

FDI dips by 16 percent

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FDI in Bangladesh had reportedly fallen by 16 percent over the last one year. This was stated by the World Investment Report which cited political unrests as well as lack of adequate gas and power supply as the main reasons behind such a fall in FDI. The report also stated that Bangladesh has been able to tap into a mere 3.4 percent of the global flow of FDIs. Developing countries are more or less going crazy over FDI with each state vying with every other to draw in investments from multi-nationals and large business concerns of developed countries. Those states, like India and China, who have the "environment" and the infrastructures, are quite successful in attracting these FDIs in substantial quantities so as to make a positive difference in their economics. As to why this race for FDIs, it's quite simple: developing or less developed states do not have the resources financial, technological and human -to be able to make a breakthrough in their fragile and often doddering economics. Bangladesh, is no exception in this case; in the last two years alone the last year of the BNP and the first year of the Emergency governments there have been reports, at least, in the media that large investors such as Tata, Mittal, Abu Dhabi group etc have submitted proposals and are in negotiation with the government for massive investments in the country both in the industrial and service sectors. But all that has come to nothing, the excuses always being that these investors and investments would be inimical to National Interests. What our government - past and present - fail to understand is that in-country advertisements can perhaps appease the people of the country by showing that the government is doing something about the economy but it is certainly not going to convince a lot of foreign hard-headed businessmen to lay out their money, time and effort in industries or services in Bangladesh. If we seriously wish to compete in the FDI business we ought and need to keep a number of things in our mind(s). The first thing we need to ensure is that we have a stable political system in place which we did not have in the past, which we do not have at present and which we can only hope will be there in the future; the second thing we need to do is to develop our infrastructures both physical as well as financial, such things as good road & rail communications, good and efficient ports, good tele-communication system, sufficient and uninterrupted power supplies, efficient banks and insurances, hassle-free regulatory procedures and processes for setting up business and enterprises etc. One could go on with the list for the next couple of pages but suffice it to say that unless we have the "infrastructures" in place, we will be unable to draw FDIs; the third thing we ought to keep in mind is that FDIs must "substantially" contribute to the economy of Bangladesh otherwise FDIs are as good as useless. The last but not the least factor we need to pay attention to is our education. We need to have people and that too young people who have technical proficiency, at least theoretically, in all fields of engineering, management, finance and banking, in computers and information technology, in human resources and in law. Unless we have the above conditions FDIs are not going to come by however much we may advertise and propagate the issue; such activities convince no one, neither the foreigner nor yet our own citizens..