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guarantee all essential facilities, including land and utilities, to local and foreign investors within days.

In contrast, we observe that the ongoing efforts to acquire and develop land for EPZs and industrial parks are bogged down in legal proceedings, face shortages of funds, or are embroiled in disputes between conflicting pressure groups. At the same time, although we have thousands of acres of developed land occupied by closed or loss-making public sector mills in Khulna and in other parts of Bangladesh, we cannot take bold steps to transform them into modern industrial parks.

Certainly, the power sector does not provide any confidence to investors. We have suddenly discovered that Bangladesh does not have much gas, although only a few years back we were actively considering gas exports. Despite chronic electricity shortage, we can't yet formulate a comprehensive energy policy encompassing the use of proven coal reserves. The draft coal policy is still being debated after more than one and half years.

We must admit that the policy of supplying subsidised electricity, generated and distributed through government agencies, will never succeed in meeting the fast-growing demand of the economy. While our demand for electricity is projected to grow to 12-15,000 megawatts, we are struggling to maintain current production of less than 4,000 megawatts. By using captive power plants and small generators, the private sector is trying to cope with the crippling supply situation at a very high cost.

This must change. Private entrepreneurs are willing to pay the full economic cost for power, so why have we been so hesitant in allowing the private producers to set up power plants without the government's power purchase agreements and regulated tariff? The private sector should be allowed to set up generation plants without government involvement, and generation companies should be allowed to sell to any commercial entity through distribution companies at prices that cover their cost of production and return on investment. Let the private sector take charge. If it can supply everything else for the economy, including telecommunications, it will be able to supply power as well. The public sector should help in establishing the proper regulatory environment.

When we look at transportation, we only see growing congestion and no freeway or rapid transit system. The Strategic Transportation Plan (STP) announced by the government last week is the right response, although we are very late in announcing the plan and the 20-year horizon is too far.

If properly formulated and executed with Public-Private Participation (PPP), such a plan can be implemented in half the time. We should learn from the Chinese and Middle-Eastern experience on implementing PPP-based infrastructure projects and shortening the implementation period. If executed through our Annual Development Plans, implementation of the STP will probably not be completed in 40 years.

Bangladesh will definitely achieve middle-income status. But the issue is how soon. We have to focus our attention on creating a better environment for the industrial sector. Whatever we do, the agriculture sector can't be the mainstay of our economic growth, and the policy of *dal-bhat* is irrelevant for enhancing welfare for the masses.

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Old policies and politics must give way to modern economic management focusing on the industrial and services sectors. Instead of micro-managing the industrial strategy and markets, the government needs to focus on the broad approach outlined above and leave the rest to the private sector.

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