

## **BDI ACTIVITIES 1992-1993**

### **5. BDI PROPOSAL TO UNDP FOR FUNDING THE ESTABLISHMENT OF THE BANGLADESH NATIONAL FUND**

(The following proposal, which is under preparation for the establishment of a Bangladesh National Fund (BNF) in Bangladesh, will be sent to UNDP for possible funding. BDI-NIA is one of the components of BNF.)

BDI proposes to establish a perpetual national fund in Bangladesh in order to give a series of interconnected national awards to the Bangladeshi institutions and individuals engaged in the research, development, production and marketing of various durable, intermediate and capital goods. The establishment of the Bangladesh National Fund (BNF) will primarily be based on the two fundamental economic propositions discussed earlier, which are the central themes of this issue of BDI journal. The proposed awards are the following:

- (1) National Innovator's Award (NIA)
- (2) National Engineering Award (NEA)
- (3) National Science Award (NSA)
- (4) National Market Research Award (NMRA) and
- (5) National Industrial Finance Research Award (NIFRA).

The proposal is to open a perpetual account in Bangladesh with an initial amount of 1,000,000 US dollars--200,000 US dollars earmarked for each of these national awards. The account is expected to earn proceeds at least at the annual rate of 10 percent (between 10 and 15 percent) if it is deposited in a fixed account. This will yield 20,000 US dollars, i.e., 800,000 takas (Bangladeshi unit of money) annually for each award at the approximate current rate of 40 takas to 1 US dollars. The breakdown for each of the awards is proposed to be the following:

- (1) National Innovator's Award (NIA): Each year six awards of 100,000 takas each are proposed to be awarded to the Bangladeshi institutions or individuals who demonstrated the

abilities to actually produce important durable, intermediate and capital goods, e.g., machineries and other intermediate products required to produce consumer's goods, automobiles or important parts of automobiles, television, refrigerators, microwaves, computers, medical and chemical equipments, aircraft or important aircraft components, etc. Important innovative ideas that may result in commercial production of these goods may also be considered for the NIA award, e.g., important innovations in biotechnology, agriculture including fisheries, livestock and marine sciences, chemical, petro-chemical and pharmaceutical products, genetics, etc. An extra 20,000 takas may be allocated to the award-giving ceremony, covering transportation, advertisement, presentational materials, etc. The remaining 180,000 takas may be added to the original fund to account for annual inflation and for the growth of the fund.

The NIA Fund has already been established in Bangladesh with an initial amount of only \$5000. An additional \$9000 has been raised for the Fund since its initial establishment.

- (2) National Engineering Award (NEA): A total of nine Bangladeshi engineering students will be awarded research assistantships toward their Master's or Doctorate degrees. The students may pursue their post-graduate degrees at the Bangladesh University of Engineering and Technology or at one of the number of engineering colleges or Agricultural University or Agricultural College. Each student will receive a monthly stipend of 3,500 takas and the supervising professor an extra monthly allowance of 1,500 takas. Another 10,000 takas will be allocated as contingency to cover the costs of materials, laboratory works, copies of documents, etc. The remaining 170,000 takas can be added to the original fund for its growth. Each research assistant and her/his supervisor are expected to select one of the award-winning durable or capital goods or intermediate products or ideas, or products or ideas that may qualify to receive awards, for conducting detailed engineering analyses on them.
- (3) National Science Award (NSA): The format of this award will be similar to that of the NEA. The students may pursue their post-graduate studies in any of the Bangladeshi Universities and may obtain degrees in physics, chemistry, biology, etc. Once again, the projects should attempt to address scientific problems of the durable, intermediate or capital goods or ideas that have already won or may qualify to win BDI awards.

(4) National Market Research Award (NMRA): The format of this award will be similar to that of the NSA. The students are required to pursue their studies in the area of marketing and economics. The projects should explore domestic and international marketing possibilities of the goods or ideas that have won or may qualify to win BDI awards. They should also explore avenues of developing and expanding the internal market, and focus on creating high-paying job opportunities in the durable and capital goods industries (in other words, high-tech industries).

(5) National Industrial Finance Research Award (NIFRA): The format of this award will be similar to that of the NMRA. The students are required to pursue their studies in the area of economics and finance. Here the projects should focus on capital accumulation and investment, financing of capital-intensive industries, etc. Research should also be conducted to determine how the establishment of durable, intermediate and capital goods industries fits into the Government's long-term development plans for Bangladesh. The NIFRA recipients may further investigate the crucial question of foreign and domestic competition in these industries.