

# Bangladesh India Pakistan Business Summit

The Daily Star

Special Supplement

January 15, 1998



## Message

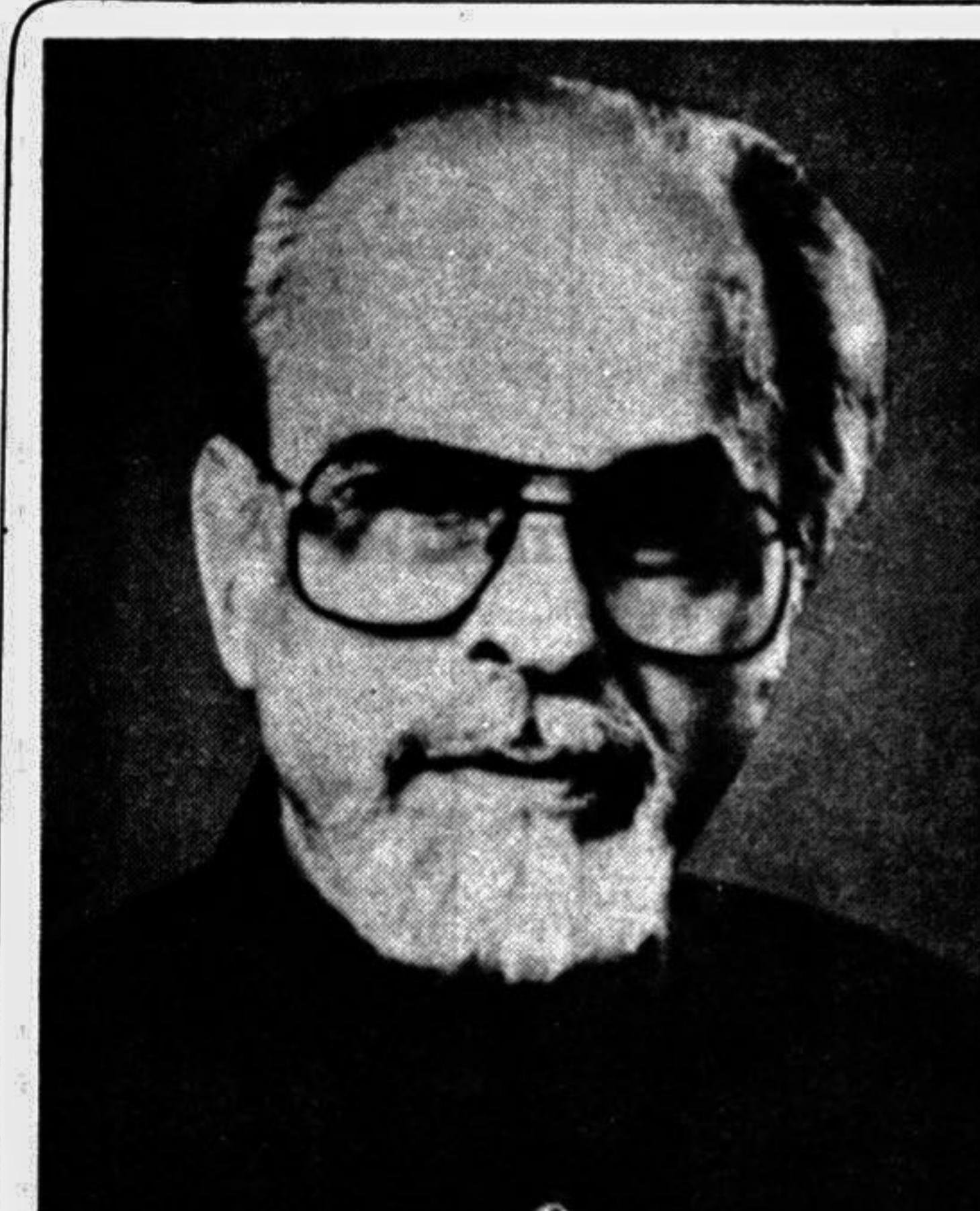
South Asia, together with a population over a billion of humanity, has lagged behind in economic development in comparison to the new and emerging giant nations of the world. It is a region of economic hardship. Yet ironically, in South Asia we have vast potentials for emerging as a major growth region of the world. All that is required is to put our agenda for economic development ahead and work together to give our peoples a better standard of living that they richly deserve.

It is now the responsibility of us the leaders of South Asia to encourage these private sectors to form linkages across national boundaries so as to bring benefits on the large canvas of South Asia. With this in view, we in Bangladesh first contemplated to make Dhaka the nexus of such a linkage among three of the most populous countries in South Asia, Bangladesh, India and Pakistan.

The Dhaka Summit, I hope, would be an important milestone in bringing our countries together in this sense so that we can cooperate to realise the maximum of the vast human and natural potentials that we possess and meet the challenges that globalisation and other recent changes in the world economic order have thrust upon us.

Joi Bangla, Joi Bangabandhu  
May Bangladesh Live Forever

**Sheikh Hasina**  
Prime Minister of Bangladesh



## Message

On the occasion of the Bangladesh-India-Pakistan Trilateral Business Summit being held in Dhaka on January 15, 1998, I convey warm greetings and felicitations to the government and people of Bangladesh.

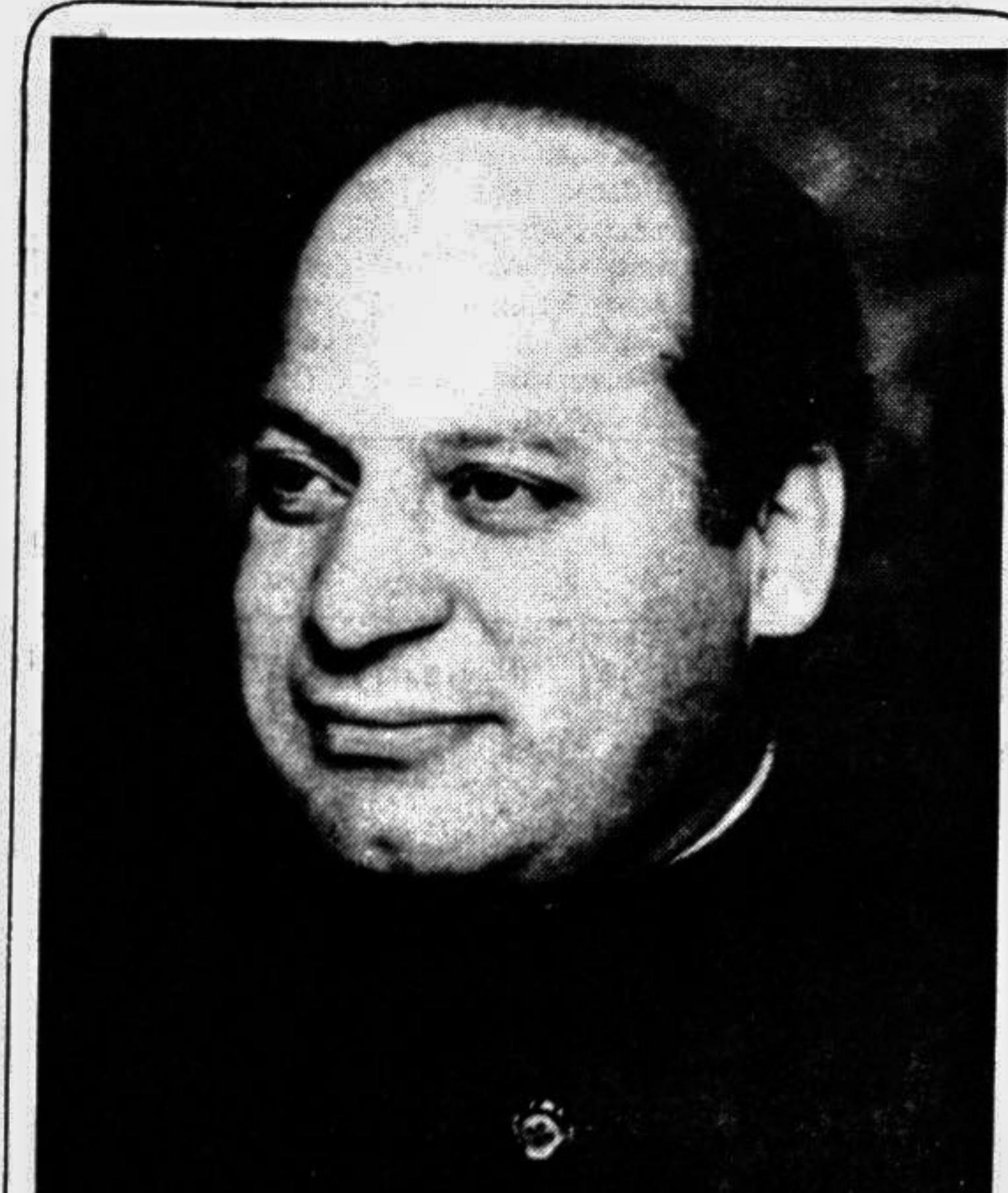
This is the first time that the leaders of the three largest South Asian economies are coming together with key members of their business communities to focus on a positive economic agenda of expanding trade, investment and business cooperation. I would like to express my deep appreciation for the initiative taken by Prime Minister Sheikh Hasina of Bangladesh in holding this unique event.

Our three countries, with over 1 billion people, together account for nearly one-fifth of the world's population. We are richly endowed with natural resources and human talent. If we optimise the use of these endowments by building ties of mutually beneficial cooperation, we can accelerate economic growth and build a future of shared prosperity for our peoples.

At the Male Summit last year, the leaders of South Asia took some landmark decision to accelerate economic cooperation within our region. We agreed to establish a Free Trade Area in South Asia and advanced the target date for achieving the goal by four years to 2001. India will work collectively with other South Asian nations to achieve this goal. We must also look at strengthening the institutional framework and developing the physical infrastructure which will enable us to derive the full benefits of such trade liberalisation. At the same time, we need to look beyond a Free Trade Area towards building a South Asian Economic Community with free flow of goods, capital and services within our region for accelerated economic prosperity.

We stand at the threshold of a new century. I am confident that as we forge ties of economic cooperation that knit our region together, South Asia will emerge to take its rightful place in the world — a place to which its size, population, resources and talent entitle it.

**I K Gujral**  
Prime Minister of India



## Message

The Trilateral Business Summit is an important initiative that the Prime Minister of Bangladesh Her Excellency Sheikh Hasina has taken. It brings together on one platform the leaders of Bangladesh, India and Pakistan and the captains of trade and industry from these countries.

As we stand at the threshold of the 21st century there are many challenges that confront us. Through joint endeavours we can effectively address them. South Asia is blessed with abundant resources and has the talent and knowledge to break the vicious cycle of poverty and economic underdevelopment.

There is growing realisation worldwide that governments and business must work together to promote and sustain economic growth and progress. A government-business partnership based on mutual trust and confidence can make important contributions to efforts aimed at attaining the goal of sustainable economic development in the countries of South Asia. In this effort we must take advantage of the many opportunities of economic globalisation for the common benefit of our peoples.

Intra-regional cooperation requires a conducive backdrop. With a clear vision of the future and requisite political commitment we can create a peaceful and supportive environment in South Asia based on mutually beneficial cooperation which is free from acrimony and tensions.

Posterity will judge us for the choices we make. Through cooperative interaction, we can build a better tomorrow. I call on the governments and business in South Asia to jointly undertake this common venture into the next millennium.

**Muhammad Nawaz Sharif**  
Prime Minister of Pakistan

## The Tripartite Business Summit — a New Lead

by Mustafizur Rahman

THE India-Pakistan-Bangladesh Business Summit in Dhaka, in the presence of the Prime Ministers of the three countries and involving Ministers and their senior advisers and leaders of the business community, marks an important first in the South Asian Sub-continent. Within the framework of friendly and good neighbourly relations between the three countries, it represents in essence a process involving the business communities of the Sub-continent and a dialogue between the Governments on

the one hand and the business leadership on the other. The Summit in fact assumes special significance — both symbolic and substantive — on several counts.

The end of the Cold-War, which had characterized — or perhaps more appropriately visited — the very nature and substance of international relations for decades, has established beyond cavil and conjecture, the primacy of the private sector in the development process. It is now recognized and accepted world-wide that the key to economic growth and de-

velopment is free enterprise and the market economy. A vigorous and dynamic private sector is seen as indispensable to sustained growth.

The concept of cooperation for mutual benefit among States at the regional or sub-regional levels or South-South Cooperation, of course, predates the post-Cold War phase of international relations. In the nation building process in developing countries, there are certain discernible trends. It is natural enough, in the first place, for countries emerging from long years of colonial rule to project their own identities and distinctive national characteristics. Most such countries however, have to contend with largely similar problems of under-development and poverty. It is thus equally natural that they should, sooner rather than later, seek to consult and turn to one another and strive to act in concert in addressing problems that are common to them, and the solutions of which can only be facilitated by collective effort. At the 28th Session of the UN General Assembly in 1973, a resolution was adopted on economic cooperation among developing countries which had broadly indicated steps for cooperation at the regional and sub-regional levels.

At the special session of the UN General Assembly the following year, a Programme of Action was also adopted which, inter alia, called for strengthening of South-South Cooperation.

Fortunately, awareness has grown in our three countries that there can be no progress in isolation. The only panacea to the ills of poverty and underdevelopment of the region is by attacking the problem regionally, making joint collaborative efforts to raise the standards of living of one-third of the humanity inhabiting this region. We are glad that all our three countries are committed to the process of regional cooperation in SAARC and have endorsed the implementation of SAFTA by the year 2001.

The time is now ripe for the private sectors of our three countries to take advantage of the preferential trade regime by evolving new synergies and building up new partnership in trade and investment. I am optimistic that this process of regional cooperation would lead to the most optimal utilisation of our resources, both natural and material resulting in the prosperity of the region as a whole. From the Indian business side, I can assure you that we shall give top priority to developing business relations with the neighbouring countries

with equal importance to import and export from each other.

I am confident that if trade and industry of our three countries can come together and evolve joint production and marketing strategies in certain potential sectors like the textiles, leather, rubber, jute, fisheries, tea, minerals and tourism, we shall soon become world's leaders in these areas. I am sure that our enthusiasm and willingness of our government to genuinely assist the regional growth process will help in increasing substantially the regional economic activity for the betterment of our people.

In spite of all the reasons given for the establishment of state owned enterprises (SOEs), there has been, apart from isolated exceptions, a noticeable absence of economic successes by SOEs or of the macro-economic development and industrialization as a result of the state control of industry. On the contrary, most of the SOEs have become permanent recipients of subsidies. Approximately, Taka 500 million is now being squandered away annually in the form of subsidies to the SOEs. In the present day context, privatization has now become a compelling necessity for Bangladesh. Government exchequer could hardly bear any further losses by the SOEs. Privatization is now, therefore, at the top of the agenda of the government in order to achieve its broader goals of economic development. It also reflects the commitment of the Honorable Prime Minister for best use of the precious national assets and scarce resources for many other useful and productive

## Message

I am delighted to learn that a newspaper supplement is being brought out on the occasion of the first ever Business Summit of the Heads of Governments of India, Pakistan and Bangladesh to be held in Dhaka on 15th Jan, 1998. The business community of Bangladesh extends heartiest welcome to Hon'ble Prime Minister Mr I K Gujral, Mian Mohammad Nawaz Sharif and Sheikh Hasina for attending the Summit. It is most gratifying to note that the top leaders of the three countries have taken keen interest in business and economic matters wherein lie the real prosperity of the teeming millions of the region. About 20 per cent of the world population inhabits these countries but their share in world trade is only 0.9 per cent. This shows that the region has so far failed to benefit from liberalisation of world trade. The intra-regional trade among these countries is also deplorably low at 3 per cent of their total trade. The region endowed with immense potentials which are yet to be exploited. The vast natural resources, a huge workforce and a market of about 1.2 billion people offer tremendous opportunities to the investors. Mutual co-operation among the three countries must be strengthened for realising the potential for

growth and sustainable development.

The presence of three Heads of Government in the Summit will inspire the business leaders of the three countries for meaningful cooperation in accelerating the development process in the region. I am looking forward to fruitful outcome of the Business Summit.

**Yusuf Abdullah Harun**  
President  
Federation of  
Bangladesh Chambers of  
Commerce & Industry

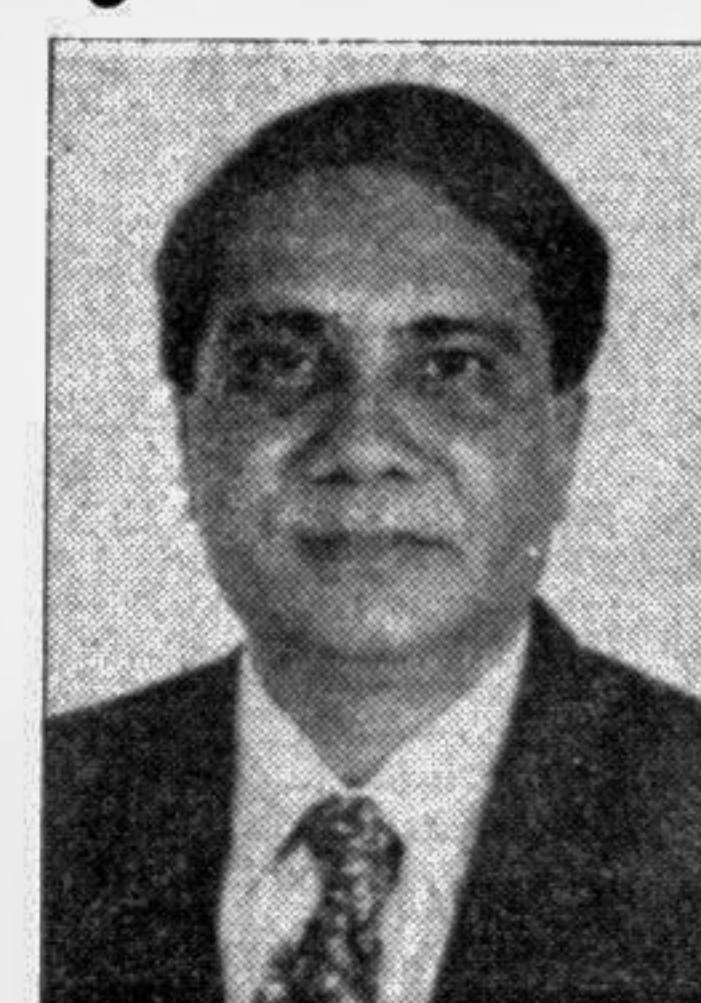
Continued on page 9

## Role of Privatization in the Economy of Bangladesh

PRIVATIZATION, one of the most important prevailing trends in economic development, is now increasingly being recognized as a very effective tool for economic transformation and development. The present democratic government of Bangladesh has accepted privatization as a way to exploit the initiatives, energy and resourcefulness of the private sector, while reducing Government losses and budget drains. The rationale for privatization in Bangladesh is based primarily on three inter-twined reasons. These are:

- To reduce fiscal burden of the Government.
- Improvements in the efficiency of the enterprises.
- To promote greater investment and achieve a sustainable growth in the economy.

In spite of all the reasons given for the establishment of state owned enterprises (SOEs), there has been, apart from isolated exceptions, a noticeable absence of economic successes by SOEs or of the macro-economic development and industrialization as a result of the state control of industry. On the contrary, most of the SOEs have become permanent recipients of subsidies. Approximately, Taka 500 million is now being squandered away annually in the form of subsidies to the SOEs. In the present day context, privatization has now become a compelling necessity for Bangladesh. Government exchequer could hardly bear any further losses by the SOEs. Privatization is now, therefore, at the top of the agenda of the government in order to achieve its broader goals of economic development. It also reflects the commitment of the Honorable Prime Minister for best use of the precious national assets and scarce resources for many other useful and productive



**Kazi Zafarullah**  
Minister of State &  
Chairman  
Privatizations Board

for investment and would free public resources for developing infrastructure and accumulate fund for social betterment programmes.

The government of Bangladesh, in its bid to activate and strengthen the role of private sector in trade and industry, has adopted a comprehensive privatization policy and laid down detailed procedures to facilitate the process of privatization. The Privatization Board set up in March 1993, is entrusted with the overall responsibility of privatizing SOEs whether small or large, sound or unsound, profitable or non-profitable. After the present government came to power, the person at the helm of affairs of the Board, the Chairman, has been appointed from the private sector, with the rank and status of a Minister of State. In fact, the whole management of the Privatization Board has been recast by inducting six Members of Parliament both from the treasury and opposition.

Continued on page 9

## Message

We are happy that Prime Minister of Bangladesh Sheikh Hasina Wajed has taken a timely initiative to bring together the Prime Ministers and business men of Bangladesh, India and Pakistan to discuss proposals and measures to enhance trade and economic cooperation among the three countries.

I warmly congratulate the organisers of this conference and wish the participants every success in their interaction during the conference.

**Senator Ilyas Ahmed Bilour**  
President  
Federation of Pakistan  
Chambers of Commerce &  
Industry

**KK Modi**  
President  
FICCI  
and Leader of Indian  
Business Delegation