

CHAPTER 2

BANGLADESH: A PROFILE OF THE COUNTRY

This chapter is an introduction to a brief profile of the country Bangladesh and her regions. Economic condition of the country and the major sectors of the country's economy are also discussed in brief.

2.1 Brief Profile of the Country: Bangladesh

2.1.1 Geography of Bangladesh

Bangladesh lies in the north-eastern part of South Asia. The country is bounded by India on the west, the north and the north-east, Myanmar (Burma) on the south-east and the Bay of Bengal on the south. The gross area of the country is about 1,47,570 sq. km. The limits of territorial waters of Bangladesh are 12 nautical miles and the area of the high seas extending to 200 nautical miles measured from the base lines. Bangladesh is a delta in geological formation. Except for the hilly regions in the north-east and the south-east and also some areas of high lands in the north and north-western part, the country consists of low, flat and fertile land. A network of rivers numbering about 230 with a total length of about 24140 km covers the country and flows down to the Bay of Bengal. Heavy silts deposited by rivers every year during the rainy season are thus continuously enriching the alluvial soil of the country.

2.1.2 Population of Bangladesh

According to the latest population census conducted in 2001, the population of the country stood at 123.14 million. The average population density is about 827 per sq. km. The proportion of urban population was 20.10 per cent, while that of rural was 79.90 per cent in 1991.

Figure 2.1
Map of Bangladesh



Source: Cartographic Section, Department of Peacekeeping Operations, United Nations, 2004

2.1.3 Macro-Economic Framework of Bangladesh

Bangladesh is one of the least developed countries of the world. GNP and GDP levels of the country are quite low. Per capita income of the people was about US dollar 362.00 per annum in 2001-02. The bulk of the national income is concentrated in rich section of the people, rich section constituting a small proportion of the total population. Bangladesh still have the highest incidence of poverty in South Asia with nearly half of its population living below the poverty line. Average life expectancy for male is 68 years and for female is 69 years. Child death rate was 5.1 percent in 2000. Bangladesh has historically run a large trade deficit, financed largely through aid receipts and remittances from workers overseas. Exchange rate with US dollar was 52.14 taka (Bangladesh currency) in 2000, while inflation rate (consumer prices) was 5.8 percent. While Bangladesh's industrial base is weak, unskilled labor is inexpensive and plentiful.

2.2 The Major Sectors of the Economy

2.2.1 Agricultural sector

Bangladesh is an agriculture-based country. The agriculture sector accounts for about 25 percent of the GDP and continues to show strong performance particularly in the food grain sub-sector. Growth rate in agricultural sector was 7.4 percent in 1999-2000. Annual contribution of important sectors to the GDP of the country in recent years at base 1995-96 constant market prices shows that, there is a trend of decreasing agricultural contribution in the total GDP and increasing contribution of industry and trade services. Agriculture is the main occupation of the people, employing about 58 percent of the labor force. Main agricultural products are rice, jute, sugarcane, potatoes, vegetables, oilseeds, pulses and tea.

The dominant food crop of Bangladesh is rice, accounting for about 75 percent of agricultural land use and 18 percent of GDP. Wide spread use of high yield varieties of seed following successful research effort by Bangladesh Rice Research Institute (BRRI) and application of fertilizer following policy change by the

government to ease the imports of this item have increased crop yields in nineties. Besides, increased access to irrigation facilities enhanced the third time cultivation of land during the dry season leading to a high annual growth in rice production.

The main cash crop of Bangladesh is jute. Bangladesh is the world's largest producer of jute, a fibrous substance used in making burlap, sacks, mats, rope and twine, and carpet backing. Jute is sold on the international market either in raw form or in the form of manufactured goods. This so-called 'golden fiber' is cultivated on the same piece of land as rice, thus each season farmers must decide which crop to plant. But jute, the major foreign exchange earner of Bangladesh earlier, is losing its market to artificial fibers (petroleum-based synthetics) and at the same time losing its importance in agriculture of Bangladesh.

2.2.2 Industrial sector

Although Bangladesh is predominantly an agricultural country, a good number of large-scale industries based on both indigenous and imported raw materials have been set up. Traditional sectors include jute and jute goods, cotton textile, white and newsprint paper, sugar, cement, chemicals, fertilizers and tanneries. Other notable industries are engineering and ship building, iron and steel including re-rolling mills, oil refinery, paints, colors and varnishes, electric cables and wires, electric lamps, fluorescent tube lights, other electrical goods and accessories, matches, cigarettes, etc. Among the small-scale industries, handlooms, carpet making, shoe making, bamboo and cane products, earthenware, brass and bell metal products, small tools and implements, ornaments, etc are worth mentioning. The industrial sector contributes about 15 percent to the country's GDP and employs about 16 percent of the labor force. The growth rate of industry was 6.2 percent in the year 1999-2000.

Although the traditional jute sector stagnated with time, the ready-made garments industry lead the economy to a very high growth in export volume and became the major export earner for Bangladesh during the nineties. This boom followed foreign investment in the sector attracted by cheap labor and preferential treatment of this country by several western countries because of the country's special status as a least developed country.

Besides, Bangladesh emerged suddenly and dramatically as a major producer of shrimp, frog legs and fish for export in the eighties. The seafood industry's sudden success resulted primarily from private entrepreneurial initiatives and in response to a hospitable international market. Coastal brackish-water shrimp farming was more promising than other items with higher technology being brought to the activity.

One of the country's few mineral resources is natural gas, which is the basis for nitrogenous fertilizer production sufficient to meet the country's needs. Deposits lie in more than a dozen different locations. Reserves also have been discovered offshore, but extraction is not yet cost effective. Total gas production in 1985-86 was 2.9 billion cubic meters, with production rising at least 10 percent per year. All production was consumed domestically. About 40 percent of production was used for generating power, nearly 40 percent for producing fertilizer, and the rest divided among industrial, commercial, and household uses.

2.2.3 Services Sector

Bangladesh has a small and underdeveloped services sector comprising mainly of transport, communications, financial intermediation, public administration, defense, health, and social work services. Growth in service sector was 5.5 percent in 1999-2000. This sector employs about 26 percent of the labor force. Contribution of this sector to GDP is about 60 percent and this percentage contribution is growing with time.

2.3 General Features of the Administrative Divisions of Bangladesh

2.3.1 Divisions as Administrative Units

For the convenience of administration, Bangladesh is divided into six administrative divisions, each placed under a Divisional Commissioner. Each division is further sub-divided into districts. After the administrative re-organization carried out in 1984, the country has been divided into 64 districts. The six divisions are: Barisal, Chittagong, Dhaka, Khulna, Rajshahi, and Sylhet.

Table 2.1
Major features of the divisions of Bangladesh

Division	Area (sq-km)	Population (number)	Main Features
Barisal	13297	4156280	Coastal region with lack of road accessibility, main mode of transport is waterway
Dhaka	31120	20380260	Contains capital city and major industrialized regions, transport and communication with other regions is very good
Chittagong	33771	12304540	Contains major port city and a large dam producing hydroelectric power, a large hilly region is remote, coastal region exports shrimp
Khulna	22273	7532140	Contains a port including a shipyard and a large mangrove forest, produces newsprint paper
Rajshahi	34514	15480300	Northern region with good transport accessibility, famous for seasonal fruits and aromatic rice
Sylhet	12596	4041220	Tea gardens in hilly areas export tea, region produces fruits and rice, has border with India on three sides
Bangladesh	147570	63894740	

2.3.2 Barisal

Barisal is located in south-central Bangladesh with the Bay of Bengal on south and southwest of it. It consists of six coastal districts located mainly on the delta of one of the major rivers of the country Padma. It is mainly a floodplain crisscrossed by several rivers. The main river flowing through the division is Arial Khan. A major area of this division lacks in land transport accessibility. Communication through roadway network is often constrained by inefficient operation of ferries. Main mode

of transport within the division and from other parts of the country is water transport. Barisal is linked by steamer with the capital Dhaka 117 Km to the north and with the port city Chittagong to the southeast. Barisal is a trans-shipment center for rice, hides, and pulses. Bakery, textile, pharmaceutical products are output of a few industrial installations.

2.3.3 Chittagong

Chittagong division covers the most southern areas of the country and is also the second largest one. Most part of Chittagong has the Bay of Bengal on south and southeast of it. This division consists of eleven districts of various features. Comilla and the adjacent districts are mainly plain lands with high density of population, while Bandarban and adjacent districts are the hilly regions with a very low density of population. Chittagong contains a long coastal line and Cox's Bazar is a renowned tourist spot with the longest natural sea beach of the world. Karnafuli port is the largest seaport of the country.

The chief agricultural products of the Chittagong region are paddy, betel leaf, potato, cotton, tea, peanut, mustard, heap, brinjal, ginger, bean and other vegetables. The area also provides substantial amount of the nation's fruits including mango, jackfruit, pineapple, guava, coconut, betel nut, litchi, banana, papaya, watermelon and lemon. Agriculture provides 57 percent of the division's revenues.

Another important resource of the division is the production of hydroelectric power dams. These dams provide almost all of the country's power supply. The fast streams of the river Karnafuli is used to run the motors of the hydroelectric power dam. The city of Chittagong is a very prominent port city and is also called the second capital of Bangladesh. All large scale maritime trading of the nation goes through Chittagong. Important goods include textiles from the US and Europe to be made into garments by the labor force of Bangladesh. Another important commodity is seafood specially shrimp which is exported to European countries like France and England. These important commodities make Chittagong a very thriving and industrious city.

2.3.4 Dhaka

Dhaka is at the center of the country and is also the center of almost all activities of the country. Dhaka City has the highest level of accessibility with other regions of the country in terms of transport and communication. This division consists of seventeen districts. Dhaka is bounded by Meghalaya state of India on the north, Barisal and Chittagong divisions on the south, Sylhet and Chittagong divisions on the east, Rajshahi and Khulna divisions on the west. Main rivers flowing through this division are Dhaleshwari, Shitalakshya, Brahmaputra, Buriganga, etc. Madhupur and Bhawal Garhs (high land) are located to the northern parts of Dhaka in Gazipur, southern part of Mymensingh and eastern part of Tangail districts, whereas Garo hills are located in Mymensingh district.

Main crops of Dhaka are paddy, jute, wheat, potato, ground nut, onion, garlic, chilly, various kinds of pulses, sugarcane and vegetables. Main fruits are mango, jackfruit, papaya, pineapple, guava, watermelon, coconut and banana. Although major occupation of the population in this division is agriculture, this region has experienced the highest level of industrialization ever since. Gazipur, Narshingdi and Narayanganj districts are major industrial hubs of the country. Industries include garments, textile, leather, jute, food processing, pharmaceuticals, cement, brick, etc.

2.3.5 Khulna

Khulna is in south-west of Bangladesh and consists of ten districts. This division borders Rajshahi division to the north, Dhaka, Barisal, and Khulna divisions to the east, the Bay of Bengal to the south and the Indian state West Bengal to the west. Part of the Greater Bengal Delta is in the north of the region. Other rivers include the Madhumati, Bhairob and Kopotakkho. The region also has several islands in the Bay of Bengal. The largest mangrove forest of the world and the home of the famous Royal Bengal Tigers, the Sundarbans, is spread over three districts of this division.

Khulna is known for its jute industry. There are many large jute mills located in Khalispure near Khulna city processing jute fiber, besides the other heavy

industries like Khulna News Print Mills and Khulna Hardboard Mills. The country's second sea-port, Mongla port, and the only ship building industry of the country is also located within Khulna division. However, a large part of Khulna suffers from lack of easy roadway accessibility from other parts of the country, a major portion of transportation activity being dependent on the river networks.

2.3.6 Rajshahi

Rajshahi division is in the northwestern corner of Bangladesh and consist of sixteen northern districts of the country. The famous river Padma borders Rajshahi division on the south and another famous river Jamuna lies across the eastern border. Rajshahi division shares borders with India in the north and the west. This division is characterized by its cheap labor force. It has an excellent rail and road communication infrastructure. The divisional city Rajshahi is only 4 hours road journey away from the capital Dhaka.

Rajshahi is well known for its fruits, particularly for mangoes and lichis. This division, especially greater Dinajpur region, is noted for aromatic and fine rice production. Rajshahi produces a lot of vegetables, too. More than 50 percent of the country's potato production comes from Rajshahi division. Rajshahi division is also famous for production of high quality beef and milk.

2.3.7 Sylhet

Sylhet division is the northeastern division of Bangladesh and consists of four districts. It is bounded by Meghalaya State of India on the north, Tripura State of India on the south, Assam State of India on the east and Dhaka and Chittagong divisions on the west. Sylhet is famous for its tea gardens and its natural resources. Tea produced in this area is an important export item of Bangladesh. Besides, Sylhet is known for production of pineapple and orange. Sylhet has special place in Bangladesh economy for the large contributions made by Sylhet community in the remarkable growth of remittances in the recent years.