

Address by Chief Guest, Mr. M. Morshed Khan, MP, Foreign Minister

Thank you Mr. Farooq Sobhan. Dr. Kamal Siddiqui, Excellencies, distinguished guests, a very good morning to all of you.

I have prepared a speech[...]. But when I went through it, I thought that these [points] are mostly irrelevant to the extent that the way the government is working for the last 32 years, the reason that we could not reach [...] the [intended] place, is also the source of the speech written for us by the various ministries who are supposed to run the government. So, for the time being, with your permission, I'll discard this speech.

I come from the private sector. When you talk about the investment climate, if you give the enabling environment to the entrepreneurs, you do not have to go and ask anybody to “come and invest in my country.” They will swim across the bay, even without a visa, and try to take advantage of the investment and fruits of the investment and reforms that prevail, because -I believe firmly- [...] love and affection and water and investment run in two different directions. I think love and affection and water flow downwards, but investment flows always upwards, for better security and higher return. Whichever country ensures this [...] need not to send an investment team abroad to do marketing to investors, because none of the investors, whether in Bangladesh or abroad, will come and invest in Bangladesh [through] listening to the speech of the Finance Ministers or Foreign Ministers or any other Ministers, unless he has tested the ground himself.

I would like to share some of the questions that I have been asked from time to time, either by my own self, to me, or to my friends in the private sector, at home and abroad. People are talking about reforms today, talking about capacity building; we did have capacity in pre-liberation days. Our people were doing excellent, but the biggest blow came to our private sector soon after the liberation, when everything was nationalized. I think that it is only the banana republics across the world who are in the business of competing with the business sector. I firmly believe that the government has no business to be in business. If they are already there, still there, they must get out [...].

In 1972, with a stroke of a pen, private sector initiative and entrepreneurship was not only killed, but a final funeral was held also. But I am happy to see that after 32 years, the pundits of nationalization are talking about the private sector initiatives. Those who were in the planning commission, those who were running the affairs of the then government, they are here to give a patting to the private sector that come invest [...], and it is only the private sector who should do business in Bangladesh. Private sectors are there in every country, big or small, developed or under-developed, but [...] they have to be given an enabling atmosphere.

Many people ask me “do you have an excellent port?” Opportunities are there, as discussed by the High Commissioner and the Ambassador also during their deliberations. The Chittagong port is a gift of God, compared to many other countries in the region. When will it become functional? I do not have an answer for that. People ask me “you have got one of the highest density per kilometer roads [network] in the whole of the

developing world -we do have-, but why, in the Dhaka-Chittagong main artery of the economy, are the roads still not complete for last 32 years? Why on Dhaka-Chittagong, about 200 km journey, should it take 6 to 8 hours to push my cargo either inwards or outwards? Why are the financial sectors so controlled?" We talk about the enabling atmosphere, and people tell me that if it is an enabling atmosphere you are asking for, government has to say one thing only; "I believe in freedom of doing business, freedom of investment." But definitely, the free market, in the world of globalization, is not a "free-style economy" [...]. At the same time, the government's regulatory function should be to see that it does not go beyond the [...] needed... If there is an underdeveloped sector, to give [...] additional support to develop that particular sector.

People ask me "why are you challenging the fundamental principle of company law; that if people have set up business, why should the government come and tell them how long the directors can stay in their business?" The directors should stay in their business as long as the shareholders want them to. Why today in private sector banking, do people ask me the question "why you have this time frame, that [...] a person cannot be director more than that?" [...] So I think we should try to avoid those things. I always hear from many of my colleagues in the government and political leaders that we must not overdo regulatory reforms, we must go step by step. In reforms, I do not believe that there is any step by step system; it has to be in one go. There will be delivery pain, but the reforms have to be in one go. It cannot be step by step.

Some of our private sector, because they are pampered and they are allowed to do so, take another sector for ransom[...] To some extent, because of their not very mature approach, they want more protection. In the age of globalization and the post-MFA situation, if you look for protection, you're driving a 1920 Austin in a Formula 2 racing track. For God's sake, do get out of that mental framework. I read today in the newspaper that the government has deregulated some of the imports in the textile sector, and there is a strong protest. Protest for what? We want not only the RMG sector but the textile sector, the yarn sector, the clothing sector to be a global competitor. It is only competition that puts one on the right track, the right quality assurance, and also the competitiveness that we must create for ourselves. I'm very happy that today many organizations, like IFC, CIDA, DFID, World Bank, JICA, EC and many others are supporting us. Please understand that the responsibility of these people gathered here is to support the government to understand correctly, not to support the private sector entrepreneurs, because if an entrepreneur needs support, special support other than the normal enabling atmosphere, then they are not entrepreneurs. So you are all here to [advise] us, we the government, and the political leadership, both sides of the divide in the House or in the Parliament – in a Parliamentary system, the government means the government in position, and the party in power and the opposition in power.

Time and again, I have said that there are two policies – the foreign policy and the economic policy of the government- which should be multilaterally agreed, multi-party, bipartisan[...] That, in these things, a long-term perspective should be taken by the leadership of the country. BNP cannot achieve this alone. Other parties, if they think [...] everything will be "hunky-dory" if they come to power, I humbly disagree with them. I

think we have to throw our policy open to the whole world, say we are all fully committed. Take the case of the poverty reduction PRSP program[...] Many donors will be thinking that we are fine. But if there is a change [of Government], and they say that the earlier government and party have taken the decision and we [then] don't agree [...], we can't do that. You have to carry the people, you have to carry the leadership together[...] One cannot act irresponsibly to disown [policy]. I am very proud and happy to say that Bangladesh is a developing country. For 15 years we had a successive government, with all the responsibilities of the past. You cannot say we are not a regulatory government; we cannot disown whichever [policies] have been agreed to.

So private sector people should visualize correctly. If we tell a clerk in a [Government] department to visualize the power and energy requirements of the next 20 years, and say what will be the surplus, God save us. We had lots of gas and natural resources, now we see that it's not there, why? I tried to find out. I enquired what went wrong. Then they told me that they took the growth at a certain percentage, but the growth of demand for gas and natural resources was three times more than what was visualized. The man who we gave the responsibility to visualize the plan for the energy sector, most probably [...] he did not visualize the global explosion [of demand] after globalization and post-MFA, and that you have to do business in global trends, on global competitiveness.

I see the Dons of the private sector are sitting here. Many of them have done excellent. I couldn't compete with them, so they kicked me out of business and now I am in politics. And the politicians think that I'm no good as a politician as I come from the private sector, so I have an identity crisis myself. I would be very happy today if the textile sector has grown. Let me take this study of one sector: textile; not the RMG sector but its backbone. We are blessed with the situation that we are not a cotton-grower. Why are we blessed? We are not compelled to use our own bad-quality or medium-quality cotton on a price fixed by cooperatives or other people. We can buy the cheapest, we can buy the best. We are also blessed with the government tax regime that there will be zero tariffs on import of raw cotton for this country, or raw material for textiles. This is one of the rare countries in the world where there is no import duty or any other duty or taxes on the basic capital machinery required for the textile sector [...] We are still the cheapest energy source in South Asia. We are the cheapest in our manpower. After that, if we say that we need protection, because other people are going to come and kill us, we can't give protection. In the age of globalization, you must be ready for [competition] or you must allow some people to die. [...] And they keep on crying –I have seen many of them; they give deliberate, big lectures when they come to the ministries and the government regulators, they cry a river on their shoulders, to “give us more protection.” Why? We cannot allow a sector to survive by holding another sector ransom. Everybody must be treated equally. If my textile is good enough, you have to buy from me. But there must not be any compulsion – if by not buying my textile [...] RMG dies, let them die, let them go out of business, but we can't hold one sector ransom, as a pawn, in the hands of another [...].

So these are the questions I'm being asked. I'm not talking as a Foreign Minister, because Foreign Ministers are not the best persons to know, [...] to tell you something or give

you advice. But as the people who will put in the money or invest the money here, all we're talking about is investment [...]

I am grateful for one thing – Bangladesh is not all bad. All the things that I have said may be negative, but Bangladesh is a country that was born in 1971 with 70 million people, with 30-40% dependency per year on food grain from import sources. With the size of Wisconsin, 140 million people, losing out lands every year at a tremendous speed to urbanization, thus reducing the cultivable land in the country, [we are] still producing 29-29.5 million tones of food grain, enough to feed 150 million people – this is no less an achievement. Bangladesh is a unique place where some of our homegrown experiences are being replicated not only in the developing countries but also in the developing world. Our poverty alleviation, micro-credit, the production of oral saline on the medical side, and, as the High Commissioner said, the excellent human resource that we have and the potential of producing the best human resource for ourselves, all these combined together, this is no less an achievement and opportunity for the country. But also, we have [our] RMG sector, which is really important [...], RMG has brought a social revolution in this country. Many people call us a Muslim democracy. We are not a Muslim democracy – we are a plain and simple democracy, moderate democracy, tolerant democracy, practicing democracy with a Muslim majority. [...] And in that Muslim majority, at 7 or 8 in the morning, when you see hundreds of thousands of women in their high teens or early twenties wearing cosmetics, good clothes, not barefoot but wearing shoes, carrying handbags go to their workplace, it is a revolution, a silent revolution. And through no contribution of government whatsoever. It is the entrepreneurial activities of the private sector – I am proud of that. I am proud of the private sector in Bangladesh and also those who have come from abroad. Today the friends of Bangladesh are here; These are the some of best [...], whether it is DFID or JICA or World Bank. They have been partners of Bangladesh during our distress. I am very happy to see that we are taking them as partners in progress. A friend in distress, a partner in progress. Bangladesh offers an excellent opportunity. We have identified and diagnosed the issue, but it is a matter of [...] implementation. The names that I see on this list are quite capable of finding the solution to this, and some of the questions that I am asked – why don't we make Chittagong the best possible port? [...] When the Dhaka-Chittagong main artery will take place? - So these are the questions that are being asked, and I'm sure that the next two days of deliberations will find some answers for us. I'm sure that this will be a continuous process to keep us informed on the potential and the possibilities, but I hope that [...], rather than politicians and novice businessmen like us, there will be serious people in business who will be taken as partners in these deliberations so that you can overcome the difficulties the nation is facing as a whole. This nation is a nation of 140-150 million people. Let it not remain captive in the hands of either the political leadership or some corrupt practices, and let us all hope that we will find a solution. Thank you very much for the initiative taken. [...] Thank you very much.