

Bangladesh-GCC Relations: A Future Outlook

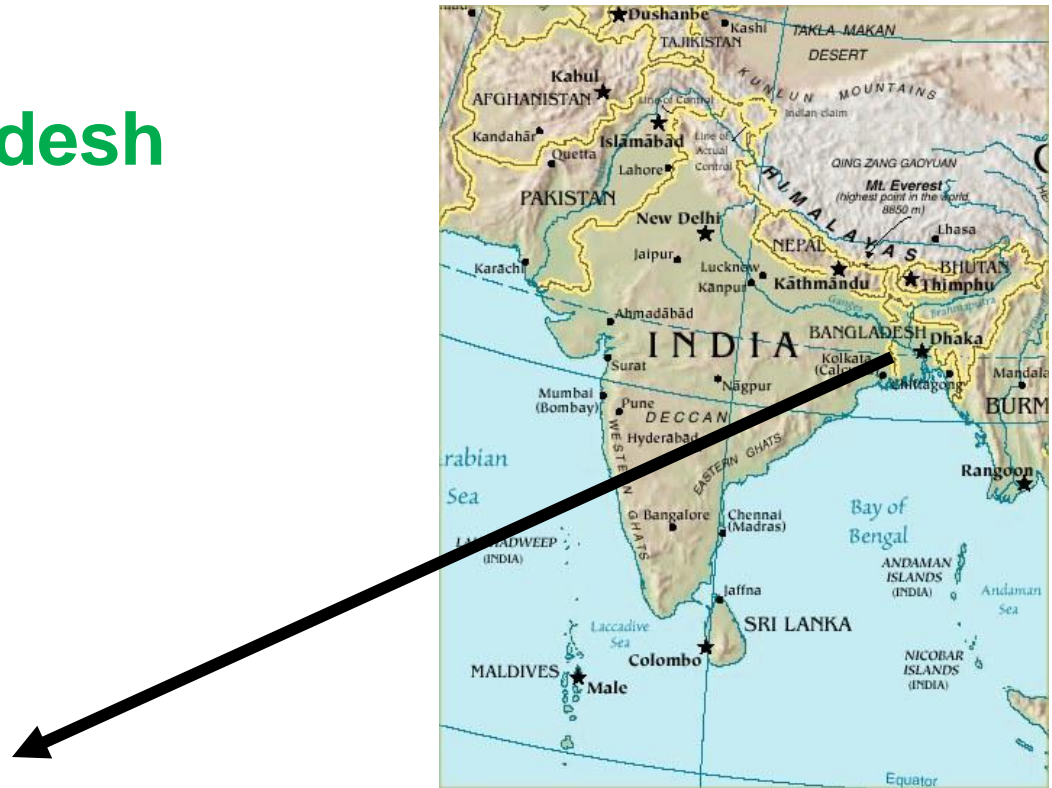
Major General Muniruzzaman, ndc, psc (Retd.)

President

Bangladesh Institute of Peace and Security Studies (BIPSS)



Glimpses of Bangladesh



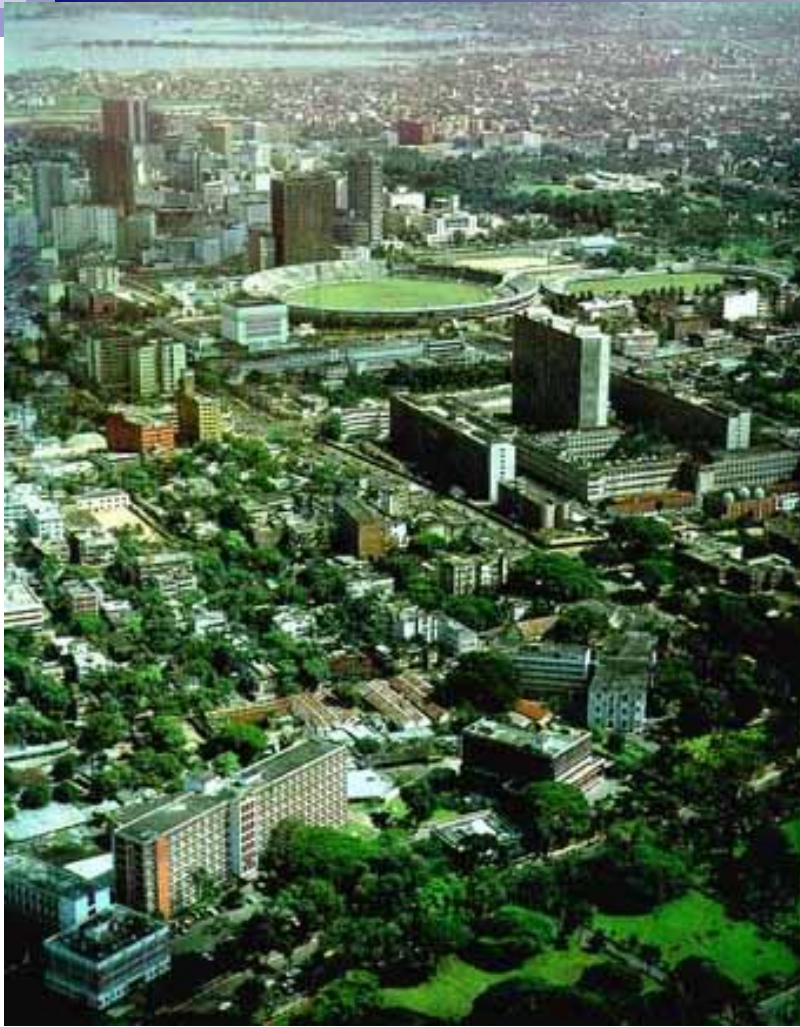
**Muslim Majority
South Asian State**



Bangladesh National Flag

**Bangladesh National
Parliament**



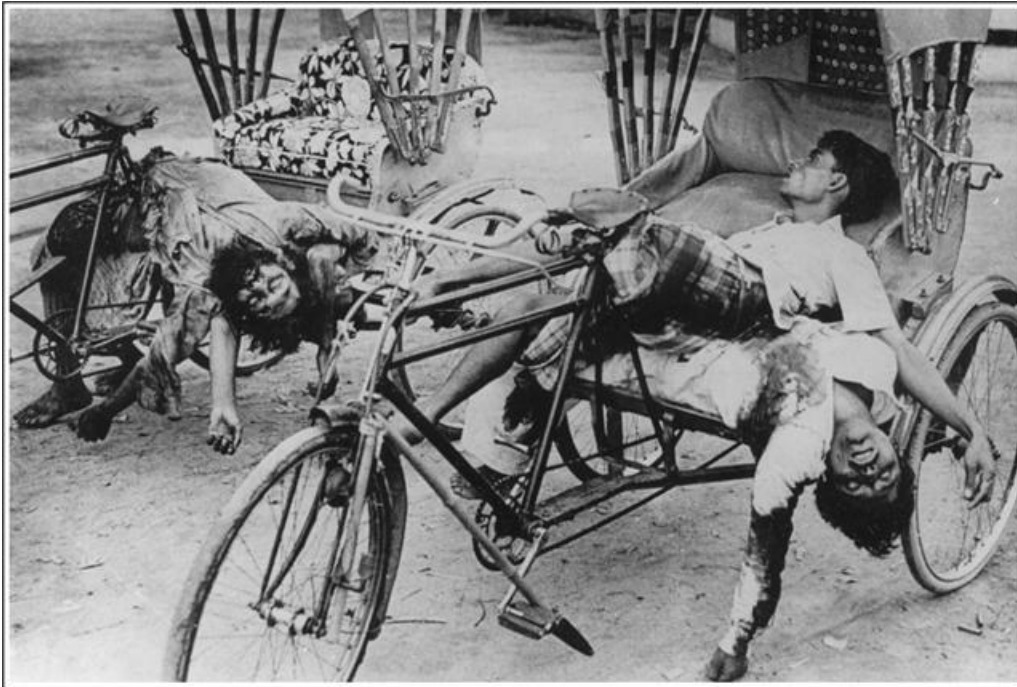


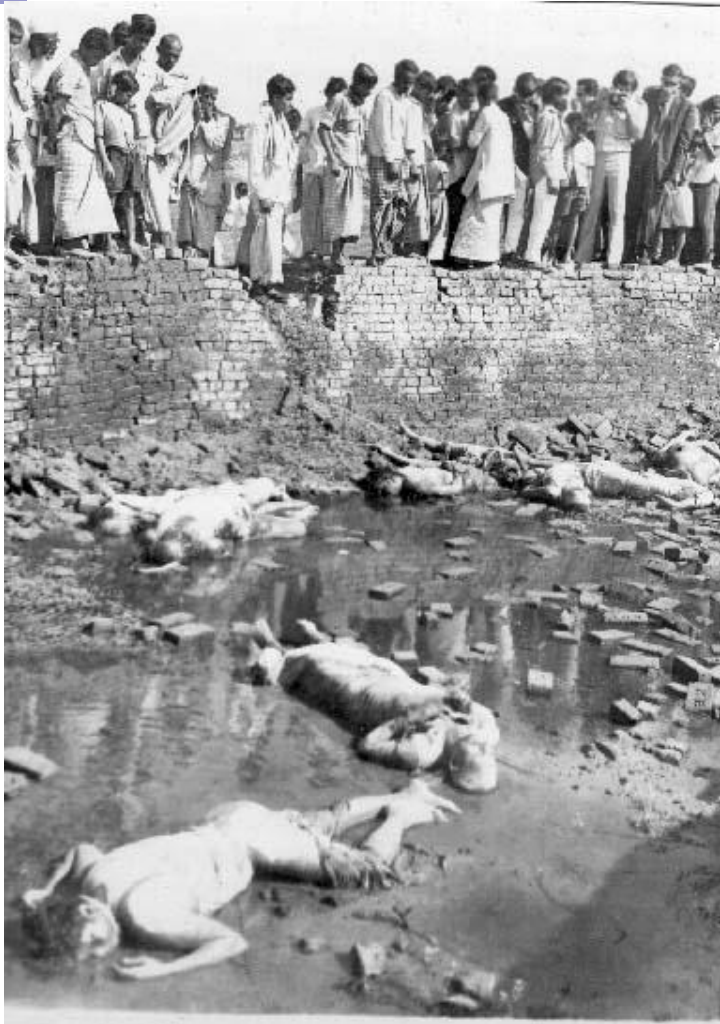
Urban and rural scenes



Political Journey

- Bloody birth through 9-months long civil war
- Liberated in 1971







Its People and Religion

- Population (July 2009 CIA est.): 156 million
- Ethnic groups (1998, CIA): Bengali 98%, other 2% (including tribal groups, non-Bengali Muslims)
- Religions (1998, CIA): Muslim 83%; Hindu 16%; Christian 0.3%, Buddhist 0.6%, others 0.3%
- Education: *Attendance--61%. Adult literacy rate--47.5%. (UNDP Human Development Index 2007/2008)*



It Geography

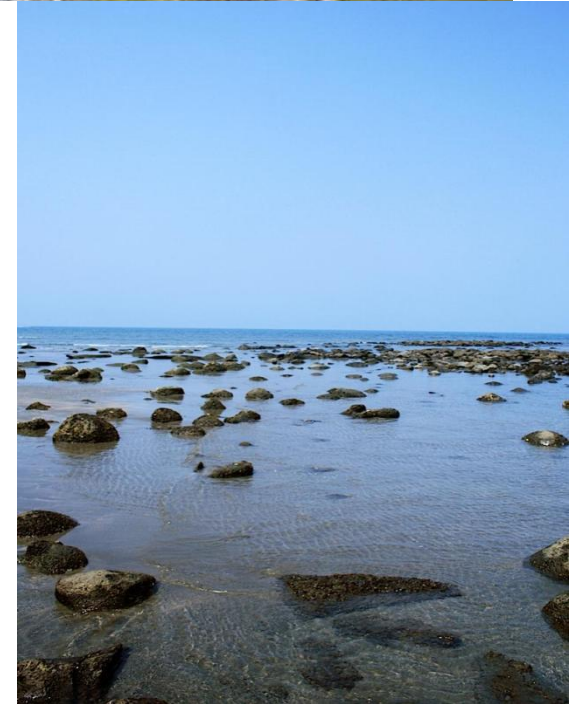
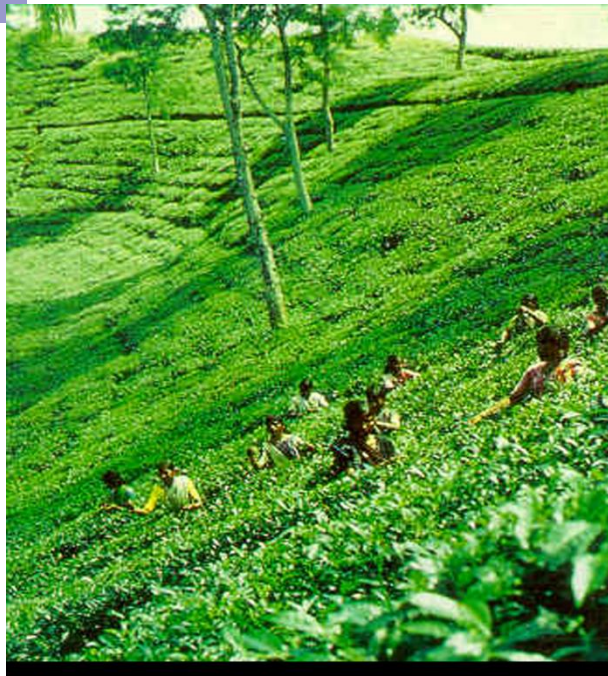
- **Area:** 147, 570 sq. km. (55,813 sq. mi.); about the size of Iowa
- Bangladesh is a low-lying, riparian country located in South Asia
- Formed by a deltaic plain at the confluence of the Ganges (Padma), Brahmaputra (Jamuna), and Meghna Rivers and their tributaries
- Alluvial soil is highly fertile but vulnerable to flood and drought



It Geography (contd.)

- Bangladesh has a subtropical monsoonal climate characterized by heavy seasonal rainfall, moderately warm temperatures, and high humidity
- Urbanization is proceeding rapidly, and it is estimated that only 30% of the population entering the labor force in the future
- Bangladesh also is affected by major cyclones on average 16 times a decade





Its Culture

- Bangladesh has a rich historical and cultural past
- Dravidian, Indo-Aryan, Mongol/Mughul, Arab, Persian, Turkic and west European cultures
- Various tribal groups, mostly in the Chittagong Hill Tracts
- Islam has played a crucial role in the region's history and politics





Same land, different voices



Politics and Government

- **Type:** Parliamentary Democracy
- **Independence:** 16 December 1971 (from Pakistan)
- **Constitution:** 1972; amended 1974, 1979, 1986, 1988, 1991, 1996, 2004
- **Branches:** *Executive*--President (Chief of State), Prime Minister (Head of Government)
- **Cabinet:** *Legislative*--Unicameral Parliament (345 members)



Politics and Government (contd.)

- **Judicial**--Civil Court System based on British model
- **Administrative subdivisions:** Divisions, districts, sub-districts, unions, villages
- **Political parties:** 30-40 active political parties
 - Awami League (AL)
 - Bangladesh Nationalist Party (BNP)
 - Jatiya Party, and the Jamaat-e-Islami Bangladesh



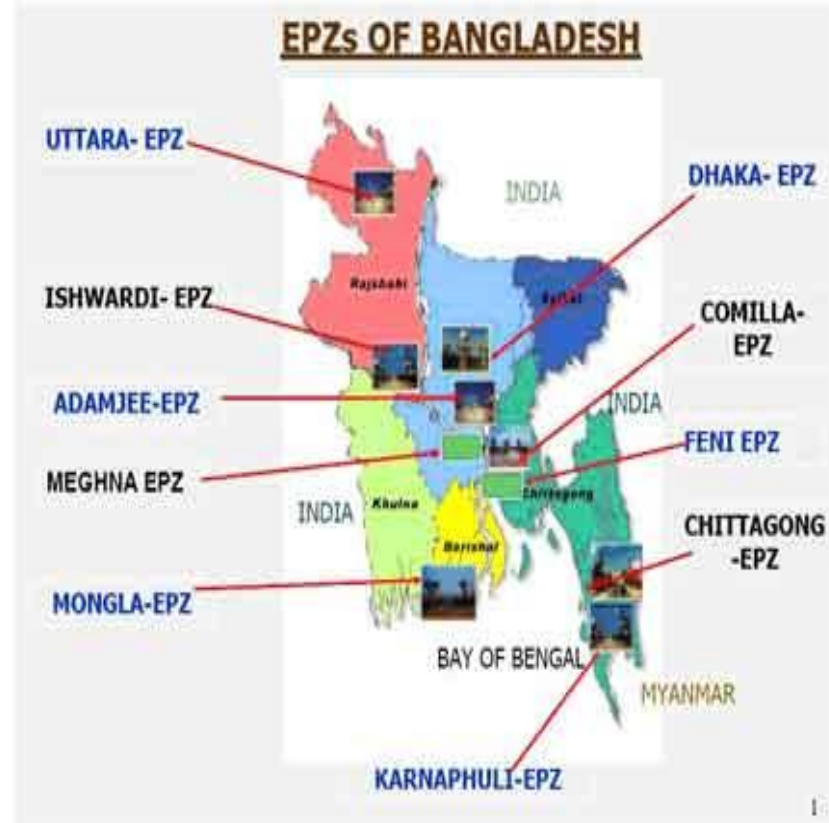
Its Economy

- Fiscal year: July 1 to June 30
- Annual GDP growth rate (FY 2008): 6.2%; (FY 2008 World Bank est.): below 6%
- Current GDP (2008 est.): \$84.2 billion (official); \$226.4 billion (PPP)
- Per capita GDP (2008 est.): \$554 (official); \$1,500 (PPP)
- Natural resources: Natural gas, fertile soil, water



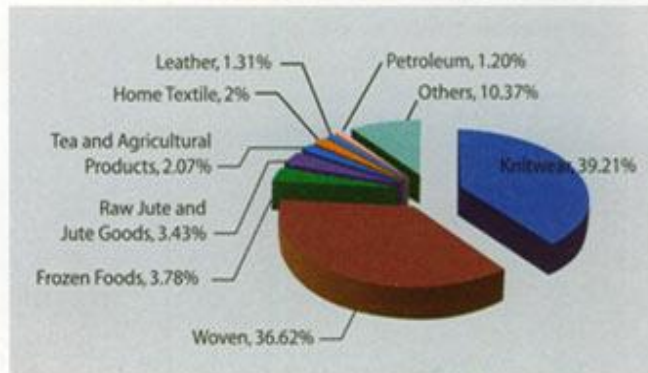
Its Economy (contd.)

- Agriculture (19.1% of GDP): *Products*--rice, jute, tea, sugar, wheat
- Industry (manufacturing; 28.6% of GDP):
- *Types*--garments and knitwear, jute goods, frozen fish and seafood, textiles, fertilizer, sugar, tea, leather, ship-breaking for scrap, pharmaceuticals, ceramic tableware, newsprint
- *Total exports* (FY 2008)--\$14.11 billion:
- Garments and knitwear, frozen fish, jute and jute goods, leather and leather products, tea, urea fertilizer



Export Statistics

Figure: Major Export items of Bangladesh



Data from EPB, compiled by BKMEA.

Export-Import Information

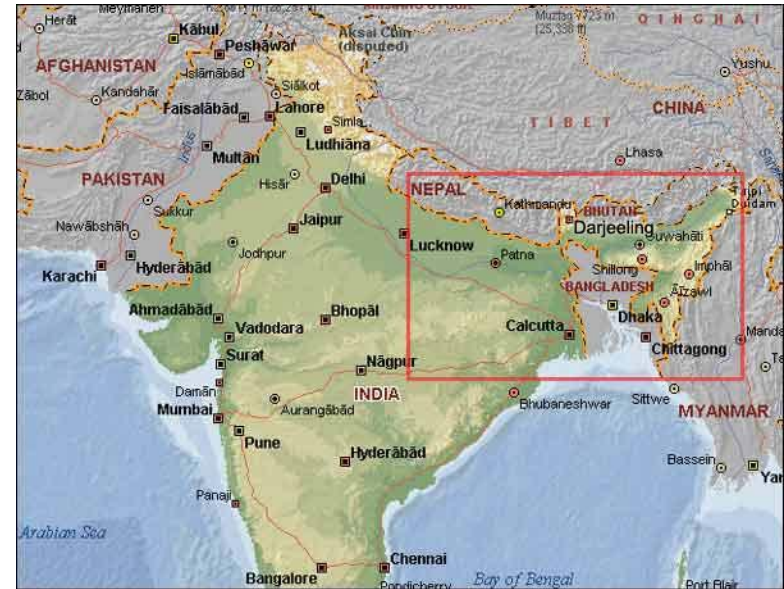
Year	Import (Billion US \$)	Export (Billion US \$)
2001-02	8.54	5.99
2002-03	9.66	6.55
2003-04	10.90	7.60
2004-05	13.15	8.65
2005-06	14.75	10.53
2006-07	17.16	12.18
2007-08	20.37	14.11
2008-09	21.44	15.57

Year	Month	Woven	Knit	Total	Month	Woven	Knit	Total
2009	July	521.78	651.85	1173.63	July	-4.66	+1.77	-1.19
	August	489.22	552.46	1041.68	August	+0.68	-3.02	-1.31
	September	365.63	449.63	815.26	September	-25.70	-27.59	-26.75
	October	307.76	440.46	748.22	October	+5.32	+23.36	+15.24
	November	439.78	487.21	926.99	November	-9.85	-11.18	-10.55
	December	458.49	426.34	884.83	December	-8.38	-15.41	-11.91
2010	January	570.26	535.06	1105.32	January	-2.39	-4.95	-3.65
	February	560.46	481.84	1042.3	February	+5.19	-4.95	-3.65
	March	615.74	552.81	1168.55	March	+13.63	+15.09	+14.31
	April	505.90	545.38	1051.28	April	+15.56	+13.53	+14.49
Total FY 09-10		4,835.02	5,123.04	9,958.06	Total FY 09-10	-1.38	-2.06	-1.73
Share in National Export FY 2009-10		37.36%	39.59%	76.96%				

Source: Export Promotion Bureau, Bangladesh

Geo-strategic Importance of Bangladesh

- World's 8th most populous nation (near about 160 Million people)
- World's 3rd largest Muslim state
- Geographical vicinity with China and India (Living with 2 giants)
- Critical access to Indian Ocean
- Potential for large gas reserve
- Bridge between South and South East Asia



South Asia: An Introduction

- The region is located at the strategically important area in world
- SA comprises of the sub-Himalayan countries and is surrounded (clockwise, from west to east) by Western Asia, Central Asia, Eastern Asia, and Southeastern Asia
- It is home to over 1.50 billion people
- It is the home of two new nuclear weapon states
- It has a history of protracted dispute, conflict and regional wars. It has close proximity to another nuclear power (China)
- It has one of the fastest growing power and economy (India)
- South Asia is one of the poorest and most misgoverned regions of the world after sub-Saharan Africa



Geostrategic Importance of South Asia

- South Asia is a most complex, volatile and politically explosive region, the most enigmatic and baffling in the world
- Lies between the sea routes of the Indian Ocean (Persian Gulf and the Asia-Pacific) and the land routes of Central Asia connecting Europe to the East
- Large reservoir of natural and human resources
- Prime destination for finance capital, a lucrative market for trade and a source of cheap raw material
- Sits at the confluence of the richest sources of oil, gas
- The transit point for most of the resources and manufactures that criss-cross the world
- Was the base for infamous “Great Game” in the 19th century
- United States Base at Diego Garcia, just south of Maldives

Geostrategic Importance of South Asia (contd.)

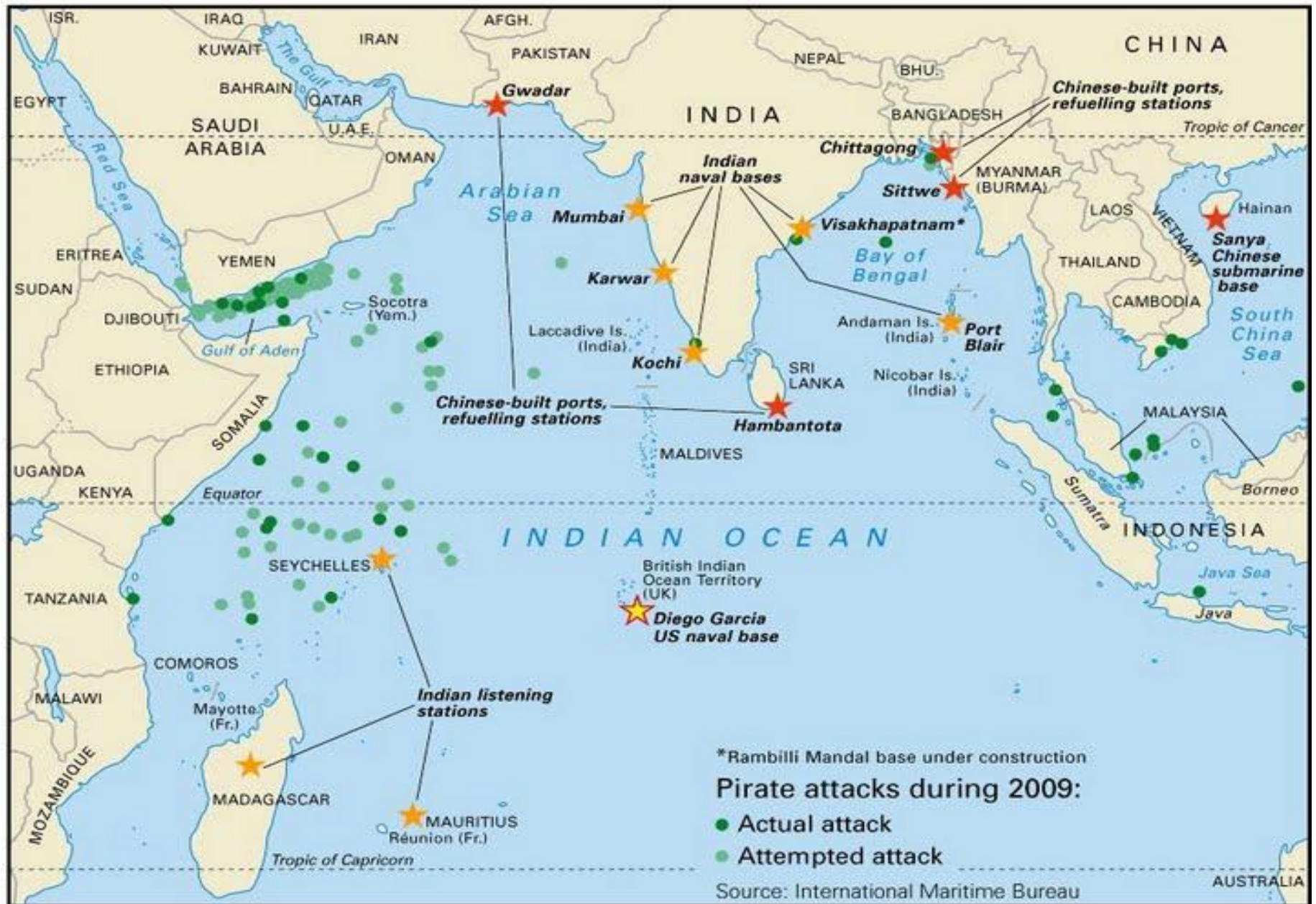
- Indo-US strategic partnership
- Concept of “Chindia”
- Emergence of India as Regional Power with global pretensions
- Nuclearization of South Asia
- Potentiality of Nuclear/Conventional Conflicts
- South Asia in the frontline of the energy resource regions (Central Asia, Persian Gulf)
- Demographic pattern-currently comprising one fourth of the world’s population
- Two Nuclear club members are in SA.
- Geographical contiguity with would be super power, China
- “Indian Ocean Rim”.



South Asia Sandwiched between Global and Regional Power Play

- SA has always been an arena where great power competition has been played and managed
- Sandwiched between two politically volatile and economically critical regions i.e., the Persian Gulf and Southeast Asia
- Forms an integral part of Mackinder's "World Island," that is, the Euro-African-Asiatic land mass, the most important single geographical unit in the world
- Pakistan is a junction of South Asia, West Asia and Central Asia, a way from resource efficient countries to resource deficient countries
- US interests in the regions to contain the growing China, nuclear Iran, terrorists in Afghanistan, and to benefit from the market of India
- New Af-Pak Strategic Blueprint has lumped together Afghanistan and Pakistan as a single hyphenated geo-strategic and geopolitical identity
- Afghanistan with a noticeable sizeable chunk of geometrically regular territorial configuration

GREAT POWER COMPETITION IN THE INDIAN OCEAN



Bangladesh's Relations with Islamic World

- Bangladesh extremely value relations with the Islamic world
- The growing role of Islam in Bangladesh, symbolized by the adoption in 1988 of a constitutional amendment recognizing it as the state religion
- A major effort to widen ties with the Islamic world
- Bangladesh supported the international policies of the Islamic states in the Middle East
- Bangladesh strongly condemned Israeli policies and favored the creation of a Palestinian state



Bangladesh's Relations with Islamic World (contd.)

- Bangladesh has expanded its ties with the worldwide Islamic community through the Organization of the Islamic Conference
- Bangladesh became a member of the conference in February 1974
- Played a prominent role in setting up economic programs
- The sixth annual meeting of the Islamic Development Bank and the Islamic Finance Ministers' Conference were held in Dhaka in 1985



Bangladesh- GCC Relations

- Prospective relations on many dimensions
- Muslim brotherhood and fraternity
- Religious ties with Muslim Ummah: Islam is the dominant religion for both communities
- Both communities share similar values and cultures
- Energy relations
- Common diplomatic stand on the multilateral forum/platform
- Bangladesh has significant labor relations with the GCC countries
- Bangladeshis in the Middle East form the largest part of the worldwide Bangladeshi Diaspora
- Out of the 3,975,550 Bangladeshis abroad approximately 2,820,000 live within the Middle East



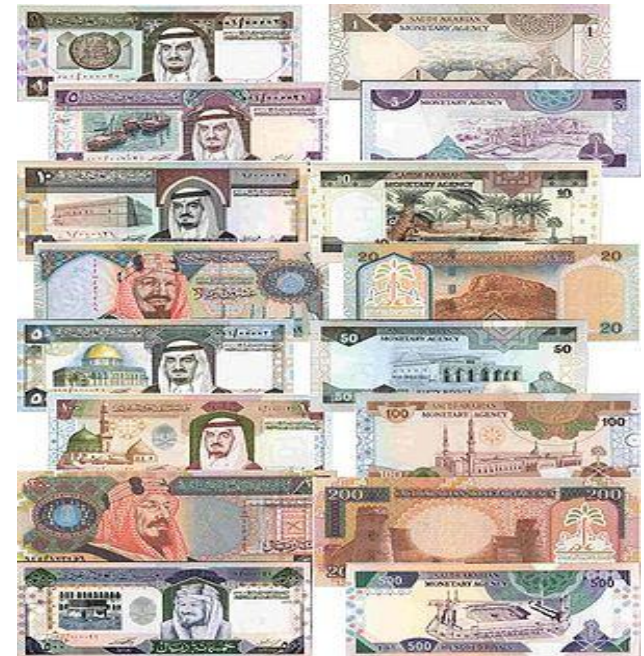
Bangladesh -GCC Political and Diplomatic Relations

- Bangladesh pursues a moderate foreign policy that places heavy reliance on multinational diplomacy
- Harmonious and production relations
- Bangladesh enjoys bilateral relations with all GCC countries with significant mutual stake in terms of trade and commerce
- Bangladesh expanded its ties with all GCC Countries
- Trade volume has increased over the decades
- Bangladesh stands by for the greater cause of the Islamic Ummah
- It follows a common stand in multilateral forum



Bangladesh- GCC Relations (contd.)

- Bilateral ties between Bangladesh and the oil-rich Arab states were becoming increasingly important in the mid- and late 1980s
- These ties had both economic and political components
- Saudi Arabia, had become a growing source of development funds (mostly loans) since 1975, with much of the aid channeled into Islamic education and culture
- The Saudis donated money for the construction of an Islamic university, mosques, and other religious centers



GCC-Bangladesh Trade & Commerce

- GCC market a lucrative market for Bangladesh and vice versa
- Considerable investment in Telecommunication sector: UAE-based *Warid Telecom*
- Dubai Bangladesh sugar refiners are targeting GCC markets as part of a global expansion program
- Gulf countries trusted energy supplier to BD
- BPC imports between 3.4 million and 3.8 million tones of oil annually, including about 1.4 million tones of crude oil at a cost of \$2-3 billion



KEY FACTS

- In December 2005, UAE-based Warid Telecom paid \$50 million to obtain a GSM licence from Bangladesh Telecommunication Regulatory Commission
- Warid commercially launched its operation in Bangladesh in 2007 as the sixth mobile phone operator
- Within two years, the company added 2.5 million customers to its network and became the market's fourth largest operator
- The company has so far invested \$600 million in network development
- Warid is the single company, which owns a next generation network

Trade & Commerce (contd.)

- Oil import partners: **Abu Dhabi National Oil Company, Kuwait Petroleum Corporation, Saudi Arabian Oil Company**
- Bangladesh to import 920,000 tones of diesel and 130,000 tones of jet fuel from the Kuwait Petroleum Corporation
- The GCC is a premium market that Bangladesh wants to penetrate
- Bangladesh offers the lowest sugar price in the Asian market
- Bangladesh currently looking at the UAE Saudi Arabia and Yemen sugar market
- Bangladesh in negotiations with some suppliers in the UAE



Opportunity for Investment in Bangladesh

- Considerable opportunity in the energy sectors for GCC companies, particularly in power generation. Other sectors where opportunities exist include:
- **What are the opportunities for the Gulf countries?**
 - **Power (Gas and Coal)**
 - **Ports**
 - **Textiles and Clothing**
 - **Ceramics**
 - **Pharmaceuticals**
 - **IT: Software & Computer Services**
 - **Environment**
 - **Aid Funded Business**
 - **Banking and finance**
 - **Real Estate**

MARKET GROWTH

Pharmaceutical exports stood at \$18.69 million in the July-November period of fiscal 2009-10, a 15.44 percent rise from the same period a year ago, according to the Export Promotion Bureau

Top 10 companies by local sales

(Ranking by Intercontinental Marketing Services)

Opsonin Pharma

Eskayef Bangladesh

Drug International

Beximco Pharmaceuticals

Incepta Pharmaceuticals

Renata

Advanced Chemical Industries (ACI)

Square Pharmaceuticals

Aristopharma

ACME Laboratories

STAR GRAPHICS

Bangladesh -Saudi Arabia Relations

- Saudi Arabia recognized Bangladesh in 1974
- Since then relations moved forward
- Since 1981, Saudi Arabia has sent 77 officers to the Defense Services Command & Staff College in Dhaka
- The Kingdom is a major destination for labor exchange



Hon'ble President Md. Zillur Rahman is received by Custodian of the Two Holy Mosques His Majesty King Abdullah bin Abdul Aziz Al Saud during the inauguration ceremony of King Abdullah University of Science and Technology on 23rd September 2009.

Exchange of Manpower

- Bangladeshi expatriates contribute to the socio-economic development of the Kingdom
- Bangladesh is seeking more economic ties
- Bangladesh is one of the largest labor suppliers to Saudi Arabia
- Bangladesh earns the lion share of its average 8 billion dollars remittance income from Saudi Arabia



Hon'ble Prime Minister of Bangladesh Sheikh Hasina and Custodian of the Two Holy Mosques His Majesty King Abdullah bin Abdul Aziz discussed matters of mutual interest and ways and means to further deepen bilateral cooperation between Bangladesh and Kingdom of Saudi Arabia when they met in Riyadh on 21 April 2009.

Bangladesh -Qatar Relations

- Qatar-Bangladesh most durable and important bilateral partnership
- Two countries enjoy unique ties of culture and history
- Qatar has many direct investments
- Many Qatar government and non-government agencies and organizations are working in Bangladesh
- Bangladesh is one of largest exporter of readymade garments to Qatar
- Qatar to increase investment in Bangladesh
- Bangladesh to explore LNG import from Qatar



Current State of Bilateral Relations

- About 182.5 billion cubic feet (BCF) of LNG will be required to import annually to meet the daily deficit of 500 million cubic feet (MMCF)
- Bangladesh Premier recently has visited Qatar in October 2009
- Qatar to send a high profile business delegation to Bangladesh in the first quarter of next year to identify possible investment sectors
- Qatar has assured of providing supports towards:
 - the construction of Padma bridge,
 - recruiting more manpower from Bangladesh and
 - increasing its investment in the country's various key economic sector



Bangladesh-UAE Relations

- UAE and Bangladesh develop remarkable economic ties
- The UAE and Bangladesh had signed the MoU for establishing the Joint Commission in Dhaka in 1980
- The third session of the Joint UAE-Bangladesh Commission held on 21 and November 22, 2009
- Bangladesh supports UAE's bid to host the headquarters of the IRENA
- UAE to set up training and medical services centers in Bangladesh to prepare future workers for the UAE





A bond of friendship

- 7,00,000 Bangladeshis as the 3rd largest expatriate community in the UAE
- The volume of trade exchange between the two countries was AED 440 million in 2007 and rose to AED 561 million in 2008
- Signed MoU about labour force in 2007
- The Chamber of Commerce of Bangladesh - Chamber of Commerce and Industry in the UAE signed cooperation agreement

Bangladesh-UAE Relations (contd.)

- Source of remittance of about 1.5 billion US dollar from the UAE to Bangladesh each year
- Abu Dhabi Group to invest nearly Dh7.3 billion (US\$2 billion) in Bangladesh's telecom, power, tourism, construction and healthcare sectors
- Sheikh Nahyan Bin Mubarak Al Nahyan, Chairman of the Abu Dhabi Group, inaugurated a branch of **Bank Al Falah Ltd.**
- Bangladesh –UAE look forward to cooperate on:
 - **Agriculture, energy, mineral resources,**
 - **Labor, civil aviation and**
 - **Cooperation in the fields of security, justice, defense,**
 - **Education, science, technology,**
 - **Culture, health, tourism, sports and areas of charitable and humanitarian cooperation**

Bangladesh–Bahrain Bilateral Relations

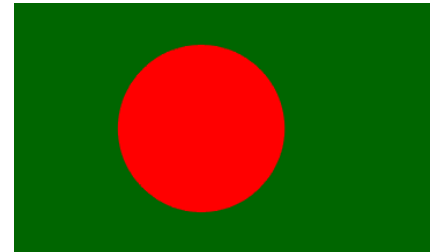
■ Diplomatic Relations

- Diplomatic relations following Bahrain's recognition of Bangladesh in 1974
- Excellent relations based on identical values, shared perceptions and common traditions
- Unfailing record of mutual support and cooperation
- Relationship has been translated into action through bilateral agreements
- Agreements in the areas of trade & investment, customs & taxation, and air services etc



■ Bilateral Agreements

- Agreement on Economic, Commercial and Technical Relations and
- Agreement of Cultural Cooperation
- Bangladeshi Nobel Peace Laureate Dr. Muhammad Yunus came to Bahrain in early February 2007
- A MoU signed under which Grameen Trust would extend technical cooperation and other necessary support for setting up of the proposed the Family Bank



Economic and Commercial Relations

- Exports to Bahrain included frozen food, agricultural products, chemical products, Jute goods, other products like melamine, garment, fabric etc
- In 2003-2004 Bangladesh exported goods worth of US \$ 2.21 Million compared to US \$ 3.58 million in 2004-2005
- Considerable potential for Bangladesh to make a niche in the Bahrain
- Bangladesh can explore ceramic, furniture, fabrics, flora and fauna, top soil, leather products etc to Bahrain
- Geographical proximity allows the goods to be moved out from Bahrain easily across the border to Saudi Arabia, Qatar, Kuwait, Oman and UAE

Exchange of Human Resources

- Bangladesh has surplus human resources in a wide range of professions and expertise
- It is gratifying for Bangladesh to be able to provide necessary human resources to the Kingdom of Bahrain
- It realizes rapid economic growth and industrial expansion
- A total of 92,643 Bangladesh nationals left for Bahrain over the past two decades (BMET, February 2007)
- it is estimated that about 90,000 Bangladeshis are currently living and working in Bahrain
- Bangladeshis represent the second largest expatriate community in Bahrain

Exchange of Skilled Manpower

- Expatriates skilled manpower contribute significantly to the development of Bahrain
- Skilled manpower working in Bahrain
 - Engineers
 - Police and other security personnel
 - Doctors, teachers
 - Financial experts, accountants, business management officials,
 - Hotel management and chefs and service staff, salesman,
 - Mechanics, plumbers, masons, carpenters, tailors, hairdressers, construction workers drivers, and domestic aides

Opportunity for Bahrain in Bangladesh

- Investment opportunity for Bahrain
- Garments and textiles
- Pharmaceuticals,
- IT
- Ceramics, porcelain,
- Melamine articles,
- Leather and jute goods, flora and fauna
- Agro-items like plants,
- Automobile batteries, etc
- Banking
- Hotel and tourism



His Excellency Mr. M. Ruhul Amin, Ambassador of Bangladesh addresses the first meeting of Bahrain Bangladesh Friendship Forum at the Versailles Restaurant, Hotel Regency Intercontinental. His Excellency Dr. Dhafer A. Alumran, Head of Bilateral Relations Directorate of the Ministry of Foreign Affairs of Bahrain is also seen.

Bangladesh Kuwait Relations

- BD-Kuwait relations considered strong based on common religion and values
- Historic military and economic ties
- Kuwait a time-tested partner in our development efforts
- Bangladesh sends guests workers to Kuwait to enable its citizens to work in higher paying jobs leading to remittances



Bangladesh Peacekeepers in UNIKOM

- A turning point in relations occurred during the Gulf War
- Bangladesh sent a contingent of 2,300 personnel to monitor peace in Saudi Arabia and Kuwait
- Bangladesh contributed to the UNIKOM with a mechanized infantry battalion
- Deployment of BANAIR contingent in UNIKOM (Kuwait)
- Relations between the two countries have even indulged into military ties since the 1980s
- A deal signed in February 1, 2004 under which Bangladesh Armed Forces are to provide technical and vocational training to the Kuwaiti army for the next six years



Bangladesh-GCC Relations: Future Outlook

- Bangladesh values vibrant and progressive relations with increasing bilateral stake
- Bangladesh has enormous potentials with an increased consumption community
- **New avenues for future potential:**
- **Exchange of technical know-how**
- Bangladesh has skilled manpower:
- **Engineering Manpower:**
 - University produces about 1000 Graduate Engineers annually. In addition 21 Polytechnic Institutes in the country produce about 3000 Diploma Engineers annually.
 - At Present about 1000 Engineers and 25000 Technicians are available for employment at home and abroad

New Avenues for Future Potential

- **IT Personnel:** Computer Operators, Computer Engineers (both Hardware and Software), Programmers, Web Page Developer, Networking Specialist, System Analyst, etc. available for overseas employment
- **Power Station, Petroleum and Fertilizer Manpower:** Vast reservoir of professional, highly skilled and skilled manpower in electricity/power, petroleum and fertilizer sectors
- **Manpower for Financial Institutions, Insurance, Audit and Accounts:**
- **Industrial Manpower:**
- **Port and Water Transport Workers:** Engine Drivers, Oil Men, Pre-sea Trained Nautical Cadres, Stevedores, Tally Clears, Crane Operators, Fork Lift Operators, Riggers, Security Personnel, Management Personnel and other categories of Personnel. They have international level of efficiency to the credit
- **Marine Crew:** Large number of qualified and experienced Ship/Cargo/Vessel Crew possessing Continuous Discharge Certificates (C.D.C.)

Future Outlook (contd.)

- A knowledge network with Islamic scholars and academia to provide intellectual stimulus
- Islamic knowledge hub and frequent exchange
- People to people contact
- Expansion of tourism
- Exchange of expertise-medical, academics, military, engineers etc
- Establishing specialized education centre
- Establishing management university and institutes
- Common understanding and diplomatic posture against anti-Islamic propaganda
- Security and defense cooperation

Future Outlook (contd.)

- Islamic Golden Age
- Joint expertise and capacity building
- Media stand and media platform: for fighting all rightful cause of Islam
- Eminent Person's Network
- Social capital building: Bangladesh a model
- High level political contact
- Joint military and defense exercise
- Experience sharing
- Microfinance and private investments

Conclusion



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Question and Answer





Thank You

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