



Prime Minister Sheikh Hasina speaks at a meeting with the Saudi business community at King Saud Palace in Saudi Arabia yesterday.

Invest in Bangladesh

PM urges Saudi business community

UNB, Riyadh

PRIME Minister Sheikh Hasina yesterday invited Saudi entrepreneurs to invest in Bangladesh for mutual benefits as both the countries lag behind in exploiting their full potential of trade and investment opportunities.

"We can join hands in our journey of shared profit and prosperity. I assure you of my government's full support and cooperation," she said.

The premier made the comments in a meeting with the Saudi business community, including leaders of the Council of Saudi Chambers (CSC) and Riyadh Chamber of Commerce, at King Saud Palace in Saudi Arabia.

Hasina said Bangladesh is implementing 10 growth and employment-generating mega projects as it is ready to take up more projects in diversified areas of infrastructure, connectivity and high-tech, tourism, health and education for a sustainable double-digit growth.

"We welcome Saudi entrepreneurs to invest in our emerging sectors like capital market, power, energy, telecom and IT, petrochemicals, pharmaceuticals, shipbuilding, agro-processing, light engineering, blue economy, R&D and technology innovation, water and marine and other infrastructure projects, and services sectors like, banking and finance, logistics, and human resource development."

She mentioned that Bangladesh has earmarked 2,000 acres of land in one of the exclusive economic zones for Saudi Arabian investors, which can be developed and operated as per their own requirement.

Hasina said the advantages of Bangladesh for the foreign investors, including Saudis, are the availability of a young, committed and an easily trainable workforce with highly competitive wages, cheaper cost of setting businesses, access to large duty-, quota-free markets that includes the EU, Australia, Canada, India, Japan and New Zealand.

"It also has low-cost electricity and water, good credit rating, minimum risk factors, and fast technology adaptability. All these facilities combined together, Bangladesh gives the maximum return and dividend to investors," she said.

The prime minister mentioned that Bangladesh has the most liberal investment policy in South Asia with most attractive incentives returning high profits.

It includes the protection of FDI by law, incentives like generous tax holiday, concessionary duty on import of machinery, duty-free import of raw materials, remittances on royalty, 100 percent foreign equity, unrestricted exit policy, and full repatriation of dividend and capital on exit.

She said Bangladesh's strategic location is making it an emerging hub for regional connectivity, foreign investments and global outsourcing.

"We've eight fully operational export processing zones (EPZs) exclusively for 100 percent export-oriented industries. In addition, we're developing 100 economic zones to ensure resilient and sustainable industrialisation for new industries and investment at both public and private sectors."

Hasina said Bangladesh wants to connect and transform those by introducing smart, next-generation logistic networks so that these zones become part of dynamic global supply chains. Two dozens of high-tech parks are also there in place.

The prime minister said Bangladesh and Saudi Arabia have been enjoying excellent bilateral relation which is based on common faith, culture, values and aspirations.

"Trade relations between Bangladesh and Saudi Arabia date back to the seventh century when Arab traders first set foot in the port city of Chittagong. Both countries have reached an increasing level of bilateral trade in recent years crossing the \$1 billion mark in 2017-18. But, we're far behind in exploiting full poten-

tial of trade and investment opportunities."

Hasina mentioned that Saudi investment in Bangladesh now stands at \$5 billion in 25 projects and it is primarily focused on the areas of agro-based industry, food and processed food, textiles and garments, leather, petro-chemical, engineering and service sector products.

She said Bangladesh is now the 32nd largest economy in the world in terms of purchasing power parity. Poverty rate has fallen to 21.8 percent in 2018 from 41.5 percent in 2006.

In March 2018, she said, the UN declared Bangladesh eligible for graduation from the least developed status to a developing nation's category.

Last year, Hasina said Bangladesh's economy was among the top 10 fastest growing economies of the world. Despite the global economic turmoil, it maintained a sustained gross domestic product growth over 7 percent during last 10 years reaching 7.86 percent this year.

"We're expecting to reach 8.25 percent GDP growth next year. At the same time, inflation has decreased to 5.4 percent. Foreign currency reserve has grown more than nine times since 2008-2009, up to \$33 billion in 2018," she said.

CSC Chairman Sami A Alabadi, Secretary General Saud A Almashari and Saudi Ambassador to Bangladesh Abdullah HM Al-Mutairi also spoke on the occasion.

The Bangladesh delegation included Bangladesh Foreign Minister AH Mahmood Ali, PM's Private Sector Development Affairs Adviser Salman F Rahman, Chairman of Bangladesh Investment Development Authority Kazi Md Aminul Islam, Foreign Secretary Md Shahidul Haque, Bangladesh Ambassador to the Kingdom of Saudi Arabia Golam Moshi.

Besides, acting FBCCI President Sheikh Fazle Fahim, BGMEA President Siddique Rahman and other business leaders from Bangladesh attended the meeting.

Koreans keen on Bangladesh's infrastructure

STAR BUSINESS REPORT

SOUTH Korean companies are keen to invest in Bangladesh, particularly in the energy, engineering, infrastructure, food-processing, and electronic sectors, said a top official of the Korea Trade-Investment Promotion Agency.

"Big Korean companies are interested to invest in Bangladesh as Bangladesh is a suitable place for investment as well as Bangladesh has been attaining 6 to 7 percent economic growth over the last six years," said Jong Won Kim, director general of the agency.

He was addressing a press conference organised by the Korea-Bangladesh Chamber of Commerce and Industry (KBCCI) at the Sonargaon hotel in Dhaka yesterday.

At least 150 Korean companies, including Samsung and LG, have presence in Bangladesh and large companies from South Korea will also come to Bangladesh, according to Kim.

"Bangladesh will be the next destination for the Korean companies for investment as our government is encouraging big companies to invest here."

The Korean government is providing duty-free access to more than 3,000 products of Bangladesh.

Dong-jun Lee, deputy chief of mission of the Korean embassy in Dhaka, said his country is committed to developing economic relations between the two countries and working to reduce the trade gap with

Bangladesh.

He sees a good future for trade and investment between the two nations.

Dong Kon Song, managing director of LG Electronics Bangladesh and vice-president of the KBCCI, said the LG was interested in manufacturing products, particularly refrigerators and smart TVs.

The LG has already established an assembly plant, the initial stage of a manufacturing plant, in Bangladesh, said Song.

The media briefing was organised to announce "Showcase Korea 2018", which will be held at International Convention City Bashundhara at Purbachal in Dhaka from October 19-20.

The KBCCI and the Korean embassy are jointly organising the two-day show which will be participated by Korean companies and Bangladeshi importers and distributors of Korean products.

Electrical and electronic goods, automobiles, machinery, equipment and accessories, including those of textiles; cosmetics, chemicals, paper, fork-lifts, elevators, generators, food and beverages will be displayed, said Shahab Uddin Khan, senior vice-president of the chamber.

He said the latest electronic products of LG Bangladesh and Samsung Electronics would also be showcased.

Kia Motors, Hyundai Motors and SsangYong Motor will exhibit their latest models of cars. Some Korean companies which do not have offices or agents in Bangladesh are also coming to take part, said organisers.

Nearly half the world lives on less than \$5.50 a day: World Bank

AFP, Washington

Despite progress in reducing extreme poverty, nearly half the world's population lives on less than \$5.50 a day, with a rising share of the poor in wealthier economies, the World Bank said Wednesday.

In a twice-yearly report, the bank took a broader look at poverty to see where countries were lagging, even though the share of those living in extreme poverty -- defined as earning less than \$1.90 a day -- has continued to come down in recent years.

Under the expanded criteria for poverty, the report found the number of poor worldwide was still "unacceptably high," while the fruits of economic growth were "shared

unevenly across regions and countries."

Even though global growth of recent years had been sluggish, the total count of people in poverty declined by more than 68 million people between 2013 and 2015 -- "a number roughly equivalent to the population of Thailand or the United Kingdom." Despite the improvement, the report said current trends indicated the World Bank's goal of reducing extreme poverty to less than three percent of the world's population by 2030 may be unattainable.

"Particularly distressing findings are that extreme poverty is becoming entrenched in a handful of countries and that the pace of poverty reduction will soon decelerate significantly," the report said.

Learning from India's Aadhaar programme



ARIJIT CHAKRABORTY

ECONOMIC inclusion of citizens has seen some success in Bangladesh. The progress in the successful adoption of IT in delivering healthcare services has been recognised by the World Health Organisation (WHO). Further, programmes under Access to Information (a2i) are making Bangladesh digitally empowered.

For a country like Bangladesh, technology will be important for collecting and authenticating data. Hardware and software have to be easily portable, since data collection will happen in remote areas too. Data collection kits need to be inexpensive to ensure their widespread use.

In this regard, India's programme towards digital identity creation can serve as a good reference point. The Unique Identification Authority of India (UIDAI) started creating unique identification numbers for each Indian resident eight years ago.

According to the UIDAI website, it has created unique identification numbers for more than 122 crore individuals. This means enrolment has been happening at an average speed of five individuals per second.

India had been working on the development of a national register of its residents for a while. The country runs a number of benefit programmes meant for the poor, but there was no robust and accurate mechanism to monitor them.

There were apprehensions of misuse of funds allocated for the benefits and of the benefits not being delivered

to the intended recipients. So, the government aimed to develop a robust system for monitoring the direct to delivery of benefits to recipients.

In 2009, the government of India took a historically significant step by forming UIDAI with the aim of creating a digital identity for each resident of the country.

The government hired an eminent entrepreneur and an IT doyen as the head of that authority.

The first achievement of this authority was to create a team comprising the best bureaucrats and the best technocrats. Bureaucracy and technocracy follow two different cultures.

Bureaucrats are generally employed by governments and they tend to use formal communication. On the other hand, technocrats, particularly those who work for private entrepreneurial organisations, have a very informal communication style. In addition, bureaucrats follow a hierarchy within their organisations, while technocrats have a non-hierarchical style of working.

The formation of a winning team consisting of people from such diverse environments was instrumental to the success of this programme.

The successful roll-out of the programme on such a huge scale was significantly dependent on the deployment of the right technology for data collection, data deduplication and identity authentication.

The appointment of a technology specialist to lead this initiative created a unique advantage and made the selection of the most relevant technology relatively easy. Additionally, the presence of a respectable figure at the top attracted technology professionals around the world to join this programme and contribute voluntarily.

The second successful achievement was the clear definition of the deliver-

able. India, being a vast country, is full of challenges and opportunities. Instead of trying to solve those directly, the Aadhaar programme aimed to create a database where each resident individual would receive a unique identification number (i.e. Aadhaar number) and an authentication method to allow others to verify the Aadhaar number.

Each resident would be identified using his/her biometric data, such as finger prints and iris scan. The database would store the person's name, address, email, mobile number, and some other information.

After collecting this data, the sys-

KEY STATS	
Population of India	1.34 billion
Aadhaar numbers issued	1.22 billion
Aadhaar-based electronic authentication	23.29 billion
Certified operators and supervisors	814,083
Registered enrolment stations	23,552

SOURCE: UIDAI WEBSITE; SEP'18

tem would verify for duplicate registration. This technology-based deduplication process would eliminate the risk of duplicate Aadhaar numbers getting issued to the same person.

It would work faster and with fewer errors.

On the other hand, the authenticating agency would need to connect to the Aadhaar system and submit the individual's Aadhaar number along with biometric data to authenticate the person.

The system would instantaneously inform the agency whether the person submitting his/her biometric data was the actual possessor of the Aadhaar number.

Subsequently, the agency could proceed with its own tasks, such as



REUTERS/FILE

A woman goes through the process of eye scanning for the unique identification (UID) database system, also known as Aadhaar, on the outskirts of the western Indian city of Ahmedabad.

issuing a mobile or cooking gas connection.

The third successful achievement of this programme was the nationwide roll-out. The authority had engaged world-renowned designers to design the data collection toolkit.

The toolkit was easily portable to remote corners of the country to enrol residents for Aadhaar number generation. Such an innovative design led to the issuance of Aadhaar numbers to most of the residents of India within a short time.

The success of the programme also relied on the deployment of authentication toolkits. The authentication toolkit was designed to be simple and inexpensive.

A set of manufacturers were certified to create and sell such toolkits at

a low cost, thereby helping the proliferation of Aadhaar verification based services rapidly.

As per the UIDAI website, more than 23 billion authentication transactions have been completed successfully till now.

Finally, the successful roll-out of the Aadhaar programme has started delivering benefits on multiple fronts. For example, cooking gas distributors in India collectively identified more than four crore customers as duplicate beneficiaries using Aadhaar-based authentication.

As a result, the government could prevent leakage of billions of rupees in cooking gas subsidy.

In addition, private enterprises have also begun to enjoy the benefits of Aadhaar. A new mobile network

operator used the Aadhaar-based customer authentication process to acquire 100 million customers in just six months.

Such an innovative strategy helped the mobile network operator to scale nationally and get recognised as one of the leaders.

Bangladesh already has some of the basic ingredients required for a successful digital identity programme. A robust framework with the right set of technologies and a winning team can result in a reliable, efficient and sustainable digital identity programme. Lessons from the neighbouring country's journey may be useful too.

The writer is a partner at PwC. The views expressed here are personal.