



THOUGHTS & INITIATIVES

VOL 2, NO. 1 DECEMBER 1994

BDI

812 Hope Street, Pittsburgh, PA 15220
15160 SE 54th Place, Bellevue, WA 98006
USA

BDI (Bangladesh Development Initiative) is a registered non-profit, non-political corporation based in USA. BDI is dedicated to facilitating value-added commodity production in Bangladesh.

BDI Executive Committee

President: Shah M. Yunus, Ph.D.
Vice President: Jahangir Jasimuddin, Ph.D.
Secretary: Ruhul Kuddus, Ph.D.
Treasurer: Ashraf Ali, D.Sc.

BDI Special Advisors

General Counsellor: Rafiq Rasul, Ph.D.
Marketing Consultant: Syed Saad Andaleeb, Ph.D.
Economic Advisor: Faizul Islam, Ph.D.
Tax Consultants: Syeda M. Khan
Syed Nuruz Zaman
Middle East Consultant: Abdul Lateef M. Al-Khaleefi, Ph.D. (Kuwait)

BDI Publications

Ashraf Ali, D.Sc. (Editor)
Ruhul Kuddus, Ph.D.
Faizul Islam, Ph.D.
Syed Saad Andaleeb, Ph.D.

BDI Advisors

Abdur Razzaque, Ph.D. (MI)	Moyenuddin Munshi, M.D., Ph.D. (GA)
Anisa Yunus, M.D. (PA)	Salim Rashid, Ph.D. (IL)
Anwar Karim, Ph.D. (MD)	Saqui Selima Huq (NY)
Dhiraj M. Shah, M.D. (NY)	Shahed Khan, Ph.D. (PA)
Faruq M. A. Siddiqi, Ph.D. (PA)	Shahid M. Shahidullah, Ph.D. (NY)
Habibul H. Khondker, Ph.D. (Singapore)	Shamsher Bakth, M.D. (PA)
Hassan Shayer (TX)	Shayla S. Ali (PA)
M. A. Kabir, M.D. (MO)	Syed Zaki Hossain (NY)
M. Mozammel Huq, Ph.D. (Glasgow, UK)	Yunus Rahi, Ph.D. (CA)
Mahabub-ul Islam, Ph.D. (PA)	Zahidul Rahman, Ph.D. (CA)
Mohammed Alauddin (KY)	Ziauddin Ahmed, M.D. (PA)
Mominul Hoque, Ph.D. (PA)	

EDITOR'S NOTE

Contrary to popular belief, Bangladesh has a vast installed capacity to produce complex modern machineries and machine-parts. For example, complete sugar mills can be designed, fabricated, installed, operated and maintained using engineering facilities and capabilities based entirely in Bangladesh. The Bangladesh Machine Tools Factory in Joydevpur is one of the largest of its kind in the world, has many modern facilities and enormous production capacity. *Since machine tools industry can reproduce itself, if nothing else, this industry should be able to sustain itself by replicating itself.* Similar capacities exist in both government and private structural engineering sectors.

The main problem of the economy of Bangladesh, therefore, lies on the demand side rather than on the supply side. The major contributing factor towards the demand problem is the anomalous tax structure. In this tax structure, a nominal 2.5% tax is imposed on the imported finished goods and machineries, whereas a huge 50% to 150% tax is imposed on the imported raw materials, parts and other inputs to the capital goods industry. This eventually forces the local capital goods industries to shut down. As an example, it is reported that the Government is closing down the Bangladesh Machine Tools Factory to prevent further financial loss. The solution lies in the release of the suppressed domestic demand for the locally manufactured capital goods. The problems of supply side such as product quality control and skilled manpower creation will then be automatically solved.

Biotechnology is another area where Bangladesh should seriously consider making at least a modest investment. Since Bangladesh is an agriculture-based economy, it is naturally suited for the application of genetic engineering techniques. Bangladesh Government has recently conducted a feasibility study for possible establishment of a centralized Biotechnology Institute. There is no question that Bangladesh should invest in Biotechnology, because potential benefits are enormous. According to some experts on this field (see two essays in this issue on the subject), recombinant DNA-based technology facilities should be installed in Bangladesh immediately, irrespective of the availability of foreign funds. A brand new institute may not be necessary at this point, however.

BDI reached a milestone in 1994 with the formation of the Trust for the BDI-National Innovator's Award (BDI-NIA) Fund and the announcement of the first ever BDI-NI award. The BDI-NIA Trust Rules, Regulations, Forms and Instructions are published in this issue to provide readers with an in-depth view of the structural and procedural details. In future, these will be published as a separate brochure and made available to all interested. BDI organizers are thankful to all the well-wishers who made financial and other contributions towards the establishment of this fund. Professor Nurul Islam, Director of The Institute for Appropriate Technology of Bangladesh University of Engineering and Technology, Dhaka, deserves especial credit for (a) originally coming up with the idea of BDI-NIA, (b) putting together the entire document (Rules, Regulations, Forms and Instructions) and (c) getting all the related works done. BDI-NIA Fund is national in scope and perpetual in nature. Now any BDI patron may initiate a perpetual fund in any field, such

as, medicine, agriculture, engineering, basic sciences, economics or marketing in his/her name by making a one-time tax-deductible contribution of \$20,000 to BDI. BDI will establish the fund on behalf of the patrons in the same way as the BDI-NIA Fund.

BDI plans to publish this Journal once a year. The focus of BDI journal will always be on facilitating the production of value-added commodities in Bangladesh. BDI is soliciting articles from the experts on different areas that are directly or indirectly related to this subject. The authors are requested to submit a printed copy as well as a computer disk containing the article.

Editor, BDI Journal

TABLE OF CONTENTS

Editor's Note	iii
---------------	-----

THOUGHTS AND INITIATIVES

1. BDI Conference on Socio-Economic Development of Bangladesh	1-1
2. Computer for Dholai Khal Manufacturing Association and Development of a Database	2-1
3. The Manufacturers of Dholai Khal: Their Prospects and Problems	3-1

BDI ACTIVITIES 1993-1994

4. The Formation of BDI-NIA Trust and The Preparation for the First Award	4-1
5. Other BDI Activities	5-1

SELECTED ESSAYS

6. Biotechnology in Bangladesh by Ruhul Kuddus	6-1
7. What are the Impediments to Implementing Biotechnology in Bangladesh? by Z.M.G. Sarwar Jahangir, M. Anisur Rahman, Tafazzal Islam and Pradip Kar	7-1
8. Current Status of Machinery Manufacturing in Bangladesh by Ashraf Ali and Faizul Islam	8-1