

# How Bangladesh can become the 30th largest economy in the world

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Almost seven years have passed since Dhaka Chamber of Commerce & Industry (DCCI) revealed the Bangladesh Strategy 2030 – a strategy paper for Bangladesh to become the 30th largest economy in the world, and now this vision needs to gain further momentum as we have 13 years to 2030.

The major push needs to be in the nation's infrastructure as it is estimated that \$300 billion would be needed to be injected into the economy until year 2030 for its infrastructure development alone. Therefore, for the next decade, we will need to focus on our infrastructure needs very seriously. The government has taken many large infrastructure projects including the Padma Bridge in order to bring about visible change in the connectivity of the country. The metro rail, Dhaka expressway, 8-lane Dhaka Chittagong highway are also some of the project that the Government is planning to fast track.

I feel that one of the challenges to our development is bringing about the decentralization of Dhaka. Dhaka needs to be decentralized for not only its improved efficiency as a livable city but also this will lead to the growth of other cities, which would automatically funnel growth in other areas. The Dhaka Chittagong Economic Corridor (DCEC) is the life line of Bangladesh's economy. Currently, DCEC caters to 16% of land area, 30%-35% of the population, 50% of the GDP and 85% of international maritime trade. Connectivity between Dhaka and Chittagong needs serious improvement, road and rail needs massive investments to cater to nation's future growth prospects. We must take note the importance of the development of this corridor in terms its contribution to the economy and also help reduce overcrowding of Dhaka and Chittagong metro cities. We need to create a modern and efficient connectivity within the DCEC corridor. This will not only play a pivotal role in making Bangladesh competitive but will work as a catalyst for the overall accelerated growth of Bangladesh thus creating new businesses and investments. A strategic road map for the development of DCEC corridor including an integrated transport master plan must be made to bring about the development of the natural satellite town between Dhaka and Chittagong.

The other major challenge is unplanned urbanization in Bangladesh. By 2030 more than 80 million, and by 2050 well beyond 100 million, over half the population (DFID report on Vision 2030), will be in urban centers thus creating serious pressure on all urban centers and mostly

on Dhaka. Decentralization of Dhaka City is one of the key and critical steps in order to reduce Dhaka centric urbanization, and this will come by initially developing other cities within the Dhaka-Chittagong corridor. Dhaka may very well be the world's largest mega city very soon, with an estimated 40-60 million residents but it will be mostly congested and polluted if the right strategies for decentralization are not adopted soon. Proper urban planning needs to be in place to cater to nation's rapid urbanization, existing urban centers need to have proper planning to cater to this rapidly growing urbanization in Bangladesh.

Energy security is another big challenge for Bangladesh. We must have a proper fuel mix for our energy. The government is working very hard to overcome this challenge. We must understand that long-term energy security will be critical to our future growth and prosperity. And therefore, extensive exploration for natural gas must be undertaken as it is our biggest asset for industrialization. Our industries need gas and this need will always be there, and therefore gas exploration should be a top priority for us. If needed BAPEX must be strengthened to explore gas outside Bangladesh so that we can build our gas reserve. On the other hand, power plants, based on our own coal needs, need to be on-stream as our own coal reserves as per energy experts, will be giving us over 70 years of sustainable energy for our electricity. Right energy security will always remain one of the biggest challenges for Bangladesh.

The other challenges are inefficiency in doing business which results in high costs; this needs to be looked into so that improved and cost effective ways are introduced and businesses operate under an efficient and tolerable cost level. We need to keep our cost of business low compared to other nations. Zoning laws need to be in place as rapid industrialization may lead to loss of agricultural land across Bangladesh, therefore, we must make sure that under our industrialization plan, there is equal growth in agricultural output as agro sector caters to largest employment. With the majority of the country depending on our agriculture as a source of income and trade, there must be zoning laws that protect the lands. The Special Economic Zone (SEZs) will help maintain this balance as many investors will be using the SEZs to setup their industries within the zones for easier and faster implementation.

Currently, Bangladesh's biggest advantage or one can say competitive edge is its low-cost production base, but this alone will not determine her competitiveness as an attractive investment destination; reliable and efficient transportation, with modern infrastructure, cost effective and sustainable energy will become crucial elements for remaining competitive in the global investors map. Therefore, key infrastructure issues and areas need to be addressed. Energy security issues, cost of doing business, outdated infrastructure and policy reforms are becoming serious entry barriers and hindering growth and investments. We must take steps to address these issues for higher growth.

I believe that, Bangladesh is positioned in a transition point in its history, and it will be interesting to see how this transition and transformation takes shape in the coming years for achieving the desired level of growth and prosperity. There are many challenges in front of us, which we need to address with policies and strategies to take the country into the right direction, however, on the contrary, if these challenges are not addressed adequately and timely, I am afraid that we may fail to reach the desired level of prosperity and growth that we envisioned.

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