Wide scope for foreign investment

CONTINUED FROM YESTERDAY

ATIUR RAHMAN

Bangladesh offers excellent opportunities and facilities for foreign investment. The energy sector is one such area to invest in.

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Bangladesh is strategically located as a potential hub of regional trade. Roads, bridges, and ports are being developed for facilitating transit routes for regional trade through Bangladesh. Regional energy grid is being developed for enhancing energy security.

Bangladesh offers excellent opportunities and facilities for foreign investment. No prior permission is required for investment in industrial sector (except for four reserve sectors including defense equipment, reserve forestry, atomic energy, currency printing and minting). Investment proposals need only to be registered with the Board of Investment (BOI). There is no ceiling on percentage of foreign ownership; both wholly foreign owned and joint ventures are permissible.

Public-private partnership (PPP) in infrastructure investments offers a new window of opportunity for foreign investors. Fully serviced existing export processing zones and special economic zones are being expanded and developed for export-manufacturing with duty free import of inputs.

The capital market is open for foreign portfolio investment (FPI) by individual and institutional investors. The Foreign Private Investment (Promotion and Protection) Act, 1980 and a number of bilateral intergovernmental agreements protect foreign investments fully, with assurance of no expropriation or nationalisation without fair compensation. Profits/dividends on FDI and FPI are freely repatriable, so are disinvestment proceeds (at market value for listed companies, at net asset value for unlisted entities) and capital gains. Capital gains are free of income tax. External trade has been liberalised in line with WTO rules, and Taka is fully convertible for current external transactions.

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Likely reasons why Bangladesh is not included in 'Asia 7'

Likely reasons for ADB's not including Bangladesh in 'Asia 7' are (i) GDP growth trends still tepid compared to the leading Asian economies, (ii) low levels of income with narrow base of government revenue, (iii) low FDI inflows reflecting limited external confidence in business environment and governance standards, (iv) narrow manufacturing base with limited diversity in the export basket, (v) deficiencies in physical infrastructure. However, despite these limitations, one may always add that the Bangladesh growth story has not been justly rated given its distributive characteristics and potential role of emerging entrepreneurial classes, which have been showing unprecedented creativities and resilience. Of course, political instability often blurs this buoyant optimism. However ordinary people never sit idle during political disturbances, they continue their hard work pursuing their aspirations with unlimited resilience and coping capacity.

Vision for the days ahead

Bangladesh government has already drawn up a perspective plan for the next ten years. The government's Vision 2021 aspires for making Bangladesh a middle income country by 2021, which will require crossing the per capita gross national income (GNI) of $996 (at 2009 prices). Our recent GNI growth path indicates that Bangladesh may cross the $996 threshold by as early as around fiscal year 13.

For 2030 Bangladesh may set sight at crossing the next threshold to 'upper middle' income bracket, with per capita GNI equivalent to $3,946 or higher (at 2009 prices). With a projected 2030 Bangladesh population of 178 million, crossing into the higher middle income bracket will require raising our GNI to equivalent of around $703 billion (at 2009 prices) by 2030, from current level of about $107 billion, quite conceivable with our continuing comparative advantage of ample supply of cost competitive young manpower pool and the substantial room for unrealised productivity gains in all output activities in manufacturing, agriculture and services.

The key to success in graduation into upper middle income status for Bangladesh by 2030 will be in unleashing and utilising the creative energies of our entire population; opening up blocked advancement opportunities for the disadvantaged population segments with inclusive growth policies. Bangladesh Bank's recent campaign for broader, deeper financial inclusion supported by intensive employment of IT aims at contributing to the inclusiveness of economic and social growth in the country. Around 10 million new bank accounts have already been opened for the farmers and extreme poor for transparent disbursement of agricultural subsidy and wages for employment guarantee scheme as part of financial inclusion. This has been greatly enhancing our domestic demand that has helped us cope well with ongoing global financial crisis.

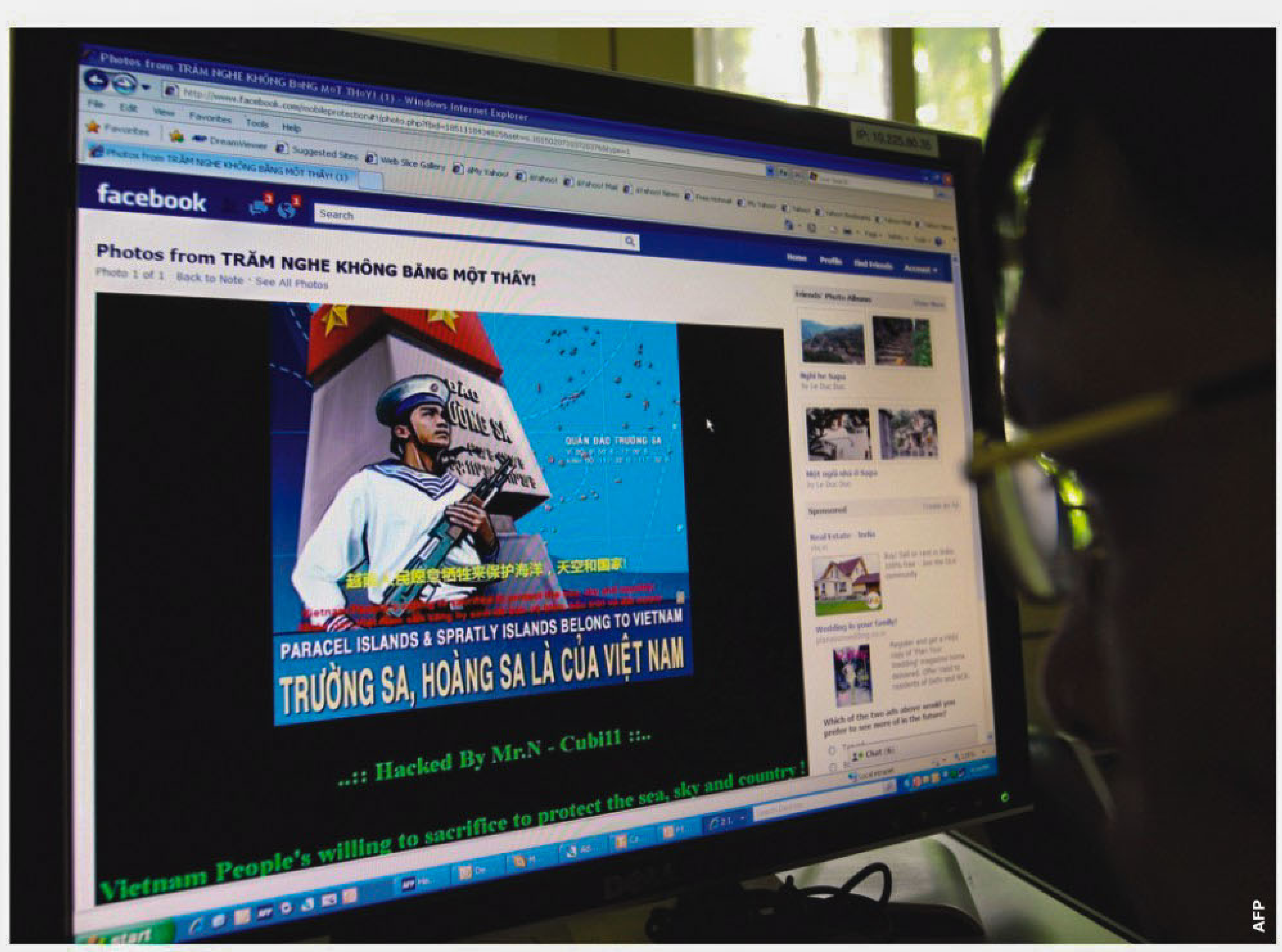
Besides maintaining macroeconomic stability, the main role of the government on the path of attaining higher middle income country status by 2030 will be in continuing high fiscal outlays for human development targeted predominantly to the lower income groups for rapid poverty eradication; substantial R&D outlays particularly in environment friendly agriculture, energy generation and manufacturing; continuous skill upgradation of our abundant young manpower pool, and maintaining congenial, competitive policy environment for local and foreign private sector entrepreneurs. Over and above, there has to be political stability and inclusiveness to allow the diligent and entrepreneurial people of Bangladesh to unleash their innovative potentials in a relatively calm social environment.

Looking further ahead, we can envision Bangladesh joining the global group of advanced economies by 2050. Key strategies would involve inclusive economic and social growth leading to material prosperity, blossoming of creativity and innovation at the frontiers of new technologies producing globally competitive products and services catering to the needs of the upcoming generations. Bangladesh certainly deserves greater global acknowledgement of her hard earned gains with relatively lower investment than other growing economies. With multifaceted growth thrusts initiated by our government, it should not be long before we see the unsung hero Bangladesh poised and acknowledged as a deserving claimant for a slot in the elite club of Asian growth powerhouses.

Atiur Rahman is the governor of Bangladesh Bank.

Modern etiquette: the pitfalls of social media

REUTERS LIFE! *Washington*



A man looks at an image on a Vietnamese user's personal Facebook account recently in Hanoi.

I recently spent eight days in the United Arab Emirates (UAE) conducting training under the patronage of The Protocol Department - Dubai.

One of the most striking things about the experience was the abundance of Blackberries, iPhones, and other digital devices seemingly in the hands of the entire populace.

I even noticed when I met with one of the UAE Rulers that he carries his iPhone like a warrior with a weapon.

I also noticed that in the UAE, protocol dictates stashing your digital device during face-to-face conversations and when making large, and small, business presentations - it's considered rude and shows disinterest to do otherwise.

Yet, when I travel in the U.S. and to other countries (for business and pleasure), mobile devices stay firmly in-hand, not just for checking email or headlines but to visit social networking sites.

It's important when courting international partners to realise that potential allies will surf the net for every nugget of information they can find on you and your company.

According to Twitter, more than 60 percent of users are from outside the U.S., while more than 70 percent of Facebook users reside outside the U.S. Both companies are incorporating more languages to help boost usage in low-growth regions.

This has resulted in explosive growth - more than 4,300 percent in Taiwan, more than 3,800 percent in Brazil, and more than 2,900 percent in Thailand. And that's just the past two years!

This brings me to today's crucial mandate.

Be vigilant about maintaining a clean virtual image, especially if, like me, your business crosses international borders.

Yes, there's LinkedIn and other professional sites, but don't fool yourself. Facebook is not personal or private and it will be viewed and used by others to form an opinion about you.

Facebook privacy settings are minimal and need to be manually set for 'high privacy'. There's simply no need for business contacts to see a photo of you in swimwear or downing a beer at your in-law's pool party.

Remember, a seemingly harmless image in your personal life can undo business opportunities in countries where drinking and scant dressing are taboo.

Tip: The best way to avoid any digital mis-steps is to take a proactive approach to networking - and all things business related - by asking business contacts to connect with you on a business platform like your web site or LinkedIn, where you should always have a recent 'professional photo' of yourself.

If a business associate that you don't have a personal relationship with invites you to join their personal network, direct them to your business platform.

To avoid offending them, explain that you check your business platform (i.e., LinkedIn, web site) more frequently.

In addition to profile management, be mindful of any post you toss into the blogosphere, the Twittersphere, YouTube, MySpace or any other Newbie Digital Fare. Things can go awry if you are either inappropriate or too quick on the trigger.

Take for example the advertising executive who inadvertently sent a tweet from his client's account (a major U.S. automobile manufacturer) instead of his own.

The use of profanity and criticism of the manufacturer's drivers all in one sentence elicited profound results.

Although the executive quickly realized his mistake and deleted the post, the damage was done.

Soon, the client's followers retweeted the faux pas and in short order the tweet found its way to numerous blogs and the desks of the agency's client as well as agency execs. The outcome was costly - the agency lost a very big account.

Even if the executive had tweeted from his personal account there would have been consequences. Virtually all social media content is available to anyone, anywhere, anytime and nothing is truly private, nor can it be permanently deleted.

So, whether you are a recent college grad on the job hunt or the CEO of a major company, here's the Digital Golden Rule:

If you wouldn't print out the message or duplicate the photo or post the video under your own name and distribute it to every business contact you can think of, don't post it, tweet it, or upload it.

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