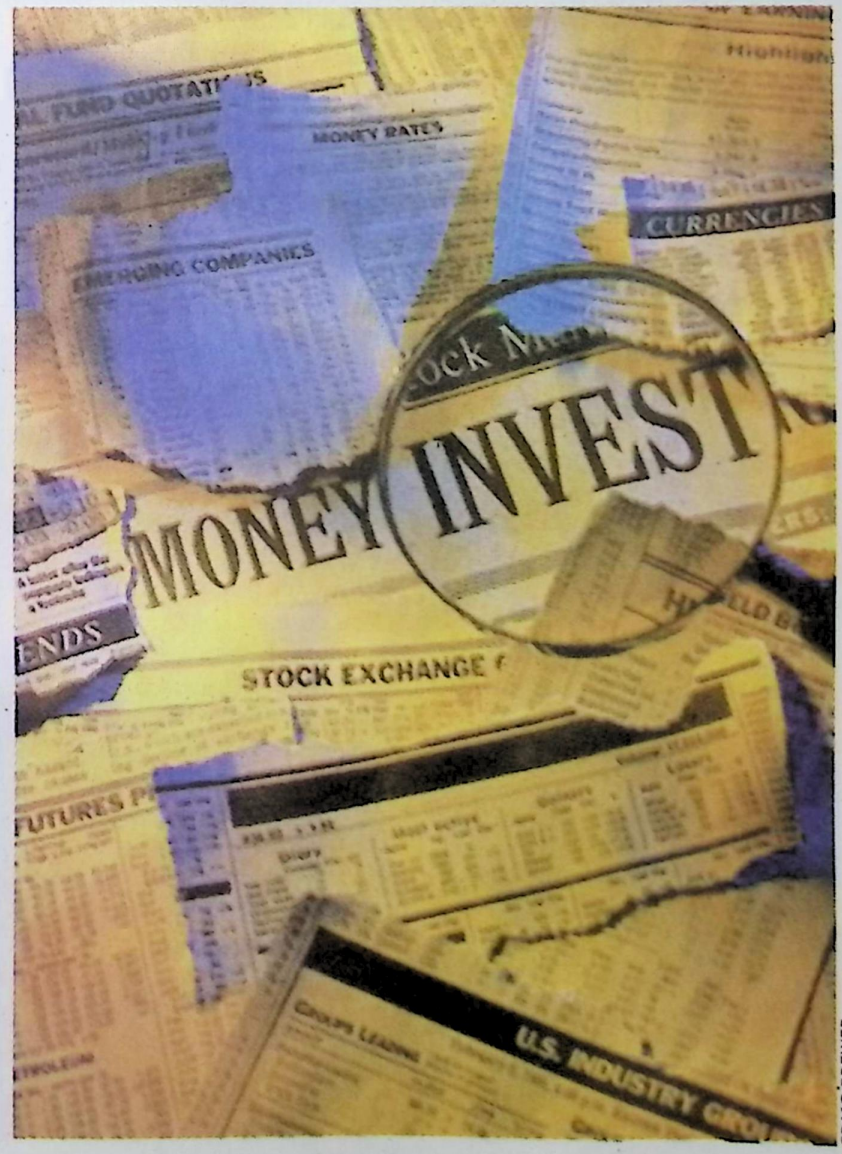
The Potential of the Bangladesh Capital Market

Mamun Rashid runs an expert eye over our financial future

THE capital market is the engine of growth for an economy, and performs a critical role in acting as an intermediary between savers and companies seeking additional financing for business expansion. Vibrant capital is likely to support a robust economy. While lending by commercial banks provides valuable initial support for corporate growth, a developed stock-market is an important pre-requisite for moving into a more mature growth phase with more sophisticated conglomerates. Today, with a $67 billion economy and per capita income of roughly $500, Bangladesh should really focus on improving governance and developing advanced market products, such as derivatives, swaps etc.

Despite a challenging political environment and widespread poverty, Bangladesh has achieved significant milestones on the social development side. With growth reaching 7 percent in 2006, the economy has accelerated to an impressive level. It is noteworthy that the leading global investment banks, Citi, Goldman Sachs, JP Morgan and Merrill Lynch have all identified Bangladesh as a key investment opportunity. The Dhaka Stock Exchange Index is at a 10-year high, however, the capital market in Bangladesh is still underdeveloped, and its development is imperative for full realisation of the country's development potential.



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