstable democracies lose out too, by frightening off potential investors and undermining the cultivation of the trade links that are essential for survival in a globalised world.

It is, of course, important to acknowledge that the story of Bangladesh in recent years has

not been all doom and gloom. The country has sustained a creditable GDP growth rate, millions of new jobs have been created in the RMG sector, real efforts have been made to create a sustainable and prosperous future for other industries in order to ensure that the economy does not remain over-specialized on garments. There has also been impressive progress towards achieving the Millennium Development Goals. The striking endeavors of the interim government in the past two years – in hardly the most auspicious of circumstances – to foster a more congenial business environment through initiatives such as the Better Business Forum, the Truth Commission, the Regulatory Reform Commission and the thoroughgoing reform of Chittagong Port, must be recognized and applauded. However, it is important to underline that all the efforts of the authorities since January 2007 have been underpinned by one simple commitment: that the country will return

to democracy via parliamentary elections in December 2008. Ensuring the sustainability of the welcome institutional and good governance reforms achieved by the interim administration is a task which now falls to an incoming elected government. However, it is a goal which must be shared by

all stakeholders, including civil society, the media, development partners and – not least – the business community.

Good governance, human rights and democracy are not just about laws and institutions: in essence they are about behavior. How does the policeman in the street

behave towards the citizenry he serves? What consequences do those who speak out against prevailing orthodoxy – the “awkward customers” of political and civil society life – face? Can the consumer have confidence that the food on his plate is unadulterated by harmful and illegal chemicals? The answers to such questions speak volumes about the state of any society.

What about the role of development partners? A few weeks ago, my photo appeared alongside those of other diplomats posted in Dhaka on the front page of a publication that will remain nameless. Underneath our mugshots ran the caption: “Aliens Active Again: Pipers Play Tune for Bogeyman”. Aside from the rather odd metaphor, the familiar point being made by the magazine in question was that foreign governments and agencies were somehow interfering in the political process of Bangladesh. It is important to place this alleged interference in perspective in order to understand the international community's engagement in Bangladesh on the issue we are considering today: the intimate relationship between democracy and development.

First, the European Union's partnership with Bangladesh during my time here has been informed by

the principles that we share with this country. That includes freely agreed international obligations, such as the conventions covering civil, political, economic, social and cultural rights and a commitment to multilateral instances such as the WTO and UN. Second, our partnership is founded on a common understanding of development priorities and goals, as enshrined in the Poverty Reduction Strategy. Third, it is rooted in the EC-Bangladesh Co-operation Agreement concluded in 2001 which incorporates agreed commitments, including on human rights, democracy, trade and development. The framework for our mutually agreed engagement on such issues is hence well understood. The recent redeployment of EU election observers, with the strong support of the government and Election Commission, is a corollary of that relationship and a clear reflection of the EU's commitment to a strong, stable and democratic Bangladesh. Indeed, the decision to identify the 9th Jatiya Sangsad (national parliament) elections as a priority for EU election observation was taken in 2006 and took into account several factors. These included the size and importance in regional terms of Bangladesh, the relative youthfulness of democracy and the potential for EU engagement to help to bring stability to a

country with a history of political confrontation.

Such factors will continue to feed into our partnership with Bangladesh in the post-election period and the European Commission's priorities are clear. In the coming years, we will continue to furnish substantial funds for development to this country, with at least 50 million Euros earmarked per annum for such support. In addition to sustained assistance for education, health, good governance and food security, Bangladesh will remain the foremost recipient of EC trade-related technical assistance in Asia with an average of 10 million Euros per year to tackle issues such as diversification of export products and fulfillment of quality and labor standards.

To conclude, if this country can assemble a genuine coalition for development and prosperity characterized by sustainable democracy, good governance, strong institutions, the rule of law and commercial dynamism, I am convinced that Bangladesh would win renewed confidence and business opportunities in the EU, US and other markets and take its rightful place amongst middle-income countries far sooner than is presently expected. It is my fervent hope that such a scenario does, indeed, come to pass.



WTO and Bangladesh : An Exposé

H.E. Dr. Debapriya Bhattacharya

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(This article is based on the presentation by H.E. Dr. Debapriya Bhattacharya, delivered at AmCham Luncheon Meeting on 28 October 2008 at Dhaka Sheraton Hotel)



H.E. Dr. Debapriya Bhattacharya

Introduction

May I start by recalling that the World Trade Organisation (WTO) was established in 1995, following a Ministerial Meeting held in Marrakesh, Morocco in April 1994. The meeting heralded the conclusion of the 8 year long Uruguay Round multilateral negotiations and featured the participation of as many as 123 countries including Bangladesh.

The WTO came into being as a successor to the General Agreement on Trade and Tariff (GATT) and accepted all GATT treaties as its basis. WTO significantly broadened the scope of multilateral trade negotiations bringing critical issues like Agriculture, Textiles, Services, Intellectual Property within its folds.

Bangladesh, along with 29 other Least Developed Countries (LDCs), has been a member of WTO since its inception. Today the total

strength of the LDCs in the WTO is 49, of which 13 are in the accession process.

Why Bangladesh Joined WTO?

The main reason for Bangladesh joining the WTO was to take advantage of a rules-based multilateral trading system with its in-built guarantee of important trading rights to member countries.

WTO membership is like an insurance policy in the face of any arbitrary or discriminatory action by any member state in violation of the prescribed rules of the organisation. This is particularly important for weaker economy like Bangladesh for dealing with stronger trading partners.

WTO provides a platform for all member states to actively take part in negotiations to define the substance and contour of future trade rules. The traditional consensus-based decision making process of the organisation allows the voices of all members to be heard and taken note of.

The inherent scope of forging alliances also strengthens the capacity of relatively weaker members in the negotiation process. For instance, the LDC Group, notwithstanding its low contribution in global trade, has been able to maintain its collective bargaining position to uphold and protect its group interests.

WTO system allows for "Special and Differential Treatment", i.e. non-reciprocal concessions, to the LDCs. Thus Bangladesh being

a member of WTO enjoys those rights.

The "Single Undertaking" approach practised in the WTO implies that "nothing is agreed until everything is agreed", which gives members like Bangladesh certain leverage to reach a balanced outcome in the negotiations.

The Dispute Settlement Body of WTO is yet another effective legal mechanism to ensure that no member obstructs the trade interests of other members in contravention of WTO rules.

What Did Bangladesh Achieve in WTO?

Improved Export Performance: During the 16 years since the establishment of WTO in 1995, Bangladesh's share of global trade has almost more than doubled from 0.06 per cent (1995) to 0.11 per cent (2006). During the same period, the value of Bangladesh's exports marked an increase by almost four times, posting a growth from US\$ 3,129 million to US\$ 12,762 million.

Exemption from Commitments: LDCs are exempted from making any tariff reduction commitments in the on-going trade negotiations under the Doha Round.

DFQF Market Access: LDCs have obtained the right to Duty Free and Quota Free (DFQF) market access for all their products to the developed countries, and also to developing countries in a position to offer such market access. As a result of the pressure created in the multilateral forum, most developed countries including EU, Canada, Japan, Australia, Switzerland and others have already provided almost 100% duty free market access to LDCs. The US is the only developed country that is yet to fulfil the Hong Kong Min-

Ministerial Decision to provide duty free and quota free market access to all products from all LDCs. However, the US remains under constant pressure within WTO to abide by this commitment. Developing countries like Brazil, India, China and Republic of Korea have declared and, in certain cases already started, to provide duty free market access to LDCs.

Trade in Services: In negotiations on Trade in Services, Bangladesh played a key role in developing a priority mechanism for securing market access for LDCs. Bangladesh has also maintained emphasis on Mode 4 issues in the ongoing Services negotiations.

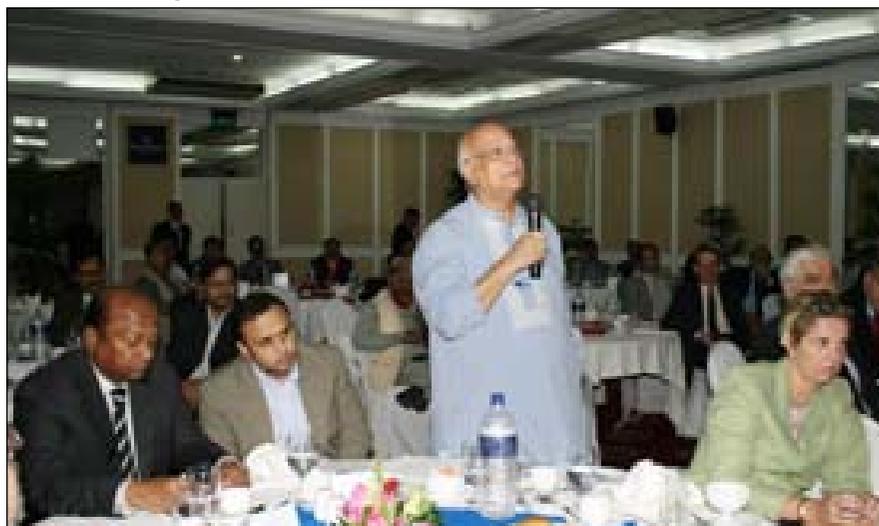
Other Issues: Under the rubric of Rules, Bangladesh has been negotiating to insert a blanket exemption clause for anti-dumping measures against LDCs. Bangladesh has also been playing a pro-active role in negotiations on Trade Facilitation with focus on addressing the supply-side constraints of the developing countries.

Capacity Building: A considerable number of officials from Bangladesh (around 30 every year) are given training on various aspects relating to trade negotiations under the aegis of WTO, both in Geneva and in other locations including Bangladesh. WTO sponsors seminar/ workshops on critical issues like TRIPS, SPS etc. to contribute to trade related capacity building in Bangladesh. Bangladesh Foreign Trade Institute has been set up to help the Government in negotiations within WTO.

Trade Dispute Settlement: Bangladesh has been able to obtain concrete benefit from the Dispute Settlement Mechanism of WTO, particularly with regard to the lead battery case with India.

What are the Challenges Ahead?

There are a number of key challenges that need to be adequately addressed if Bangladesh is to make the optimum use of the opportunities created through its participation in the multilateral trading system.



Among these, the following issues merit particular attention:

DFQF in the USA: Duty Free and Quota Free market access to the US market needs to be achieved as per the mandate of the Hong Kong Ministerial Meeting to ensure stable and preferential exports to one of our major markets for our garments and textile products. The share of Bangladesh's exports under non-MFN, preferential scheme in the US market stood at only 0.64 per cent in 2004. The share has also shown a diminishing trend over the years.

Tariff Preference Erosion: Certain feasible and predictable safeguard provisions against preference erosion need to be secured due to the rapid reduction of MFN tariff in the developed country markets

(especially the EU) where Bangladesh currently enjoys preferential access. There has already been significant work done in this regard under negotiations on Non-Agriculture Market Access (NAMA). Bangladesh, along with other LDCs in a similar situation, has been able to uphold her interests in the process. Efforts are being made to preserve the progress made so far and further improve upon the same.

RoO: Implementation of LDC friendly preferential Rules of Origin (RoO) has remained a priority for Bangladesh. Sustained efforts need to be made to translate the commitments undertaken in this regard into tangible results.

NTBs: The issue of non-tariff barriers (NTBs) will continue to bedevil the international trading system. It will be required to maintain vigilance in this regard, more so in the context of the current world economic downturn and the concomitant fears of rising protectionism. The need for further capacity building to effectively address and overcome NTBs cannot be overemphasized.

Distortions in Agriculture: Trade distorting subsidies tend to seriously undermine and obstruct agricultural trading system. Bangladesh continues to support and contribute to the ongoing negotiations that aim to remove the existing trade distorting measures in agriculture in the developed countries.

Priorities access in Services: There is a need for sustained efforts to

ensure that special priority mechanism (“waiver”) for LDCs in Trade in Services provides the LDCs with meaningfully enhanced market access in developed economies.

Pursuing TF: It would be important to remain engaged with the offensive interests in Trade Facilitation (TF) negotiations towards facilitating trade related infrastructure development, with accent on the needs of the LDCs.

A4T: The issue of Aid for Trade (A4T) for trade related capacity building remains a critical challenge since it is often difficult to ensure that donors provide assistance to developing countries in an additional and predictable manner.

Concluding Observations

In order to effectively participate in the multilateral trading system, it is essential for Bangladesh to create a domestic business environment conducive to further export

diversification. There needs to be a shift from the overwhelming dependence on the RMG sector. In 2006, RMG accounted for around 80 per cent of Bangladesh total exports. Emphasis should be given on products for which Bangladesh enjoys zero import tariff in developed countries.

It is also important to explore other markets for channelling Bangladesh’s exports beyond the traditional markets in the US and the EU. In 2006, the share of Bangladesh’s exports to the US and the EU were about 25 and 47 per cent respectively. The reliance on a limited number of markets makes our exports more vulnerable shocks originating from these markets. More emphasis should be given on invoking South-South cooperation in this regard.

Bangladesh should increasingly place its focus on unlocking the potentials in the Services sector, since trade in Services will dominate the agenda of global com-

merce in the coming decades. Further attention should be given to capacity building to address issues relating to NTBs, Rules etc. within the framework of WTO negotiations.

In view of the protracted negotiations process within WTO, Bangladesh should also continue to pursue and expand regional trading arrangements in parallel to its efforts in WTO. Effective regional trading arrangements will significantly boost Bangladesh’s export performance and efficiency.

It is of prime importance for Bangladesh, as an LDC, to secure the promised deliverables of the ongoing Doha Development Round. Securing DFQF market access committed to the LDCs on the basis of “stability, security and predictability” should continue to remain the priority for Bangladesh. It would perhaps be the last Round of the WTO where Bangladesh would take part as an LDC.



The world has changed: Bangladesh must change with it

Khalid Hasan PhD

Managing Director, Nielsen Bangladesh and Treasurer, American Chamber of Commerce in Bangladesh

On Jan 20, 2009, Barack Hussein Obama, the newly elected President of USA, said in historic speech: “the world has changed, we must change with it”. Can’t we say that the people of Bangladesh on Dec 29, 2008 – the

tion collected on the day of election through exit poll. For the first time in the election history in Bangladesh, Nielsen Bangladesh carried out a scientific exit poll in 150 constituencies (out of 300 constituencies), which was spon-



day of casting their votes during the historical parliament election - has exactly said the same thing that “the world has changed, and Bangladesh must change with it”? Can’t we say that “Bangladesh started moving forward”? Can’t we say, “We don’t want corruption, violence, terrorism, hartal (strike), graft, and crime”? Yes, all the voters have wanted to see positive changes-a transformed Bangladesh. Eighty-seven percent of the voters have given their verdict for a change. Bangladeshi citizens have shown their deep love for the country by casting their votes peacefully. They want change for a developed Bangladesh for our future generation - for our children and grandchildren.

This article will focus on some of the solid research-based informa-

sored by IRI, USA, under the supervision of Williams and Associates, USA, and being funded by USAID (IRI 2008). The respondents were selected from among the adults (18+years) exiting polling centers according to a predetermined skip

pattern. A total of 18,055 voters were interviewed in the study.

What was in the Manifesto of the ruling party?

Bangladesh Awami League - the present ruling party of the country set the following five priority issues in their Election Manifesto 2008:

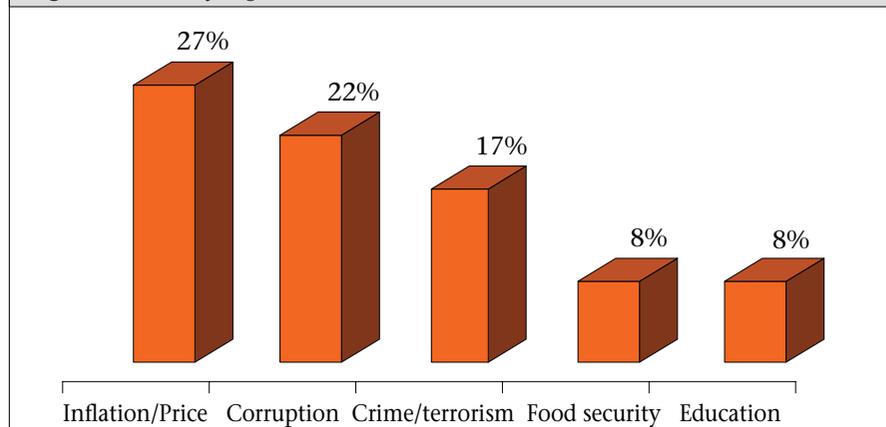
- Control of commodity prices
- Effective action against corruption
- Power and energy
- Elimination of poverty and inequity
- Establishment of good governance

Although the ruling party announced five priority issues before the election, on the Election Day the voters opted for a set of agendas, which were a bit different. Only control of price hike and corruption were common.

Change started on December 29: Voters’ verdict

The change started on December 29, 2008 - the day of National Parliament Election! This is for the first time one among every four voters were the first-time voters who played a major role in shaping the democratic transformation. During the exit poll, voters irrespective of their party affiliation set 5 priority agendas for the elected government. All of them expected that the government would address inflation/price hike,

Fig: Five Priority Agenda



corruption, crime, food security, and education issues.

We are moving in the right direction! Immediately after casting their votes – within the next 05-10 minutes - in the just ended parliament election, a large percent of voters (82%) stated that Bangladesh is moving in the right direction. Only 12 percent viewed



the event negatively. Another 6 percent did not respond to the questions being asked to them. Since the election was held peacefully and there were no signs of violence or vote rigging, most of the voters (93%) said the election environment was “very good and acceptable”.

Control price! The first and foremost agendum to them is price control, especially controlling of inflation of food items. According to Bangladesh Bank, at present the per capita income is around US\$600, which indicates that the majority of the population are in the middle to low income category, and, therefore, the recent price hike seriously affected the livelihood and life style of the people. So, they voted with an anticipation that the newly elected government would be able to control the price hike of foods and other essential consumer goods.

We want a corruption-free Bangladesh! The next agendum for the elected government is controlling corruption at all levels. Our government should be transparent in combating corruption, and the people want it should be irrespective of all political par-

ties, and across the whole population. In another recent survey it is observed that 96% of the people wanted that the newly elected government should continue the anti-corruption drive (Daily Star-Nielsen Survey 2008).

In 2008, Transparency International ranked Bangladesh as #10 country in the corruption index. During the rule of the Caretaker government, the position of Bangladesh was #7 in 2007; in 2008, however it reached #10 position. The question is can we reach at least #30 in another 5 years?

We want peaceful life! Bangladeshi people set control of crime and terrorism and the government’s ensuring law and order over the country as their third priority. During the time of the immedi-



ate-past Caretaker government, the overall law and order situa-

tion improved, compared to that in previous government, period. It is perceived by the majority of the people (76%) that the incidence of corruption, graft, and crime was reduced significantly during that period (Daily Star – Nielsen Survey 2008). Our people want further improvement of the situation. The majority of them (87%) also want complete elimination of Islamic militancy and terrorism (CSR 2008).

Food security is the fourth most important issue to the majority of the people. After the change of the political scenario on 11 Jan, 2007 (often described as 1/11), prices of different food items, especially rice, potatoes, vegetables, etc. increased 2-3 times. For example, before 1/11, price of the coarse rice was BDT 20/kg which increased up BDT 35/kg; that of potatoes from BDT 6/kg to 20/kg, and that of milk from BDT 20/ltr to 35-40/ltr. Therefore, food security and keeping prices within an affordable range is of utmost importance to the general mass. However, it may be mentioned here that Bangladesh Awami League in their Election Manifesto announced one of the important goals is to achieve self-sufficiency in food by 2012.

Education and literacy for all! Bangladesh is basically a country of young population (66%; are aged below for 30) and the youth and adolescent occupy one-third of

the population (32%; are between 10-24 years). The need for proper

education is an important and essential issue and therefore, the voters ranked “education” as the 5th priority. Currently, 68% of the people are literate. It is found in the election manifestoes of both the leading parties – Bangladesh Awami League and BNP - that education is their top priority.

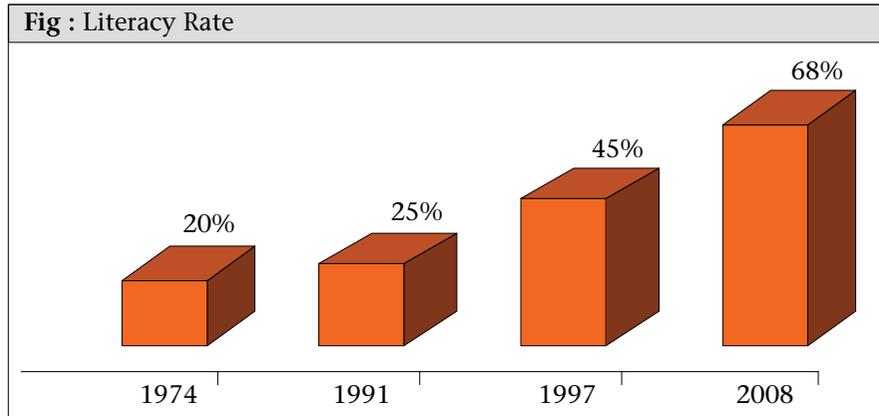
The country has experienced a remarkable social progress over the years. Although standard of education at certain levels is poor, compared to other neighboring

universal primary education by 100% by the year 2015.

Elected leaders, please protect and take care of other important areas -

In addition to the above-mentioned 5-priority agenda given by the voters, there are a few other important areas which need to be addressed. These are related to remittance earning and the country’s development, such as RMG, SME, and NRB.

of our country and great symbols of our economic prosperity. More than 2 million workers are now employed in the garments industries. Interestingly, most of them are females. As a result, women with poor family background are thus gradually being empowered at present. The manufacturers have done a great work in creating job opportunities, especially for the females. Women are more empowered now than ever before.



countries in South Asia primary school enrollment rate here is competitive. And, gender equality in education in Bangladesh is quite impressive. It is noticeable that more girls than boys are enrolled at the secondary education level now. The literacy rate has increased more than 3 times during the last three decades. For example, it was only 20% in 1974; it is 68% in 2008.

Protect our RMG from labor unrest: In Bangladesh, the export earning from RMG (Ready-made Garments) sector reached US\$10 billion in 2007-08 thus contributing 75% of our export earning, mostly from the UK, the US, and the Middle East. It is around 13% of our GDP. We feel supremely proud to see our products in the supermalls in many different countries in Asia, Europe, and

Unfortunately, perhaps we have ignored the other side of the coin – labor unrest. It is true that there were some serious problems connected with labor unrest in 2007 and 2008. This crisis has affected our overseas business opportunities. It is, however, connected with the working of improving their living standard and livelihood. Although there are a good number of manufacturers who maintain ETI (Ethical Trading Initiatives) codes, it should be followed by 100% of them. With a view to create a sound working environment, there is no other option open other than improving the workers’ salary and benefits (such as minimum and timely wage payment, setting standard working hours, and providing them with health facilities, fringe benefits, regular weekly holidays, maternity leave, sick leave, etc.). By the end of 2013 (the end of this government’s 5-year term),

Although in their Election Manifesto, Bangladesh Awami League set a milestone of achieving 100% net student enrolment at the primary level by 2010, steps should be taken to reduce the number of dropouts. In 2008, 42% of the students were registered (at class IX) for the SSC Examination were dropped out. Therefore, the elected government must take adequate measures to improve the education quality and standard so that at least 90% of the population are literate by the end of their tenure (2013) (AL proposes to reach 100% by 2014). Their mission will match the 2nd MDG (Millennium Development Goal) of achieving



North America. Bangladeshi garments are the silent ambassadors

can’t we establish our country in the global RMG sector with 100%

compliance of ETI codes? Can't we look at our garments workers and their families? This is a matter of Corporate Social Responsibility.

Remittances and linking with SMEs: Remittance is the second most important source of foreign currency earning. Huge growth of the remittance played an important role in reducing the poverty rate more in the rural areas than that in the urban areas, especially of the semi-skilled and less skilled workers in the Middle Eastern countries. It is quite important to note that the flow of remittances in Bangladesh has increased more than 4 times than it was 10 years ago. During the fiscal year 1997-98, it was US\$ 1,520 million while it was around US\$ 7,653 million during 2007-08 (GoB 2008).

Now a legitimate question arises: have we given due honor to those heroes those bring foreign currencies for us? Do they get adequate recognition during going for the battle in an unknown frontier? Have we taken any step to give proper training to them? Have we developed any solid plan for them to start their life anew after their return from overseas? Remittances from Bangladeshis working in different Middle Eastern and European countries and USA crossed US\$ 7 billion in 2007 contributing around 9% of the GDP. Since there is a huge demand for skilled laborers in these countries, our Ministry for Labor and Employment should take following steps –

- Protect market (so that we do not lose; recently, we have had a bitter experience in Kuwait, Malaysia and Saudi Arabia - due to labor unrest, many of the migrant laborers were deported from there.)
- Although there are a very small number of research on the utilization pattern of remittances, it is understood from a report (Afsar 2008) that the migrant workers spend around 40% of their overseas income for self-maintenance and send 30% as remittances to their fami-

lies. The rest of their income is kept as security and savings. Since there is no financial/credit facilities available for the potential migrant workers to meet the migration cost, the majority of them have to borrow money with an exorbitant rate of interest from their friends/relatives and money-lenders. As a result, a large amount of the hard-earned remittance is spent for loan repayment. Nearly 90% of the migrant workers want to return home and start business upon their return. Due to the lack of investment-related knowledge and information, the migrant workers invest their money mostly in buying land, apartments, and in renovating their houses. Therefore, it is important to note that both the government and private organizations should come forward in this regard and take the following initiatives:

- o Provide special credit facilities to genuine migrant workers (as it is practiced in India and other Asian countries)
- o Provide adequate information on small and medium-size business opportunities (so that they are able to make proper planning before their return to the country);

their return) SME supporting organizations (such as banks, insurances, consulting houses, legal, and registration bodies, etc.)

- It is important to mention here that manpower agencies must be monitored strictly. There are many corrupt agencies who send Bangladeshi workers without proper documents and training/skill. According to a recent statistical report, Indian remittances increased manifold due to their drastic measures taken jointly by the government and private agencies.
- Both the media and the people from all corners should come forward to highlight our real heroes – the migrant workers - who are fighting for the country to bring foreign currencies and thus helping building the nation.

SME development – role of ITC and finance

In Bangladesh, the SME sector will turn into a more dynamic sector to play a pivotal role in achieving the national goal of accelerated pro-poor growth, sustained poverty alleviation, and faster rate of economic and social progress during the NSAPR II (National Strategy for Accelerated Poverty Reduction) period and beyond. There are about six million small and medium enterprises (SMEs) which



- o Help establish link between the migrant workers (after account 38% percent of the manufacturing sector turnover. These

SME's employ over 31 million persons. The relative SME share in manufacturing value added to GDP varies between 28 to 30 percents. Their contribution to the national export (varying between 12 and 40 percents in different industries) is quite significant. It is estimated that SMEs occupy 58% of the establishments and 55% of the job opportunities in 2006 spread across the country (GoB 2008).

It is found in a recent report (Nielsen 2008) that though there is substantial potential for business to business (B2B) transaction, there is lack of awareness and understanding among the entrepreneurs regarding getting benefits from such a potential market. There is also information gap among the majority of the entrepreneurs regarding potential clients, their specific demand, competitor's performance, business potential, market research, and promotional campaign etc.

Some of the entrepreneurs are even unaware of the need of such information and knowledge. It was also revealed that the entrepreneurs lack proper marketing team, effort, and strategic planning for developing the B2B client base. It was evident that the B2B market has developed so far through the demand-driven force, there was not much effort from the supply side. Therefore, thus, a carefully-designed awareness generation program among the relevant stakeholders' group, including different large as well as SME entrepreneurs, media players (including media house as well as advertising agencies) may contribute to the increased participation of the entrepreneurs at the B2B level and help improving their efficiency and productivity.

With a view to develop this sector, the research report has identified four major constraints: (1) access to information, (2) finance, (3) skilled resources, and (4) market for SMEs. Therefore, the present government should address the following issues immediately -

- Develop a platform for providing information on B2B sector and creating a central database
- Provide hassle and corruption-free credit facilities
- Developing an institute for linking SMEs with various business organizations both at home and abroad;
- Minimize operational difficulties such as delay of payment, cancellation of jobs in the midway, uncertainty related to change in the price of raw materials, frequent changes of policies, registration, and legal facilities etc.
- Enhance government initiative to promote B2B commerce among the SMEs and monitor the activities ensuring good governance.

NRB – partnering with our ambassadors

On the first day of her resuming the office of the Ministry of Foreign Affairs, Dr. Dipu Moni - the first woman Foreign Minister in South Asia - rightly said that the NRBs (non-resident Bangladeshis) are the ambassador of our country. They are not only representing Bangladesh in different countries, but are also contributing to earning foreign currencies. A large number of Bangladeshi experts and professionals are working in different developed countries and are making an outstanding performance all over the globe. They are our ambassadors. There was a first NRBs conference in Dhaka in 2007. Many of the NRBs want "giving back" to the country. Apart from them, there are many Bangladeshi people around the world who have expressed the same idea of giving back by establishing the country's image globally and sending remittance for increasing our foreign reserves. We can invite them for three basic purposes: (1) use them as our business ambassadors for our country, thus help bringing investors in our economy, (2) apply their manage-

ment skill (what they have learnt over the years of their experience in other countries and (3) earn remittance. There are many countries for example - India, Vietnam, Malaysia, Indonesia, etc. who have got strategic plans for their people living abroad. This is the world of global competition. If we can use these valuable ambassadors, definitely, we will be able to reach one step further toward building a middle income economy by 2021.

Concluding remarks

Finally, it can be said that Bangladesh can and should feel proud to experience a free, fair and a peaceful election. There was a smooth transition of power from the Caretaker government to a democratically-elected government and from a state of emergency to a condition which is run by a government elected by all its citizens. This transformation will lead to a new and vibrant Bangladesh! This is the expectation of all from the newly-elected government. On its 50th birthday – in the year 2021 - Bangladesh will emerge as a middle-income economy globally- this is not our expectation, it is our commitment to the young and new generation. The signs of this transformation have already started!

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