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However, the giant economies of China and India -- among the first to recover from the global slump -- appear to be natural candidates. Rightly or not, there is a perception that the government enjoys a special relationship with India, while the Chinese alliance has been a constant in our foreign policy since the 1970s. It is about time that the government cashes in those friendship chips so that Bangladeshi goods can enter these massive markets.

In addition to exports diversification, there is a lot of emphasis on small- and medium-sized enterprises being an engine of economic activities. While this is a welcome focus, many impediments -- from infrastructure bottleneck at the broadest level to access to finance, market, business skills, and supply network at the micro level -- need to be addressed for the SMEs to be serious driver of sustainable growth.

And, finally, the budget assumes "greater efficiency and technological progress across the economy, partly driven by increased investment in information and communication technology."

Political gimmickry such as the term "Digital Bangladesh" notwithstanding, a lot could be done to streamline service provision and reduce transaction costs, thereby enhancing economy-wide productivity growth that could sustain a growth pick up into the next decade. However, measures such as digitising the land records that could underpin this growth spur will require significant political courage.

In the long term, how the government steps up to these challenges will prove lot more important than any specific measures contained in this budget. As they put the budget behind them and start working on the five-year plan, Mr. Muhith, the planning minister, and their officials, should keep that in mind.

1. For a broad initial coverage, see: S Ahamed, Budget for recession and recovery, the Daily Star, 15 June 2009. Available at: http://www.thedailystar.net/newDesign/news-details.php?nid=92579.
2. For a discussion on how the crisis has been affecting Bangladesh, see J Rahman, Surviving the great recession, Forum, June 2009. Available at: http:// www.thedailystar.net/forum/2009/june/surviving.htm.
3. For a discussion on some of the risks, see J Rahman, Risks to the economic outlook, The Daily Star, 14 June 2009. Available at: http://www.thedailystar.net/newDesign/news-details.php?nid=92408.
4. For a discussion on the governance challenges, see A Saleh, The devil is in implementation, The Daily Star, 12 June 2009. Available at: http://www.thedailystar.net/newDesign/news-details.php?nid=92177.

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