

Chasing that elusive foreign investor

GHALIB CHAUDHURI

RECENTLY I attended an investor's forum on Bangladesh in Singapore, hosted by Singapore Manufacturers Association (SMA). It was very well attended by the Singaporeans, presumably by members of the SMA -- the largish ballroom was just about full. Bangladesh was represented by a coterie of luminaries representing the government and also practically the who's who from the business community. The leading lights from the government were none other than the Minister of Finance and the Chairman of BOI. The business community

Confrontational politics in Bangladesh has not helped business, but despite the hartals and roadblocks, businesses generally have performed well. This shows resilience and curiously smart management capabilities. I wonder if western counterpart under such odds could deliver this performance. However, the disconnect between private management and political management in Bangladesh is baffling. The political management, who is often responsible for negative newspaper headlines, is also largely responsible for the branding of Bangladesh Inc.

were principally members of the Metropolitan Chamber, who, incidentally, were also celebrating their one hundredth anniversary.

The forum at its core was the speech by the Minister and the presentations by the Chairman of BOI and the Executive Direc-

tor from the Centre for Policy Dialogue. They were all indeed excellent. Clear, succinct, direct, professional, factual, no nonsense, was in essence the style of the presentations -- the message, everything in Bangladesh is hunky dory, Bangladeshis are hard working,

diligent, bright, intelligent, and can deliver. I had no qualms with the content, except perhaps the speakers could have dealt with some of the ground level issues. After all Singaporeans are not naive, they do know about the corruption, hartals, and other impediments of doing business in Bangladesh. By avoiding to talk about these issues, albeit with a positive spin, after all it is a marketing exercise, creates a touch of cynicism among the audience. The macro economic indicators as presented are indeed illustrative of the good economic management -- who can argue with improved balance of payment, greater reform in financial sectors, comfortable reserves, less dependence on aid, fiscal deficit under better control -- all this was good positive publicity.

The Singaporeans must have been quite impressed, I thought, but the test of true interest would come in the Q&A session. Regrettably there were very few, one was a journalist, the other a Japanese national wanting to know the effect of SAPTA, and the third a consultant who went on about value addition of Bangladeshi goods in Singapore at its final stages -- all pretty innocuous questions. None of them gave me the feeling that they were ready to put some money on the table. So was this the right audience? Most probably not, by my reckoning, after seeing most of them leave soon after the cocktails which followed the conference. At the end, it was the Bangladeshis left in the ballroom networking with other Bangladeshis.

While spreading the gospel to a large audience may have some benefits, Bangladesh Inc can achieve a lot more by adopting a more focused approach. I am sure Bangladesh realises that it is not in the same league as China or India, who today anywhere in the world, possess the pull factor that can ensure attendance of the right crowd. Both countries have established their brand, and top corporates and potential investors will voluntarily attend their investor forums. On the contrary, Bangladesh is still in the push phase of FDI, which calls for a more targeted approach. It would do much better if it identified comple-

mentary sectors and corporates in overseas markets, and sold Bangladesh Inc directly to them.

The Bangladesh team, as was in the Singapore forum, should be armed with equally impressive presentations, both from the government and the private sector. For example, to pick a random sector, say telecom, Bangladesh team lead by BOI along with the CEOs of private sector telcos from Bangladesh could have met up with corporates like Singtel, Starhub, and M1 in Singapore. One-on-one meetings are much more interactive -- the interface is

usually with the decision-makers -- and leads to a more fruitful and conclusive dialogue. This application can be extended to all key sectors of Bangladesh that are seeking inward FDI. This approach helps to focus and build a powerful network vertically and globally in industries that are key to the Bangladeshi economy. Successful marketing is all about knowing your customer well -- selling Bangladesh Inc cannot be any different.

The investor forum was also illuminating in other ways. At the informal cocktail reception that followed the conference, I spoke to several of the business leaders from Bangladesh, where I reflected my concern with brand Bangladesh. Potential investors don't really feel that secure if they read the daily headlines of the *Daily Star*. My conjecture was that until Bangladesh sees changes in its newspaper headlines, its brand will never take off. Like all things, perception is often more than substance, and

unfortunately Bangladesh has a problem in that area. Later at dinner with old friends visiting with the business delegation, I was enlightened further.

My friend, a senior business leader, said Bangladesh didn't really need FDI, what it needed more urgently was a broader and deeper market access to sell their goods. I was initially reluctant to accept that argument -- what about long-term capital, what about transfer of skills and technology, which is a corollary to foreign equity. But I suppose he is partly right -- the sectors where Bangladesh has been strong, earning valuable foreign exchange, are at the low end of the technology ladder, where state of the art machinery can be bought and adopted easily. Domestic capital would be sufficient for growth in the export led sectors. However Bangladesh would need foreign capital at the high end of the technology scale like telecom, software, power, oil exploration and infrastructure development.

Confrontational politics in

Bangladesh has not helped business, but despite the hartals and roadblocks, businesses generally have performed well. This shows resilience and curiously smart management capabilities. I wonder if western counterpart under such odds could deliver this performance. However, the disconnect between private management and political management in Bangladesh is baffling. The political management, who is often responsible for negative newspaper headlines, is also largely responsible for the branding of Bangladesh Inc. Change of headlines will change the country's image, but until then, the elusive foreign investor will not come from a general appeal to large foreign audiences. Instead a more studied and focused approach may bring in the bounties.

Ghalib Chaudhuri, a former investment banker, is currently managing partner of Octavian Associates, an independent consulting practice based in Singapore.

4x3

4x3

7x4

7x8