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Business

Donors suggest export diversity

Star Business Report

The development partners of Bangladesh yesterday called upon the government to diversify exports and ensure regular supply of energy and good infrastructure for the industries to expedite development.

"The dominance of apparels in Bangladesh's export sector makes it vulnerable. Export diversification is needed. And the more labour intensive the new industries are, the better they can address the challenges of employment generation and poverty reduction," said Renata Dessallien, UN resident coordinator in Bangladesh, at Bangladesh Development Forum (BDF) 2010.

Frozen foods, jute, leather and shipbuilding have shown potential, she said, adding that other industries should also expand.

These industries need access to working capital at affordable interest rates, skilled workers and lower costs of doing business, Dessallien said.

Dessallien was speaking at the technical session on 'Development Strategies, Governance and Human Development', the first session of the BDF, at Bangabandhu International Conference Centre in Dhaka. Finance Minister AMA Muhith chaired the session, while Dr Shamsul Alam, a member of planning commission, presented a keynote on the topic.

Bangladesh can increase private investment by redoubling efforts to simplify the regulatory framework and create environment conducive to doing business, said Ellen Goldstein, World Bank (WB) country director for Bangladesh.

The other solution is to increase public investment from its current low level, Goldstein said.

The government must overcome persistent weakness in revenue generation, she said.

"By global and regional standards, Bangladesh just doesn't collect enough taxes -- and if you don't have revenues, you cannot spend them on priority development objectives. This is also a main reason for Bangladesh's continued reliance on foreign aid," Goldstein said.

Later, at a media briefing on the topic of the first session, the finance minister said the development partners wanted to know about raising revenue, strengthening the local government, implementation efficiency, civil services reforms and population control steps.

Muhith said the development partners also wanted to know about the weak statistical data, gender development, nutrition and maternal mortality rate, domestic violence and reduction in corruption.

"The development partners have seriously discussed all these issues, especially civil service reforms, reduction in corruption, malnutrition and maternal mortality rate for assisting Bangladesh," Muhith said.

At the briefing, Prime Minister's Economic Affairs Adviser Dr Mashiur Rahman said the government would set up information centre in every Union Parishad to help local people know about Bangladesh and their own Union Parishad.

"The government will do so to ensure accountability and transparency," he said.

Chris Austin, co-chair of Local Consultative Group, said the development partners have promised record-level resources for Bangladesh. He said they have urged the government to reduce poverty, integrate their proposals in the next five-year plans, and work for civil service reforms act and a joint collaboration strategy between the government and development partners.

Economic Relations Division Secretary Mosharraf Hossain Bhuiyan said a 'joint alignment' between the government and development partners would be formed by June to avert any overlapping in development assistance. Planning Minister AK Khondaker also spoke.