

Business climate improves

Infrastructure holds key

IT is good to see that Bangladesh's position has improved by two points in the prestigious Economic Intelligence Unit's (EIU) 'Business Environment Rankings, South Asia.' Although Bangladesh trails other South Asian countries like India and Sri Lanka, it has now come up to the 69th position in 2014 in terms of 'investment friendly' destination in a survey that encompassed 82 nations. India, Sri Lanka and Pakistan have seen their rankings slip a few notches over this period. The EIU forecast measures not only past data but also expectations for the future.

That the quality of investor-friendly location has improved for the country is undoubtedly favourable news, in light of the greater interest being shown in the country by a number of regional trade initiatives that have been unfolding. Bangladesh-China-India-Myanmar (BCIM) initiative is entering a serious phase and Bangladesh is outlined as a "hub" in the recently launched Maritime Silk Road.

Our Achilles heel remains the sorry state of infrastructure, without which serious foreign direct investment will not be forthcoming. A total of ten indicators are taken into account to judge a country's overall performance. Major indicators that keep the country from performing better are political instability and unwieldy laws and regulations that govern FDI. Regardless of how strategically placed Bangladesh may be in the geo-economic conditions from a regional point of view, the fact remains that much remains to be done on fixing basic staples including power, road, rail and water links before our ranking can improve substantially.

Decrepit memorials

a great shame!

Have designated minders or caretakers for them without fail

OUR lead front page report yesterday titled "Memorials left to decay" with its heart-wrenching photographic illustrations should be an eye-opener to a side of our national character we must be deeply ashamed of. The story encapsulated years of neglect that our icons of patriotism, emblems of historic turning points have been subjected to as though they are being de-memorialised, the exact opposite of the purpose they were intended to serve.

This constitutes an appalling measure of disrespect to our history and an act of sacrilege committed on the inspiring memories of their sacrifices and noble deeds but for which we would have been so much the poorer.

We set up a memorial for a martyr with overflowing emotions and great fanfare and think that that is all we owe them. The inaugural enthusiasm will soon die down and the only time it would be revived, albeit in diminished forms, happens to be during annual observances of the days associated with them. On specific days these will be dusted for the rituals and then left totally uncared for the rest of the year, thus cumulatively turning them into wrecks.

All these are because of our pathological lack of maintenance culture helped by meagre or no allocation to look after memorial installations. Worse still, there appears to be no designated authority to maintain these against the vagaries of nature or onslaught of vandals.

It is high time we put some single authority in charge of these memorials, give it the funds required to maintain them and make them answerable to the ministry concerned.

Accord with Russia

EDITORIAL: DAWN (PAKISTAN)

WHETHER or not the new defence pact between Russia and Pakistan is the 'milestone' described by the defence ministry, it does make eminent sense for the two countries to come closer as the Eurasian landmass and what Moscow calls its 'near abroad' undergo geopolitical convulsions.

As in the past, more so now, Afghanistan remains the linchpin of Russia-Pakistan relations as the US prepares to withdraw from the war-ravaged country without having achieved a mission it never seemed very clear about.

Now watching with concerns the shape of things to come in Afghanistan are not only Pakistan and Russia but also China and India. Questions surround the capability of the new Afghan government. Will it just survive, buffeted like Hamid Karzai's regime, or will it craft bold and imaginative policies to make a success of the democratic process, attempt to reconcile with the Afghan Taliban and launch Afghanistan's post-war reconstruction?

With American power in the region in retreat, Russia would like to know where Pakistan stands in post-US Afghanistan — a query Beijing, too, may share, because of its interest in a peaceful Afghanistan whose Wakhan valley borders China's Xinjiang province.

Clearly then, Islamabad, Beijing and Moscow have a commonality of interest in seeing a stable Afghanistan, with China especially keen to make a major contribution to Afghanistan's economic development.

Meanwhile, recent aggression at the Line of Control and the Working Boundary as well as the hard-line Modi government taking power in New Delhi last May have only enhanced Pakistan's fears vis-à-vis India's involvement in Afghanistan.

Islamabad thus would like to strike a deeper understanding with a Moscow that is mindful of the unmistakable shift in India's foreign policy and its warmer relationship with Washington.

No doubt aware of its international isolation, Pakistan is keen to broaden and diversify its economic and defence ties with states that have a dominant global role such as Vladimir Putin's Russia, which has begun to reassert its power, as seen in Crimea and Ukraine.

As evident from Thursday's agreement, Russia is willing to help Pakistan in a variety of sectors, including economy, technology, defence and international security, besides closely cooperating in crafting a common counterterrorism strategy.

With the focus of the world's economic and political power shifting from the West to the East, Pakistan has to review some of the basic postulates of its foreign policy, without disrupting its traditional ties with the US and the European Union.

Agro-economy of coastal Bangladesh

MUHAMMAD ABDUL MAZID

BD is one of the promising economies in the world. Per capita gross income (PCGNI) of the country is \$987 in 2014 (Bangladesh Economic Review, BER, 2014). In terms of Development Index, Bangladesh ranks 140 out of 177 countries (Human Development Index, HDI, UNDP 2007). According to latest SVRS estimation (Bangladesh Bureau of Statistics, BBS, 2008), 144.5 million people live in an area of 1,47,570 sq. km. The rate of population growth is 1.39% per year. The population density (979 per sq. km.) makes Bangladesh one of the most densely populated geographical areas in the world, and adversely affects the land-man ratio. Per capita cultivated area has steadily declined from 0.27 acres (1983-84) to 0.15 acres in 2005 (BBS, Agriculture Sample Survey, 2005.)

About 75% people of Bangladesh live in the rural areas, with most of them dependent on agriculture for their livelihood. Agriculture is the single largest sector -- contributing about 19.09% of GDP and employing about 48.1% of the labour force (BBS, 2008).

The coastal zone has a significant place in the economy of Bangladesh. About 3.6 million hectares of coastal land



constitute nearly 25% of the geographical area; according to 2011 Population Census (BPC) about 25% of the population live in the coastal region. The agriculture sector in the coastal region of Bangladesh is extremely important. The coastal belt is about 710 km. in length.

Bangladesh is an overwhelmingly agricultural country. The contribution to GDP and overall employment in the agriculture sector indicate its predominance in the national economy. However, the available information reveals that the contribution of agriculture sector to the national economy, in percentage terms, is declining. The share was about one-third of the total national production in the nineties, while it was about 40% in the seventies. The share of coastal zone has also gone down from about 25% to 23% during the last decade. The number of people engaged in the agriculture sector has declined from 78% in 1970 to about 60% at the end of the twentieth century.

The coastal belt plays a vital role in the national economy. We have the world famous mangrove forest (the Sundarbans) and two seaports -- Chittagong and Mongla -- in the region. Besides this, shrimp culture is an important activity in the region, and noticeably influences foreign currency earning. Despite having the potential to accel-

erate growth, the coastal belt of Bangladesh is one of the depressed, if not neglected, regions of the country. The backwardness of the region is creating inter-regional imbalance, causing confusion and frustration among the population living in this vibrant but volatile region.

Since the mainstay of the region is agriculture, the development of the region along with the overall growth process of the country is not possible without solving the problems and increasing the prospects of the agriculture sector of the region. Agriculture -- field crop cultivation -- in the coastal region is hindered by some problems, and undue control measures undertaken in the coastal region have adversely influenced the soil and water salinity of vast coastal areas. The creation of polders and embankments, though helpful for shrimp culture, threatens the main activity of the region, agriculture. Reliance of the people on field crop cultivation is declining, while allied agricultural (mostly non-crop) activities are increasing. The future prospect of the coastal region possibly lies with this tendency to adjust with the changing environment.

Bangladesh is a rural country. Agriculture is the dominant occupation of the people. However, the importance of the agriculture sector in the national economy and also in the coastal belt is declining. Contribution of agriculture to the economic progress of the nation is on a declining

curve. The share of agricultural products in GDP has been coming down. This sub-sector alone contributes approximately 71% of total agricultural product (TAP), and he remaining 29% comes from allied activities -- forestry, fishery and livestock. Livestock contributes the least among these three sub-sectors, about 9%. All the components of non-crop production branch have experienced export-led growth.

The nation is about to be self sufficient in the food front. Bumper growth of agriculture sector -- crop sector in particular -- is the primary reason. Total food grain production of the nation averaged around 2 M. metric ton during the '80s. The output crossed 2 M metric ton (in 1997-1998), which has resulted in reducing food deficit. Indiscriminate spread of shrimp culture in salinity inflicted paddy fields is, however, unwelcome because of ecological considerations and because it hampers sustainability of crop activity in the coastal zone. Conflict between shrimp culture and field crop cultivation is identified as a major problem of the coastal agriculture sector.

It is worth mentioning at this juncture that both crop production and the area under paddy cultivation in the coastal zone are increasing. Productivity level, however, is far below expected level compared to other regions of the country. It is right to say that improved performance of the agriculture sector across the region is essential for bridging inter-regional imbalance, which exerts a downward pressure on national economic growth and development in developing economies. At the same time, it is difficult to address the problem of food deficit without removing the problems in crop production.

The writer is Chairman, Chittagong Stock Exchange.

THE ASIAN CENTURY

India's economic hotspots

ANU MADGAVKAR and RAKESH MOHAN

INDIA'S economy could soon be on the move again. The new government is re-establishing fiscal discipline and energising the bureaucracy, fueling optimism that rising business confidence will reactivate investment, particularly in infrastructure. But India's overall growth prospects conceal a patchwork of economic opportunities that exist within states, districts, cities, and even towns -- opportunities that companies can uncover only with careful research.

India's economic data are promising. Annual average GDP growth is forecast to range from 6.4% to 7.7% until 2025. This compares favourably with last year's 4.7% rate, and is close to the 7.7% average recorded in the decade up to 2012. Moreover, it contrasts sharply with the expectations of secular stagnation in the developed world. This acceleration would place India among the world's fastest-growing large economies and increase the number of Indian consumers who can afford discretionary items from 27 million in 2012 to 89 million in 2025.

But the potential is far from uniform. According to a new report, more than half of India's GDP growth between now and 2025 will come from just eight states (Gujarat, Haryana, Himachal Pradesh, Kerala, Maharashtra, Tamil Nadu, Andhra Pradesh, and Uttarakhhand), home to just 31% of the country's population. Along with four dynamic city-states (New Delhi, Goa, Chandigarh, and Pondicherry), these states will be home to 50 million consumers, or 57% of the country's middle-class households.

Indeed, per capita GDP in India's highest-performing regions could grow to twice the national level. This reflects several factors, including rapid urbanisation, sustained investment in skills and infrastructure, and a shift from agriculture to industries such as automotive components, petrochemicals, pharmaceuticals, financial, and IT-enabled services.

By 2025, the economies of these regions will resemble those of middle-income countries. Maharashtra's consumer market of 128 million will wield purchasing power similar to that now seen in Brazil. New Delhi's 22 million people will boast living standards similar to today's Russia.

Slightly less dramatically, though still significant, per capita GDP in Chhattisgarh, Odisha, West Bengal, Rajasthan, and Madhya Pradesh, based on current trends, is forecast to reach 0.7-1.2 times the national average by 2025, swelling the number of middle-class consumers four-fold, to 16 million. By contrast, the weakest-performing states, including Bihar, Uttar Pradesh, and Jharkhand, with per capita GDP of under 0.7 times India's

average, will struggle with low incomes and high population growth, unless they improve their governance and investment trajectory significantly.

But investors seeking the best growth opportunities will have to search beyond states' headline figures and scrutinise India's districts more closely, especially urban clusters and their hinterlands. We have identified 49 such high-growth clusters, located in 183 districts nationwide. In 2012, these areas accounted for half of India's population, 70% of its GDP, and 71% of consumers. They are also home to 250 of India's 450 cities with populations above 100,000.

Interestingly, one-third of these clusters can be found in states that have delivered low to medium economic performance, or are located close to smaller, lesser-known towns in better-performing states. The Nellore cluster in Andhra Pradesh, for example, has paddy, tobacco, groundnut, mango, and sugarcane farms. The Bikaner cluster in Rajasthan is rich in oilseed and the quarrying and production of Makarana marble and limestone. The more diversified Aurangabad cluster, in Maharashtra, is home to some of India's largest seed companies, an active automotive, pharmaceutical, and sugar-manufacturing industry, and a tourism hub that includes the Ajanta and Ellora caves.

The location of these lesser-known clusters underscores the point that investors, seeking low-cost real estate and a skilled workforce, should look more carefully at India's economic geography when deciding where to place their operations. These locations could eventually become knowledge-based industry or services hubs, similar to those of large Indian cities such as Bengaluru, Hyderabad, and Pune -- only cheaper.

As they continue to develop, India's dynamic economic clusters will themselves need to invest in modern sanitation and water systems, education and health, airports, railways, and road links. As such, they offer investors opportunities in many sectors, including consumer goods, financial services, housing, and infrastructure.

Given their structural advantages -- including proximity to large urban centres for some -- these clusters could generate some of the best returns on investment anywhere in India. Companies hoping to catch India's next growth wave might want to consider areas that seldom feature on investment lists, but that might offer better value than marquee destinations.

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LETTERS TO THE EDITOR

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Reduce train fare

It leaves no room for doubt that traffic jam is deteriorating the condition of our day to day life, especially in the capital. If government can popularise travelling by train, traffic jam in Dhaka would be less severe.

Every day thousands of people commute by train but its service is not up to the mark. Train fare is higher than bus fare on some routes. For example, passengers have to pay tk 35 to travel from Kamalapur to Airport by train, whereas the bus fare for the same route is tk 20 only. The only privilege of travelling by train is that it saves one's time. We demand better train service and at the same time urge the government to reduce the fare.

Md. Zahid Hossain Mollik
Mugdipara, Dhaka

Rajuk officials' foreign trip

I was really shocked and disappointed to read in TDS a few days back about Rajuk personnel's pleasure trips abroad. The trips were supposed to be for gaining knowledge about other cosmopolitan cities. But instead it became pleasure trips.



What have they learned from these so called trips and who is paying for all this? Dhaka city has remained as filthy and unplanned as before.

Over 26 per cent people in Bangladesh live below the poverty line. Many are homeless and can barely have a square meal in days. Nothing is being done to help these people. Finding no other options, these people come to Dhaka to beg in the streets. Don't we, who pay taxes to the government from our hard-earned income, have any say on how this money should be spent?

Aminur Rahim
New DOHS, Mohakhali, Dhaka

Graveyard for apartment complexes

Dhaka city has grown from a town into a mega city in course of time. Mega malls, broad roads, flyovers etc. are being built to ease public life. But unfortunately, we don't have graveyards. Government-sponsored residential projects such as Purbachal, Jhilmil etc. have no provision for setting up graveyards in the area for the residents. Developers like Bashundhara and others also have no provision for graveyards.

The government should make it mandatory for all developers to keep sufficient space for graveyards, which could be sold in advance to plot owners (as first priority) and flat owners (as second priority).

Aminur Rahman
Baridhara R/A, Dhaka

Comments on news report, "Rise of youth," published on November 19, 2014

Sayed Rahman

Young population is the greatest asset for any country. If this population is equipped with necessary education and skill, they will undoubtedly bring an enormous opportunity to transform the future.

"No license without written test" (Nov. 19, 2014)

TruthnLie

Hopefully written tests are conducted in-house and not online. Better if they are conducted using computer booth like the one we get to see in the western world.

Snr Citizen

This is just one of the things we need to implement with firmness. This will ensure quality control, something we are so allergic to.

"Those who don't want to talk about things like impeachment bill are the ones killing democracy" (Nov. 19, 2014)

Nds

AL stands on the only non negotiable principle of 'duty toward the party and its supreme leader.' Dr. Kamal Hossain always speaks the truth but unfortunately very few in this country have any regard for the truth.

Imam's last sermon (Nov. 17, 2014)

New Generation

What the opposition could not do during last 6 years, Latif and Imam did.