

Prospects for Bangladesh's industrial development

Both the left-oriented and right-wing politicians have been able to think alike about the direction of the economy. Both types of the political parties have been able to identify the importance of the private sector against a systematically inefficient public sector-dominated economy, writes **M Azizur Rahman**

BANGLADESH had largely been an agro-based country. A few decades ago, about 80 per cent of its population lived on agriculture. Being an overpopulated country most of the people remained unemployed. Even those who were employed, some way or other they were directly or indirectly involved in agriculture and farming. Economic growth was then mainly dependent on agricultural growth.

Agricultural growth, however, still depends to a large extent on the vagaries of nature. Economic growth of the country suffers as agricultural production becomes vulnerable to natural calamities that take place quite frequently. Lack of growth in agriculture, thus impacts adversely the economic growth and also tells upon the employment situation.

The economic scenario of Bangladesh has changed to a marked extent over the past two decades or more. There is now less dependence on agriculture for supporting growth and absorbing the new entrants to the labour market. The share of industrial sector in Bangladesh's gross domestic product (GDP) has now gone up to over one-fourth. Twenty-five per cent of active labour force is currently employed in this sector. All these indicate that we are gradually moving from a predominantly agriculture-dependent economy to an increasingly expanding industrial one.

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processing, leather and leather goods our industries are endeavouring their best to acquire a significant position in the international market.

Bangladesh is in the process of moving towards greater export orientation because of its success in the industrial sector over the past two decades or more. The country has the advantage of skilled and semi-skilled manpower, a big labour force with comparatively acceptable level of productivity and hard-working nature, improved work ethics etc. All these advantages have helped establishment of labour-intensive industries in Bangladesh. The country is already well equipped to compete with other countries in production. In terms of labour-intensive production, the country has now significant exposure to the external market.

Presently, small and medium enterprises (SMEs) are the focal point of public policy support in Bangladesh. The pro-industrial environment and the pro-active attitude of the industrial entrepreneurs and their forward-looking approach do bear out some promising prospects for sustainable growth of even some high-tech industries. The government has also given attention to addressing the need for expanding industrial infrastructural support facilities and utility services. Private sector investment, both local and foreign, is also being actively encouraged in all conceivable fields of economic activities.

The acceleration of the pace of industrialisation in Bangladesh will, to a large extent, depend on better communication

constructed over the years like the Bangabandhu-Jamuna Bridge, Meghna-Gomti Bridge, Bangladesh-China Friendship Bridge, Sambhugonj and Mahananda bridge etc, have been welcome developments in the road communication sector, though some of them now require urgent repair, rehabilitation and upgradation to bear the load of heavy trucks and lorries, the number of which has also increased over the years. The Bangabandhu Jamuna Bridge that connects eastern and western parts of Bangladesh facilitates the movement of goods and passenger traffic, and provides the facilities for electricity, natural gas, telecommunication connections between the eastern and the western parts of Bangladesh. If its proper operation and maintenance can be ensured, this will serve as a catalyst for accelerating further the pace of industrialisation in a properly dispersed manner.

About 32 per cent of the total land area of Bangladesh is covered by railway connection. Railways touch the most of the country's administrative points and business centres. It carries a great number of containers between business cities in Bangladesh, largely from the capital city of Dhaka to the port city of Chittagong. The Bangladesh Railway, however, needs faster moves for modernisation and upgradation of its services.

The navigable waterways of Bangladesh vary from 8,272 km during monsoon to 5,200 km during the dry season. Dredging and other development programmes can