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**REMARKS BY
U.S. AMBASSADOR TO BANGLADESH DAN MOZENA
“INVESTING IN BANGLADESH: APPAREL AND BEYOND,”
AMCHAM OFFICE, HONG KONG
MONDAY DECEMBER 9, 2013**

Good morning!

A special thank you to our friends of AmCham Hong Kong ... President Richard Vuylsteke, Ming-Lai and the whole AmCham team here ... we remember well your visit to Dhaka last November ... you inspired us to make this venture to Hong Kong ... thank you.

Forty years ago, a very famous American statesman dubbed then newly independent Bangladesh a “bottomless basket.”

That supposed bottomless basket is today a basket overflowing with bounty as the nation seeks to fulfill a vision of becoming Asia’s next economic tiger: The Royal Bengal Tiger.

My delegation and I are here this morning to introduce you to the new Bangladesh, the Bangladesh that has averaged nearly 6% annual growth over the past two decades, the Bangladesh where millions of people are coming out of poverty and are eager to improve their standard of living, the Bangladesh that is already the world’s second largest exporter of apparel and aspires to be first, the Bangladesh that offers promise of becoming a major global player in so many other sectors, as I will address later.

This Bangladesh ... the New Bangladesh ... is a Bangladesh of opportunity ... of opportunity for you to invest and help give birth to Asia’s newest tiger ... of opportunity for you to find partners for building thriving and rewarding trade relations.

The story of the New Bangladesh and its many opportunities is so vast, is so compelling that I could not begin to tell it by myself, so I am accompanied by a delegation of businessmen ... some deeply established, some up and coming ... all energetic drivers of change who are eager to meet with you and to explore with you how best to develop common interests. Let me introduce them briefly so you can match their faces with the full bios that you already have:

-Mainuddin Monem: Monem is the Deputy Managing Director of Abdul Monem Ltd., a leading diversified conglomerate engaged in infrastructure development, soft drink bottling, ice cream production, and so many other activities.

-Rashed Maqsood: Rashed is Citibank's Country Officer – Bangladesh. Rashed has been working in the banking sector for more than 21 years, making him one of Bangladesh's most experienced bankers.

-Md. Sabur Khan: Sabur is President of the Dhaka Chamber of Commerce and Industry (DCCI), the largest Chamber in the country, representing more than 14,000 members. He is a self-made businessman in the IT sector.

-Mahbulul Alam: Mahbul is president of the Chittagong Chamber of Commerce and Industry (CCCI), the second largest chamber of Bangladesh. Chittagong is Bangladesh's second largest city and the nation's major port and commercial capital. Mahbul is in the insurance, steel manufacturing and trading businesses.

-Salman Obaidul Karim: Salman is the Managing Director of Orion Group, one of Bangladesh's leading industrial conglomerates, specializing in pharmaceuticals, cosmetics & toiletries, infrastructure development, power generation and so many other areas.

-Asif Ibrahim: Asif is Vice Chairman of Newage Group of Industries, a business house involved mainly in manufacturing and exporting ready-made garments, textiles and plastic products.

-Nabeel-ud-Daulah: Nabeel is managing director of the knit garment division of the Dird Group, which specializes in textiles and apparel, infrastructure construction, agriculture and floriculture, among others.

-Aftab ul Islam: Aftab is President of American Chamber of Commerce in Bangladesh and a most successful entrepreneur, especially in the worlds of insurance and venture capital.

-Abdul Gafur: Gafur is Executive Director of American Chamber of Commerce in Bangladesh; he is the engine behind all of the Chamber's good work, including its monthly luncheon meetings and annual trade show, among other events.

I would also like members of my staff to stand up ... Etienne LeBailly, Asif Ayub and Syeda Shahrazad Rahman ... these are your living linkages to U.S. Embassy Dhaka.

I wish, too, to acknowledge Mark Lanning, who is known to many of you already; he is the Economic Officer with the American Consulate General, right here in Hong Kong. Mark is

another good point of contact for you in making connections as you explore possibilities in Bangladesh.

Shortly after my arrival yesterday, I chatted with a couple of local residents who remarked that I had chosen an odd time to lead a trade delegation to Hong Kong, given the prevailing political situation in Bangladesh, as the two major political parties wrangle, sometimes violently, in advance of next month's parliamentary elections. Sadly, Bangladesh's democratic institutions, which are barely two decades old, are still maturing to reach the point where political power can be contested only through peaceful means. I believe the political uncertainties of the hour shall pass in due course, and Bangladesh will refocus on the business of doing business.

So, what is this bit about Bangladesh's becoming the next Asian tiger? Is this some kind of pipe dream or something?

I am not speaking of mythology ... set aside the notion of Bangladesh as a poor country ... quite the contrary ... Bangladesh, the world's seventh most populous country, is richly endowed: rich soil, ample water, climate that allows three growing seasons, natural gas and coal reserves, and, most importantly, the world's hardest working, most energetic and dynamic, most creative, most entrepreneurial, most resilient people ... and I mean that literally ... the people of Bangladesh are truly its number one asset.

Let me explain my vision of Bangladesh as an Asian tiger:

Bangladesh could be/should be the world's largest exporter of apparel and household textiles, rivaling China. As we know, these industries are flooding out of China in search of lower production costs. The natural destination for these investment dollars should be Bangladesh.

Bangladesh could be/should be a major global player in the production of generic drugs, shoes, finished leather goods, small freighters and ocean-going tugboats, information technology, bone china, frozen shrimp and fish, silk and jute production and processing, and the list goes on and on, creating investment and trading opportunities for you, both directly and indirectly as these new jobs generate millions more Bangladeshi middle class consumers.

Bangladesh is further blessed by its location at the very nexus of what will become one of the most significant trade routes of the 21st century, the Indo-Pacific Economic Corridor, which links South Asia with China, Singapore and the world. That emerging trade route will course right through Bangladesh, richly benefiting Bangladesh while providing an avenue for expanding

Bangladesh's exports to the world, including China ... I envision the day when 1.3 billion Chinese will be wearing made-in-Bangladesh clothes! The opportunities for you as provided by Bangladesh's strategic location at the heart of the Indo-Pacific Economic Corridor are obvious.

Bangladesh is a huge exporter of manpower, which is the country's largest source of foreign exchange. Currently, this manpower is almost entirely unskilled labor at the bottom of the economic ladder. This need not be. Bangladesh should be providing the world highest quality manpower ... doctors, nurses, engineers, professors, carpenters, electricians, technicians ... professionals and highly skilled labor. The success of the Bangladeshi-American diaspora in the U.S. shows how educated and skilled Bangladeshis can thrive. Bangladesh truly needs a revolution in education, which, of course, is opportunity for you ... for you to help build and strengthen the nation's education and skill training capacity from the primary school level through the tertiary level.

Bangladesh is in the midst of an agricultural revolution, which has already made the nation self-sufficient in rice production with good prospects for becoming self-sufficient in food within a decade. Can you imagine this?!? The world's most densely populated country aside from a few city states and island nations is on the brink of becoming food self-sufficient ... hardly the bottomless basket predicted some four decades ago. Is this some kind of miracle? Not in the least ... this is that Bangladeshi energy, hard work, creativity, entrepreneurial skills all at work. This success in food production creates enormous opportunities for you in food processing and other areas.

That's my vision of Bangladesh as the next Asian tiger.

Let me strengthen my case with a few observations:

- As I noted earlier, Bangladesh has been averaging nearly 6% annual growth; over the past decade alone its GDP has more than doubled from \$47 billion to over \$100 billion.
- Even during the global downturn in 2008, Bangladesh was one of the few countries in the world that registered increasing exports and saw hardly a blip in its economic growth trajectory.
- According to my calculations, on a purchasing power parity basis, Bangladesh's economy will surpass Hong Kong's in the next five years.
- Annual U.S.-Bangladesh trade tripled from \$2 billion in 2001 to \$6 billion in 2011.

- If you drive around Dhaka today, the signs of progress are everywhere ... you will see a bustling city with construction of high rises literally on every block ... and famously chaotic traffic that is admittedly a challenge, but also a sign of economic progress.

I am not alone in seeing the tremendous opportunities of Bangladesh. In 2011, McKinsey predicted Bangladesh would become the world's largest exporter of readymade garments and household textiles. In 2013 McKinsey reported that apparel buyers prefer doing business in Bangladesh. In 2012, Goldman Sachs included Bangladesh among "the Next 11" emerging economies with high potential for trade and investment. JP Morgan lists Bangladesh among its "Frontier Five" emerging economies.

This story ... this story of Bangladesh's impressive progress ... this story of the tremendous opportunities for trade and investment that Bangladesh offers is often obscured by media reports that focus on natural disasters, political acrimony and other challenges. Bangladesh is certainly a country with significant challenges, which I shall address in a moment, but we need to keep perspective and recognize Bangladesh's great progress and its many opportunities.

To realize this vision, this potential to be Asia's next economic tiger, Bangladesh must overcome significant, but not insurmountable, challenges, which often create even more opportunities for investors like you. Let me review the key challenges:

- Power and energy shortages are major constraints. Bangladesh's growing economy urgently needs more power and energy. To this end, Bangladesh must develop its significant gas and coal reserves. Signs of progress include construction of a new gas pipeline and more power projects with diversified fuel sources. U.S. companies such as Chevron (the largest foreign investor and biggest gas producer) and GE are already engaged in helping to address the power and energy shortfalls.
- Bangladesh's infrastructure cannot support an Asian tiger economy. The nation needs expanded port facilities and new roads, railroads, and airports. Of course, these needs are opportunities for you.
- Bangladesh must undertake a crash program to improve education and skills training, not only so the nation can export high end manpower, but also so it has the professional and highly skilled manpower it needs to build the Asian tiger. These needs, as I mentioned earlier, create opportunities for you.

- Bangladesh can be a challenging place to do business. Bureaucratic inefficiency and boundless red tape constrain growth. The judicial system functions at glacial speed in resolving commercial disputes. We urge the government to move more aggressively in creating a better investment climate by untangling the red tape, tackling endemic corruption, and strengthening rule of law.
- As I mentioned at the outset, the nation is now experiencing a wave of political instability as parliamentary elections approach. America and other friends of Bangladesh urge the major parties to engage soonest in constructive dialogue to find an agreed way forward to hold free, fair and credible elections. Political instability, of course, discourages the investment that Bangladesh needs to become an Asian tiger.
- In the wake of the horrific Rana Plaza building collapse and the Tazreen Fashions fire, apparel manufacturers, workers, international buyers, the International Labor Organizations, and friends of Bangladesh, like America, are all coming together to institute new practices that will ensure that Bangladesh will never again experience another Rana Plaza or Tazreen Fashions disaster and that Bangladeshi workers will be able to exercise their rights to freely associate and organize. The goal is to make Brand Bangladesh the Preferred Brand in the global marketplace.

These challenges are real ... are serious ... but each is resolvable with the will to do so ... and resolving many of them creates investment opportunities for you.

There you have it ... my views ... unvarnished and straightforward ... of the opportunities and challenges of investing in and trading with Bangladesh. I urge you to explore the possibilities of Bangladesh to assess for yourself whether these opportunities and risks mesh with your company's strategy. Members of my delegation, my staff and I are all available to meet and chat with you informally to address questions that you may have in regard to business prospects in Bangladesh.

Thank you.

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