

A Concept Note on

1. Research Idea (probable title): ‘New Industrialization potentials in South – West region of Bangladesh as a result of constructing Padma Multipurpose Bridge’.

2. Back ground / context/ observation:

The Padma Bridge project has been undertaken with the main aim of improving the social, economic and industrial development of the south-west region of Bangladesh. The project also aims to provide the people in the south-west region with improved access to markets and services throughout the rest of the country while accelerating growth in Bangladesh as a whole. The Padma River divides the south-west zone from the northern and eastern regions of Bangladesh. Construction of the river crossing will reduce the distance from the south-west region to Dhaka, the country’s capital, by more than 100km, and will also bring savings in passenger and commodity movement time and costs. The bridge will ensure easier communication between the regions, and will also help in expanding education and training facilities. In addition, the project will improve the gross domestic product (GDP) of the south-west region by 2%, thus increasing the nation’s GDP by 1.2%. It will also reduce river bank erosion and replace the dangerous ferry and launch operation between the south-west region and Dhaka.

3. Rational of the Study

The longest bridge in Bangladesh, the 6.15-km-long Padma Multipurpose Bridge marks an important milestone in independent Bangladesh’s history, as it is a symbol not just of Bangladesh’s resolve but of its growing economic capacity and development. Speaking at the inauguration of the Padma Bridge, Honourable Prime Minister Sheikh Hasina said: “This bridge is not just bricks, cement, iron, and concrete, this bridge is our pride, a symbol of our capacity, our strength and our dignity. This bridge belongs to the people of Bangladesh.” The bridge is constructed at a cost of nearly \$3.87 billion, the Padma Bridge is one of the largest projects Bangladesh has ever undertaken. It connects 21 districts in southwest Bangladesh with the capital, Dhaka, by road and rail and cuts travel time substantially.

The Global Economic Forum says that Bangladesh’s per capita income, which was \$2,260 in 2020, will rise to \$2,860 in 2025. Apart from this project, Bangladesh has also extended support to Maldives and Sri Lanka by providing them with loans worth \$400 million. Bangladesh’s funding of the mega Padma project will now add to its reputation as a rising economic power in South Asia.

Ease of transportation will create new business opportunities for the agricultural and industrial sectors. This will generate a new investment hub for both local and foreign investors, which in turn will lead to the establishment of new industrial units resulting in numerous employment opportunities. As demand for labour increases, there will be more recruitment, reskilling or upskilling of the labour force according to industrial needs and a possible rise in wages. The wider economic opportunities will eventually alleviate poverty, raise living standards and produce intergenerational gains through greater affordability of education and healthcare.

Given that the agricultural sector is still a vital contributor to GDP, the aforementioned economic gains would be substantial in the case of considerable proportions of investment mobilised towards agriculture. The Padma Bridge will create this invaluable opportunity wherein enhanced connectivity across the country, coupled with strong supply chains, will enable agricultural produce to be transported to different parts of the country within a reasonable time period. Farmers will benefit from being able to maintain the quality of perishable commodities as well as lower production costs arising from transportation and storage facilities. Furthermore, direct communication with the large dealers of agricultural commodities will also ensure fair prices for the farmers. It is noteworthy that this, in turn, will provide a unique potential for the economic

engagement of the youth labour force, who could be incentivised to seek employment or create enterprises in the agricultural sector.

In these contexts, to explore, prioritize and promote new industrialization potentials in South – West region o as a result of constructing Padma Multipurpose bridge- this study is necessary.

4. Tentative objectives of the study

This study may deal with several folds of specific objectives,

- i. To identify industrial potentials of 21 districts in south- west region,
- ii. To explore industrial facility map and current industrial ecology in south- west region,
- iii. To prioritize type of industries better fit in 17 economic zones around the Padma bridge,
- iv. To explore entrepreneurship intention and challenges to work with the priority industries,
- v. To find the directions for industrialization in the south- west region to be considered for further policy exercises.

5. Importance/ probable outcome of the study

The Padma Bridge is built to provide road and rail links between the relatively less developed Southwest region of the country and the more-developed eastern half that includes the capital of Dhaka and the port city of Chittagong. By facilitating transportation across the river, the bridge is expected to lead to a greater integration of regional markets within the Bangladeshi national economy. Given the interdependence of economic activities/sectors, the direct impacts of the Padma Bridge on individual sectors and factor markets are likely to induce a chain of changes in the rest of the sectors of the economy. This in turn is expected to result in subsequent feedback effects. These indirect and induced impacts can be estimated by several models like-utilizing Social Accounting Matrix and Computable General Equilibrium models.

Moreover, we may use the results of the model simulations and feed them into the poverty module to estimate the impact of the bridge investment on national as well as regional poverty levels. Furthermore, the simulated income affects are also be included into the ‘cost-benefit’ analysis for a complete economic evaluation of the Padma Bridge.

(It is expected that the Padma Bridge will have the most significant economic and poverty impacts in Khulna and Barisal Divisions – the southwest region of Bangladesh. Therefore, it is also imperative to conduct customized economic analysis and financial analysis.

Incorporation of region-specific households within a proposed framework would surely provide additional avenues for a more comprehensive assessment of the impacts of the Bridge on sectors, household income-consumption and, hence, on the poverty situation at the regional level.)

6. Major Observables/ issues/ Variables

Physical connectivity, industrial potentials, entrepreneur intention, complementation among industries, Industrial ecology, Environmental ecology

7. Scope of the Study

The study will include all/selected south-west region- 21 district’s socio-economic aspects, industries and potential business entities.

8. Tentative Time Frame:

Nine (9) months after mobilization of fund.

9. Conclusion/ special notes:

To face the present challenges of industrialization, it requires rigorous scholastic exercise and cross disciplinary discussions on Padma Multipurpose bridge's and industrialization potentials in south-west region relating to scope of using concepts, such as, circular economy, conservation of unique ecology of Sundarbans, etc., to explore the options and probable socio-economic implications of the options with an aim to pair up benefits of connectivity and Industrial development in the area under consideration.

The concept note is prepared by Tanmoy Das, a participant of PGDHRM, 2019 with direction from Mohammad Sayeedur Rahman, Management Counsellor, BIM