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Plea for an investment friendly budget

An investment friendly budget is very necessary for the development of industry and the economy, writes **M Azizur Rahman**

BANGLADESH economy is passing 'a break through stage' with a transition from agriculture to industry. It does not mean that the importance of agriculture has been decreased. It means that the present economic stage deserves emphasising on physical and non physical infrastructures and industrial development.

It is worthwhile to mention that the economy of over populated Bangladesh may be better utilised by investing in the labour-intensive industry. China is an over-populated and labour-intensive neighbouring country.

Very recently, the minimum wage of Chinese labour has increased to a substantial level. So, China is no longer very attractive to a few domestic, international investors and multinational companies. Many of these Chinese industries would like to relocate to other countries, including Bangladesh.

Therefore, a golden opportunity is up for the grabs for Bangladesh and it should attract a large number of these units. Such an effort by Bangladesh would intensify industrialisation. The expansion of our share market in recent years is very conducive to savings and investment opportunities, the engines of growth for any economy. People would like to see an effective reflection of the development of industrial infrastructure in the incoming budget.

The budget must also consider the issue of food security. Subsidies in agriculture have to reach the deserving farmer timely.

Agriculture research, innovation, high-yielding varieties, agricultural inputs including seeds, fertiliser, irrigation, insecticides, etc., must be ensured to provide food security.

The issue of taxes is directly related to the fiscal budget. It is surprising that less than 1.0 per cent of the 160 million population of Bangladesh pay income tax. The budget should have provision for increasing revenue from both tax and non-tax sources which will increase the ability of the government to purchase goods and services and minimise or eliminate budget deficit.

Dr M Azizur Rahman is the Vice Chancellor of Uttara University