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Expedite industrialisation to boost economy

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RATE or industrialisation, urbanisation and economic growth in Bangladesh are relatively good compared to its neighbouring countries in the SAARC region. Political stability, improved industrial infrastructure, strong law and order and judiciary system will take the economy of Bangladesh a further ahead. According to the CIA World Fact Book, the economy of Bangladesh is a rapidly developing market based Bangladesh. According to the adjusted Purchasing Power Parity (PPP) in 2010, the per-capita income in Bangladesh $1,700. As found by International Monetary Fund (IMF), Bangladesh ranked as the 47th largest economy in the World in 2010 and in PPP term Bangladesh is the 57th largest economy in nominal terms. The Gross Domestic Product (GDP) is U$ 269.3 billion in PPP terms and U$ 104.9 billion in nominal terms. The economic growth in Bangladesh ranges from 6% to 7% per annum for the last few years. More than half of GDP is produced in the service sector. Nearly half of its population have been working in the agricultural sector with RMG, textiles, leather and leather goods, jute, fish, vegetables, ceramics, fruits and the other important sector. Specially speaking, people are employed in agriculture 45%, industry 30%, service sector 25% as estimated in 2008. Unemployment rate is only 5.1 % (2010).

As contribution to the GDP by sector is agriculture 18.6%, industry 28.6%, service sector 52.8% (2009). Inflation rate as estimated during 2010-2011 is 8.80%. People lying below the poverty line is 30% (2011). Labor force has been estimated to be 73.87 million or 7 crores 39 lac in number. Bangladesh stands the 8th position in terms of employing labor force.

Main industries in Bangladesh include cotton textiles, jute, garments, tea processing, leather, fish, ocean-going- shipbuilding, paper and newsprint, cement, chemical, fertilizer, light engineering, sugar, cane etc. Exports are estimated to be U$29.93 billion 2010-2011. Export goods are the following: garments, textiles, jute and jute goods, shipbuilding and ship export, leather, frozen fish and sea food, pharmaceuticals, ceramics, cement etc. Main export partners are US $ 31.8%, . EU 12.9%, Germany 10.9%, UK 7.9%, France 5.2%, Netherlands 5.2%, Kuwait 4.9%, Japan 4.5%, Italy 4.42% (2010). Imports in Bangladesh are estimated to be US $32 billion during 2010-2011, which is greater than export of US $22.93 billion by U $9.07 billion. That's why Bangladesh is called an import-dependent country, where import is significantly greater than export.

The import goods of Bangladesh are the following: machinery and equipment, chemicals, iron and steel, raw cotton, food, crude oil and petroleum products etc. Main import partners are China 11.4%, Singapore 9.1 %, India 8.5%, Hong Kong 7.1 %, Japan 6.5%, US 5.1 % (2008 est.). Gross external debt is U$15.23 billion (2008). Among the public finances are public debt U$ 1.2 billion (2008), revenues U$ 19.1 billion (2008-2009), expenses U$25.8 billion (2008-2009 est.), and economic aid U$ 0.957 billion (2010 est.)

Remittances from Bangladeshis working overseas are mostly from Middle-East. Middle-East is the major sources of foreign exchange earnings. According to the source as mentioned above, export of garments and textiles are main source of foreign exchange earning. According to the same source shipbuilding and cane cultivation have become a major force of growth. In terms of country comparison GDP's rapid growth is a significant contribution to the economic growth of Bangladesh. People expect that Foreign Direct Investment (FDI) will increase significantly in Bangladesh. In terms of Human Development Index (HDI), Bangladesh has been improving a lot. Adult literacy and the overall literacy has been increased to 67%. School drop-out has been decreased significantly. Health sector has been improved and the average longevity in Bangladesh is increased to 67 years, which is about to same as India.

Preciously speaking, Bangladesh government needs to distribute its tax burden as evenly as possible by increasing its taxable areas or TIN numbers. This will increase the incentives of real investors and will also increase the government revenue and its ability of public expenditure to have an overall growth rate required to include Bangladesh in the range of middle income countries.

Oil and gas resources are limited. But we are continuously expecting a new field of oil and gas resources. The program of coal mining and its processing is rather slow. Service sector has been expanding greatly with its increasing contribution to the GDP. Industrial infrastructure has been suffering from a lot of problem including scarcity of gas, electricity and road-communication etc. Still then industrial growth in Bangladesh is very promising.

Among the problem of economic growth are mainly over-population, political instability and bureaucratic and other corruption, power shortage, including gas and electricity crisis, problems of poor road communication etc. The potentialities of GDP growth are as high as 10%. But due to the above problems, the GDP growth rate can hardly exceeds 6%. As far as foreign exchange earning is concerned Bangladesh stands on two legs:- (1). Exports of garments and (2). Exports of skilled and semi-skilled manpower overseas.

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