



A Year Of Change

Special Supplement

Art & Design : Department of Films & Publications ♦ Assistance : Press Information Department, Ministry of Information

First Year of Success: The Economy

Dr. Atiur Rahman

The present government came to power with a pledge to materialise the 'Vision-2021'. The people had installed this government in power through a revolution of ballots with the hope of achieving economic emancipation and a just society. The government assumed office at a time when the world was in the grip of a deep recession. The new government has handled this challenging period most efficiently. As a result, Bangladesh has been one of the few countries who successfully overcame this economic crisis. It



could happen due to the spirit of the 1971 liberation war, an invincible strength to turn around in adverse circumstances and above all prudent monetary policy of the central bank.

Alongside providing necessary support to the export sectors affected by weak global demand, the new government extended budgetary assistance to small, medium and large-scale initiatives in the productive sector, including agriculture, in order to strengthen internal demand and production. The coverage of social safety network for the poor has been widened. The Bangladesh Bank also adopted a supportive monetary policy for facilitating productive and investment pursuits.

The economic base of the country has been strengthened due to timely incentive packages for the export sector, effective assistance rendered by the central bank especially in the expansion of agricultural, small and medium enterprises, adoption of an export-friendly foreign exchange policy for the exporters and sustained flow of remittances sent by the hardworking expatriate youths. As a consequence, Bangladesh is walking on the path of a 6 percent growth rate alongside modest inflation despite a global recession.

The principal characteristic of the global recession this time has been a liquidity crisis in banks. No such liquidity crisis was observed in Bangladesh due to a disciplined banking sector. Today, the Bangladesh economy stands on top of sufficient liquidity and a foreign exchange reserve of over 10 billion US dollar. The private sector credit flow including those in agriculture, SME and large industries has already increased by 15.4% compared to last year. The amount of refinancing has been enhanced substantially leading to the flourishing of small and medium enterprises and the creation of additional opportunities for participation of women entrepreneurs in the SME sector. A separate division has recently been opened in Bangladesh Bank for expansion and supervision of SME Loan Programme. Open loan distribution programme is being implemented throughout the country with the objective of disbursing highest ever Taka 11,500 crore credit annually in the agriculture sector. The disbursement of agricultural credit during the first five months (July-November 2009) of the financial year has been Taka 4249.69 crore. Besides, a Taka 500 crore refinancing scheme for share-croppers has been undertaken for the first time by Bangladesh Bank.

The country's exports-imports and investment position have shown promising improvements in the backdrop of fresh dynamism infused in the economy of the developed world in recent days. Although exports showed a negative trend during the first quarter of the current fiscal year (2009-10), it bounced back to a positive trend from October 2009. The export-receipts have increased by 18 percent compared to the same period in October last year. On the other hand, the growth in letters of credit for imports increased by 17 percent up to December this year compared to the same period last year. The downward trend in import of capital machinery has been checked and it is now showing an upward trend since October 2009. It indicates dynamism in the country's investment scenario.

Foreign investment has risen by 111 million US dollar during the first three months of the current fiscal year compared to the previous year. Besides, domestic investment rose by 20.2% during January-October 2009. An initiative has been taken for introducing sovereign credit rating in Bangladesh in order to bring investment funds from external sources at a concessionary rate.

Infusing dynamism in revenue collection is essential for achieving high economic growth rate. Necessary reforms in tax administration have already been brought about alongside ensuring technology-based infrastructure for its smooth functioning. As a result, revenue collection has increased by 14 percent during the first four months of the current fiscal year (July-October 2009) compared to the same period last year. It would be helpful in achieving desired progress in the implementation of the government's budgetary proposals.

The remittances sent home by the expatriates have marked an increase of 22.4 percent during the first five months of the fiscal year (July-November) compared to the same period last year. Simplification of procedure for foreign exchange transactions, use of mobile phones in collection and distribution of remittances, involvement of NGOs and the postal service for the purpose, providing investment opportunities to expatriate Bangladeshis by offering attractive interest rates (such as introduction of US dollar investment bond, premium bond, wage earners' development bond), and according CIP status to Bangladeshi businessmen have played a significant role in this advancement.

The Bangladesh Bank has already introduced technology-based environment-friendly and humane banking approach. Initiatives have been taken to introduce e-banking, automated clearing house, e-commerce, online CIB and e-tendering in order to reach banking services to the doorsteps of the common people. Bangladesh Bank has launched a Taka 200 crore refinancing scheme from its own fund for

(Contd. on next page)

A YEAR OF CHANGE

The year 2009 has been a year of change and transformation for Bangladesh. The country underwent a successful transition to a democratic order following the massive electoral triumph by the Grand Alliance led by Sheikh Hasina, the illustrious daughter of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, in the 9th Jatiya Sangsad Election. Sheikh Hasina took oath as the Prime Minister of Bangladesh for the second time on 6 January with a pledge to build a knowledge-based digital Bangladesh and lift the country to the status of a middle-income nation by the year 2021 when the Golden Jubilee of Bangladesh's independence would be celebrated. The following is a summary of some success of the present government in various socio-economic and governance sectors under the pragmatic leadership of Sheikh Hasina during the past one year.

Prime Minister's Office:

- A plan has been undertaken to rehabilitate 50 thousand families at a cost of Taka 300 crore under the Asrayan project in order to generate employment and shelter for the homeless, destitute and hardcore poor. A total of 49,480 families have already been rehabilitated.

- The Board of Investment has registered 28,528 private sector projects during 2009. The proposed investments totalled Taka 30,27,178 million.

- Under the purview of the Privatisation Commission, the government has taken initiative to restart closed mills and factories through own initiatives as well as on the basis of public-private partnerships. Till now, agreements for producing 290 Megawatt of electricity in 6 Export Processing Zones (EPZs) have been signed with private investors.

Cabinet Division:

- Research and Reform Cell of the Cabinet Division is implementing the Good Governance Programme with assistance from the Asian Development Bank.

- A decentralised structure for the Anti Corruption Commission has been approved in the light of its organizational chart.

- A programme has been undertaken for communicating with the field administration through video-conferencing.

Establishment Ministry:

- A preliminary draft for the Civil Service Act has been prepared for making the country's public administration more efficient and dynamic. Advices of local and international experts as well as other stakeholders are being sought for enriching it.

- Preliminary drafts have been prepared on promotion rules, policies for postings and transfers, career planning and structural reform of field administration.

Finance Ministry:

- The Securities and Exchange Commission (SEC) has accorded permission for the launching of 50 merchant banks.

- A new pay-scale for the officers and employees of the republic has been implemented.

- The foreign exchange reserve in the country has crossed 10 billion US dollars in 2009, which is an all-time record.

Planning Ministry:

- The second Poverty Reduction Strategy Paper was

placed in the Jatiya Sangsad and subsequently approved for bringing down poverty to a tolerable level through achievement of higher economic growth rate.

Law, Justice and Parliamentary Affairs Ministry:

- Separation of the judiciary from the executive has been given a permanent shape through the unanimous passage of the Code of Criminal Procedure (Amendment) Bill 2009 in the Jatiya Sangsad.

- The Appellate Division of the Supreme Court has upheld the verdict of the High Court on death sentences for 12 killers in the Bangabandhu Murder Case.

Agriculture Ministry:

- A Taka 150 crore project has been undertaken during 2009-10 for making the country self-sufficient or surplus in food-grain production by the year 2013.

- The government halved the price of non-urea fertilisers within one week of assuming office and reduced diesel price by Taka 2 within two weeks.

Food and Disaster Management Ministry:

- The number of VGF (Vulnerable Group Feeding) cards have been increased to 70 lakh 67 thousand 5 hundred from 56 lakh 70 thousand with the goal of expanding the coverage of social safety net for the hardcore poor.

Local Government, Rural Development and Cooperatives Ministry:

- The Local Government (Union Parishad) Act-2009 has been passed by the Jatiya Sangsad.

The year 2009 has been a year of change and transformation for Bangladesh. The country underwent a successful transition to a democratic order following the massive electoral triumph by the Grand Alliance led by Sheikh Hasina, the illustrious daughter of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, in the 9th Jatiya Sangsad Election. Sheikh Hasina took oath as the Prime Minister of Bangladesh for the second time on 6 January with a pledge to build a knowledge-based digital Bangladesh and lift the country to the status of a middle-income nation by the year 2021 when the Golden Jubilee of Bangladesh's independence would be celebrated. The following is a summary of some success of the present government in various socio-economic and governance sectors under the pragmatic leadership of Sheikh Hasina during the past one year.



- A programme has been implemented for constructing 6,036 sources of arsenic-free water supply and testing the quality of 7 thousand water-sources.

- The project One Home, One Farm has been taken up for strengthening food security, promoting women's empowerment and raising the quality of life.

Education Ministry:

- Arrangement has been made for the first time during 2009-10 to distribute 18 crore 90 lakh text-books at secondary, dakhil, technical and vocational levels free of



charge among students at the very start of 2010 academic year by allocating Taka 328.52 crore in the education budget.

- Madrasa education system is being modernised with the goal of grooming 'market professionals' and running it in

(Contd. on next page)

Digital Bangladesh: Bangabandhu's Golden Bangla in the Twenty-first Century

By Mostafa Jabbar

Prologue: A full one year has elapsed since the formation of a second government by Sheikh Hasina – the people's leader and daughter of Father of the Nation Bangabandhu Sheikh Mujibur Rahman. The 16 crore people of the country has the ultimate power to judge the successes or failures of this one year. We should now dwell on what a Digital Bangladesh is supposed to be, especially when the present government has announced a manifesto for change and made a pledge to transform the country into a Digital Bangladesh by 2021, the golden jubilee year of Bangladesh's independence.

Declaration for a Digital Bangladesh: The Awami League had declared her election manifesto on 12 December 2008. The chairperson of the party and people's leader Sheikh Hasina had declared in the manifesto that Bangladesh would become a Digital Bangladesh in 2021, after 50 years of Bangladesh's independence. Sheikh Hasina had shown us the dream of becoming a developed country, a prosperous digital society, a population suitable for the digital age, with transformed system of production, a knowledge-based economy, and overall – the formation of a knowledge-based

society. This vision was added to the election manifesto of Awami League on 6 December and approved by the executive committee of Awami League on 11 December 2008. The Awami League government has remained committed to the establishment of a Digital Bangladesh ever since its electoral triumph.

Digital Bangladesh is in fact the first step in establishing a knowledge-based society. It would materialise our dream of establishing a prosperous and developed life for our posterity, which we sought to achieve through our glorious liberation war in 1971.

This concept of mine on Digital Bangladesh has been published in different periodicals of Bangladesh since March 2007. Bangladesh Computer Association had raised the slogan 'The dream of Ekushey is Digital Bangladesh' during the Ekushey Book Fair of 2008. The themes of 'Towards Digital Bangladesh' and 'Way to Digital Bangladesh' have been repeatedly used by this Association in its programmes during 2008-09. Bangladesh Computer Association organised a first ever summit of its kind titled 'Digital

(Contd. on next page)

Foreign Relations: One Year in Retrospect

A H M Muniruzzaman

The present government assumed office for running the statecraft on 6 January 2009 after getting a huge mandate from the people in the general election held on 29 December 2008. The list of achievements is quite long when we consider the first year of the government - re-establishing the values of independence, completion of Bangabandhu Murder Case, commencement of the trial-process of war-criminals, powerful initiatives in the education sector, and so on; the successes of the government in crisis management is



also quite well-known. However, it would not be an exaggeration to claim that the government's intense focus on diplomacy and foreign relations and the successes emanating from it are probably more significant compared to other achievements.

The perspective of sovereignty of an independent country has two dimensions - internal and external. Foreign policy is the principal foundation for the expression and assertion of a sovereign state-entity. The state remains forever active to influence the happenings in the outside world and relevant interactive and controlling entities through diplomatic initiatives. For Bangladesh, these activities broadly include upholding and expanding our interests in the international arena, improving bilateral ties, intensifying regional cooperation, and above all consolidation and strengthening of Bangladesh's image as a responsible state in the global perspective through active participation in multilateral initiatives including those by the United Nations.

If we speak from the very beginning, then our loyalty to the United Nations Charter and our pledge to discharge responsibility as a member of the world community were clearly spelt out in our Declaration of Independence framed on 10 April 1971 immediately after Bangladesh's birth. Later, the main context of our foreign policy was incorporated in the Bangladesh Constitution. The preamble of the Constitution expressed the intention of making "our full contribution towards international peace and cooperation in keeping with the progressive aspirations of mankind". The activities conducted in the field of foreign policy and external relations during the past one year have been based on this basic foundation. In spite of that, some fundamental facets are noticeable in the conduct of foreign policy by the present government during the past one year. On the one hand, Bangladesh's identity as a responsible nation capable of making qualitative contributions in the international sphere has been noticeable in many dimensions. On the other hand, rather than reacting to events, visible initiatives have been taken to influence occurrences in the outside world in a proactive manner. Just as it occurred with respect to bilateral relations, it was similarly visible in regional, inter-regional and global contexts. The Honourable Prime Minister herself remained involved with international initiatives related to climate change throughout the second half of the year and has been accorded recognition as one of the few statesmen active in the area.

Let us now focus on various initiatives of Prime Minister Sheikh Hasina in various international forums. She led the Bangladesh delegation to the 64th session of UN General Assembly. Outside that, she joined the meeting on climate change of selected heads of states and governments of 25 countries organised by the United Nations Secretary-General. She also participated in the meeting of leaders of top ten troop contributing countries of the UN Peacekeeping Operations after being invited by the UN Secretary-General. Besides, she joined the high-level meeting on food-security as a panellist. Bangladesh was visible through her presence in all these events.

The Prime Minister remained active in forging world opinion on the worrisome impact of climate change, especially in severely affected countries like Bangladesh. Apart from joining meetings and conferences, she exchanged views with the UN Secretary-General, the Mexican President and the Prime Ministers of Australia, Denmark, Sweden, United Kingdom, Norway and Ethiopia. The preferential treatment for countries like Bangladesh, who are most affected due to climate change could be established due to her active involvements. She has succeeded in obtaining special priority in any global solution for the disaster-prone countries affected by climate change by maintaining a strong position on behalf of these countries. As a result, Bangladesh and her Prime Minister became the focal point during the conference. Sheikh Hasina participated in the World Conference on Climate Change held in Copenhagen and chaired its high-level plenary session. She also attended the 60th Summit of Commonwealth Heads of States and Governments held in Trinidad and Tobago and made effective contributions towards reaching a consensus on climate change in Port-of-Spain.

She again highlighted the damages incurred by Bangladesh due to global climate change at the function organised by Sweden on the occasion of European Union Day. She also led the Bangladesh delegation to the summit on global food security held in the Italian capital Rome. The subject of food security got special importance in her presentation and she could relate climate change to food security during the deliberations.

(Contd. on next page)