

PRI talk stresses investment in quality infrastructure

IFC senior official lauds BD's robust growth

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Nena Stoilkovic, Regional Vice President of International Finance Corporation (IFC), speaks at a roundtable organised by the Policy Research Institute of Bangladesh (PRI) in Dhaka on Wednesday. Among others, Mahbubur Rahman, President of International Chamber of Commerce, Bangladesh (ICCB), and Dr Zaidi Sattar, Chairman of PRI, were also present. — PRI Photo

Economists and business leaders at a meet in Dhaka Thursday stressed faster implementation of different infrastructure projects to tap potential benefits in the long run.

They also underscored more investment in quality infrastructure to boost the competitiveness of Bangladesh's industries, according to a press statement.

The roundtable titled 'Boosting Competitiveness for Investment and Growth' was organised by Policy Research Institute of Bangladesh (PRI) at its office.

Nena Stoilkovic, International Finance Corporation (IFC) Regional Vice President for Asia and the Pacific, attended the roundtable meet as Guest of Honor. She was accompanied by Mengistu

Alemayehu, IFC Director, South Asia, and other IFC officials. She arrived in Dhaka on a short visit.

Chaired by Dr Zaidi Sattar, Chairman of PRI, the roundtable brought in business leaders and professionals for a dialogue with the high official of a leading development partner of Bangladesh.

Dr Sattar emphasized the importance of export expansion as a strategy for job creation in manufacturing and services for the two- million labour force that will be added every year.

To deal with the challenges of export diversification, he argued that besides addressing the trade-infrastructure bottlenecks, it was imperative to rationalise protection policy in order to create a balance of incentives for exports and domestic sales.

Dr Mirza Azizul Islam, former adviser of a caretaker government, argued that a large population with a reasonably satisfactory per- capita-income growth provides a substantial domestic market both for local and foreign investors.

He, however, pointed out many under-implementation projects as one of the major problems in meeting the competitiveness challenge.

Abul Kasem Khan, President of Dhaka Chamber of Commerce and Industry (DCCI), mentioned that Bangladesh has been investing about 3.0 per cent of GDP on infrastructure, which is negligible compared to 10 per cent in Vietnam and South Korea.

He further mentioned that the inefficient road facilities and poor infrastructures are driving bigger investments/projects away from Bangladesh.

Asif Ibrahim, a leading apparel exporter and vice-chairman of New Age Group, identified bureaucratic complications, raw-material- import dependence, continuous loss of wage competitiveness as the obstacles to achieving competitiveness.

Yussuf Abdullah Harun, former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), also identified the lack of infrastructure as a major shortcoming.

He mentioned that slow infrastructural progress led to both time- and-cost overruns and extra cost that could have been invested in new projects. He also termed the current money-market situation in banking sector unfavorable.

Mahbubur Rahman, President of the International Chamber of Commerce (ICCB), mentioned that there appeared significant gap between promises and actual project implementation, resulting in loss of competitiveness in business and exports.

Rahel Ahmed, Managing Director and CEO of Prime Bank Limited, said unless there is a change in the regulation and infrastructure in the financial sector, it will not be ready to grow.

In her deliberations Nena Stoiljkovic said that she is impressed by Bangladesh's stable and robust growth of over six per cent for past two decades.

Mentioning Bangladesh as one of the priority countries for the IFC she revealed IFC's plan to invest over \$1 billion this year.

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