

Dhaka gets biggest-ever Malaysian investment proposal

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Malaysia has proposed the biggest-ever chunk of their investment worth US\$ 1.2 billion in Bangladesh for construction of a 198-kilometre highway from Dhaka to Chittagong to open a second land-route for easier transportation between the capital and the port city.

Ajimat Consortium, a conglomerate of six companies, made the proposal to Communications Adviser MA Matin last Wednesday for consideration of the government. The proposal would be scrutinised by an official expert committee. "We hope the government will actively consider the proposal and take decision in favour of the Malaysian consortium," Malaysian High Commissioner in Bangladesh Dato' Abdul Malek Bin Abdul Aziz said in an interview with the UNB at his office in the city Friday.

The highway with four lanes has been proposed on build-operate-transfer (BOT) basis. If the proposed highway is constructed, the travel time from the capital to the port city will be reduced to three hours.

Citing the North-South highway in Malaysia, the high commissioner said the proposed Dhaka-Chittagong new highway would attract more foreign investment for setting up industrial units along the route and ease the transportation of goods to the seaport of Chittagong.

He said the construction of the proposed highway would give signal to other investors to come to Bangladesh—a country that, economists believe, holds huge unexplored potential for development.

Malaysia is the sixth-largest foreign investor in Bangladesh with \$ 1.37 billion investment made so far.

Of the amount, \$ 513 million has been invested under AKTEL in the country's booming cell-phone sector. So far, the investment in telecom sector is the largest, followed by power sector.

The envoy said if the Bangladesh government approves the highway proposal, it would be the highest investment ever from his country.

Malaysian companies are also interested to participate in power generation, port development and other infrastructure, labour-intensive industries, like food processing and electronic machinery.

In reply to a question, he said the market in Malaysia has already been saturated and the Malaysian companies are on the look-out for outside market to spread their wings.

Asked, if he considers the current situation in Bangladesh favourable for overseas investment, Abdul Malek Bin Abdul Aziz said the present caretaker government is trying to create a congenial atmosphere by changing the political culture in this country.

"Now the situation is more calm and stable. The foreign investors will wait and see to assess the situation... The country is moving towards the right direction following the reforms so far undertaken by the government," said the diplomat of the leading ASEAN country.

About bilateral trade that is heavily tilted towards Malaysia, the envoy said his government would consider more duty-free imports from Bangladesh.

In 2006, Malaysia's export to Bangladesh was worth \$424.24 million against a paltry \$22.92 million from Bangladesh.

Dhaka mainly exports marine products and readymade garment (RMG) while palm oil accounts for 50 per cent of Malaysian exports.

He said both the countries need to expand their export baskets through diversifying their products as the basket is too narrow.

"There is not just one-way street," he said, adding Bangladesh needs to promote its products by holding single-country exhibitions.

Asked about Joint Commission (JC) meeting, he said the next JC meeting, which is scheduled to meet every two years, would be held in Kuala Lumpur. The last JC meeting was held in Dhaka in June 2005.

Asked about cooperation in tourism sector, he said Kuala Lumpur is interested to enhance cooperation in this sector. Last year, more than 22,000 tourists from Bangladesh visited Malaysia.

In reply to a question, he said free-trade agreement between Dhaka and Kuala Lumpur is not on the table for consideration.

Asked, how Malaysia could develop its tourism industry, the envoy said it needs a master plan and long-term vision. He said Bangladesh has got enough potential to develop its tourism industry, including eco-tourism.

He said Cox's Bazar, Sandwip and CHT are the places that might be good spots for developing tourism.

The envoy said if tourism is to develop, the private sector must take the lead. But the government, first, has to develop the infrastructure facility. "We're ready to assist in tourism sector," he said.