Does Foreign Direct Investment Stimulate Economic Progress of a Developing Country? Empirical Evidence from Bangladesh

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Abstract

This study attempts to throw light on the impact of Foreign Direct Investment (FDI) on the Economic Growth (EG) of Bangladesh. Augmented Dickey Fuller unit root test is applied to test the data stationarity of time series data from 1975 to 2015. Johansen Cointegration Model shows that both FDI and economic growth are co-integrated. Vector Error Correction Model indicates that economic growth depends on FDI in the long-run, whereas no short-run causality is found through Wald test. Granger Causality test suggests that FDI and EG have bidirectional relation and cause each other.

Keywords

FDI, economic growth, cointegration, VECM, granger causality

Introduction

FDI means investment from one country to another that involves launching operations or purchasing business assets, including stakes in another business that takes place in the control of operation or organization. It is thought that FDI enhances the overall economic progress of the host country. This progress is boosted through importing foreign technology through imitation, licensing, franchising, employee training, launching of new products and process by foreign counterparts, and establishing alliance between indigenous and foreign companies. These facilities contribute to streamline the economy of a country and to promote her EG. One of the vital factors of Gross Domestic Product (GDP) is the investment, which helps to increase domestic production and generate employment opportunity. Here investment does not necessarily mean mere use of financial assets rather implies the productive application of fund that actively participates in production of goods and services in different ways

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(Mankiw 2012). Blomstrom and Kokko (1998), studied the impact of FDI on economic progress in different nations and found positive evidences. According to them,a country might fail to exploit the advantages of FDI due to its limited capacity such as undeveloped infrastructure, financial markets and poor rate of literacy . Borensztein, De and Lee (1998), and Xu (2000) observed that a minimum stock of efficient and capable human capital is required to ensure higher growth of economy by utilizing the technology backed by FDI. Although in a closed economy total savings equal total investments, the situation is different in an open economy like Bangladesh. Here total savings and investments are not the same; therefore the domestic investment may be equal, higher or even lower than the national savings due to trade deficit.Hermes and Lensink (2003), Alfaro,Chanda, Kalemli and Sayek(2004), and Durham (2004) noticed only well-developed countries having efficient and reputed financial markets which can reap the harvests of FDI to increase their EG rates. Carkovic and Levine (2002) conducted a survey on 57 countries and observed positive but weak consequence of FDI on EG.

The literature found on FDI can be presented in three stages. In the first stage, Caves (1974) focused on country specific and industry level cross sectional studies. In both local and international companies, the relation between normal value added per worker and the productivity of the company was found to be the same.In the second stage, researchers used panel data of firms and found that negative productivity of international companies affects the economic progress of a developing country. In the third stage, it was found that international companies prefer to share their knowledge but prevent information leakage to hinder the progress of local companies.

FDI scenario in Bangladesh

Bangladesh is moving ahead with 6-7 percent yearly growth rate despite many external and internal challenges. Bangladesh is one of the twelve developing countries with a population above twenty million, who ensured more than 6 percent growth in 2016 (Hussain et al., 2016). Bangladesh is a well-known brand in the world for quality ready-made garments. This sector contributes almost 80 percent of the total exports. Geographical position of Bangladesh is very industry friendly and offers many strategic advantages like sea port, fertile land, monsoon climate, and proximity to vast emerging markets. However, at the same time it suffers from weak infrastructure, poverty, natural disasters, and socio-political instability (Gupta, 1999; Islam, 2003; Ahmed, 2005; Khan, 2007; Haque 2007; Rahman, 2008). To reduce the deficit of balance of payment, inflation rate, domestic savings gap,foreign exchange gap, poverty rate and unemployment rate of developing countries; foreign assets assistance play an important role. It also helps to increase gross domestic product, gross national product, purchasing power parity, and per capita income. FDI keeps interest and exchange rates at desired level. Thus, to enhance rapid industrialization, Bangladesh government adopted an updated industrial policy

in 1999 which provided different investment friendly incentives to foreign investors (Foreign Investment, 2009). According to a Bangladesh Bank survey, total FDI inflows (net) was US$ 1834 million during FY 2015 which was US$ 913.02 million in 2010 million during FY 2010. The FDI increased by 111.82 percent over the last five years.
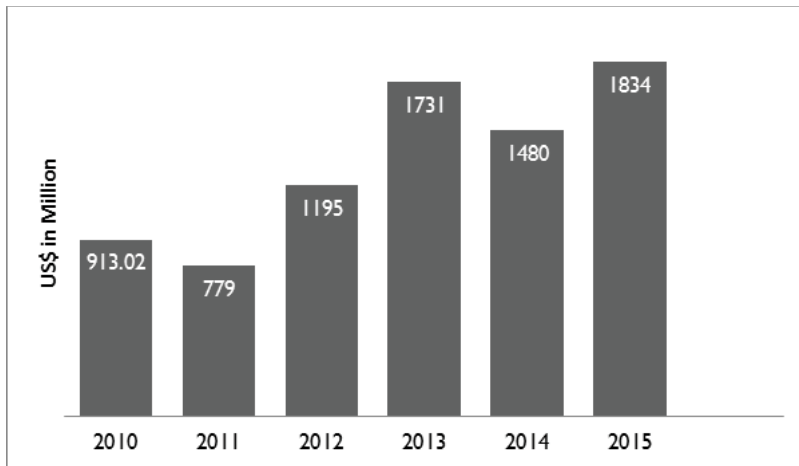

Figure 1. Yearly Time Series Data on FDI Inflows (Net)
Source: Bangladesh Bank

In 2015, the growth of FDI inflows (net) in Equity capital (net) expanded to US$ 528.03 million, reinvested earnings (net) reached US$ 1141.34 million and intra-company loans (net) grew to US$ 164.50 million.
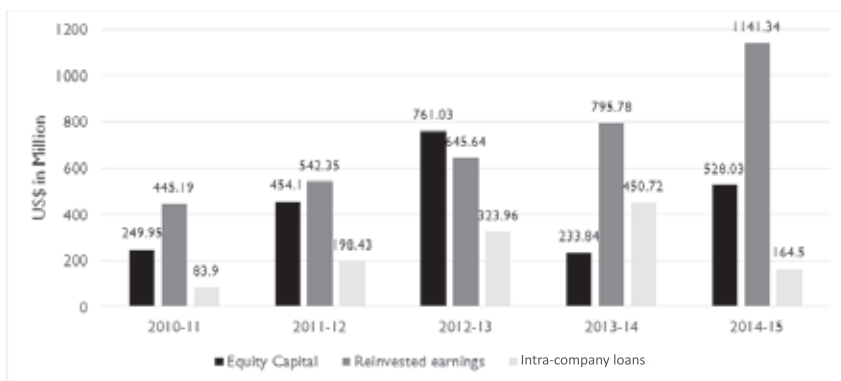

Figure 2. FDI inflows (net) by components
Source: Bangladesh Bank

Different sectors attracted significant FDI for FY 2015. The sectors include manufacturing 4497.45, power, gas & petroleum 3974.42, trade & commerce 2246.48, transport & communication 1255.13, services 221.74, agriculture & fishing 148.79, construction 62.06 and others 95.06 million US dollars.

Table 1. Sector wise FDI inflows (net)

Sectors (US$ in million)

Year	Agriculture & Finishing	Mining & Quarrying	Power, Gas & Petroleum	Manufacturing	Construction	Trade & Commerce	Transport & Communication	Services	Others
2010	63.29	0	1570.13	2010.83	17.46	1044.59	1112.67	150.38	0.11
2011	68.71	0	1467.82	2385.4	19.62	1272.67	826.4	178.34	0.1
2012	183.79	0	1477.47	2240.01	29.29	1268.99	855.32	194.02	1.97
2013	233.06	0.13	1612.37	3466.45	37.13	1709.7	1114.75	188.06	1
2014	232.87	0	1768.69	3703.65	25.39	2086.45	1223.78	222.72	76.68
2015	148.79	0	3974.42	4497.45	62.06	2246.48	1255.13	221.74	95.06

Source: Bangladesh Bank

Although Bangladesh has ensured regular and balanced EG over the last few decades, she still belongs to the least developed countries (LDC) with per capita income of $735. This country is over burdened with a population of 16 crore. Among them, more than fifty percent depends on agriculture and sixty-four percent on informal services. The development plan of Bangladesh to diminish poverty is framed to attract FDI, specially for knowledge centric industry. FDI is likely to enhance economy of Bangladesh in two ways: enabling investment through an improved regulatory framework and enhancing infrastructure development for sustainable development.

Literature Review

FDI and its impact on the economic progress is a much-discussed topic in both developed and developing nations. Government of any country plays exigent role to attract FDI by offering necessary facilities. FDI benefits the host through financial growth and developments in the area of exports, imports, balance of payments, production, employment, social welfare, etc. FDI also plays vital role to overcome the curse of vicious circle of poverty. The term 'vicious circle of poverty' means little amount of actual income resulting in low capacity to save which ultimately results in low productivity and potentials for investment. The low degree of productivity again leads to low income (Nurkse, 1953).

Taking data from 1965 to 1985, Blomstrom, Lipsey and Zejan (1993) conducted a research on emerging country to verify the impact of FDI on EG taking FDI as a base. They applied simple and multiple regressions and found that increase in growth rises in rates of capital formation than that increase in capital formation precedes increase in growth. They also observed high rates of fixed capital propel rapid growth. Athukorala (2003) checked the influence of FDI on the EG in Sri Lanka but found no influence; rather observed the direction was reverse. That means it was not from FDI to GDP growth but GDP growth to FDI. Dritsaki, Dritsaki and Adamopoulos(2004) observed a long-run equilibrium relationship between trade, FDI and EG in Greece for the period of 1960 to 2002.Although it was thought that the association between FDI and EG was positive, Ilgun, Koch and Orhan(2010) in Turkey found mixed results:positive, negative, and neutral in nature.

Agrawal and Khan (2011) considered 17 years' data of India and China to measure the relation between FDI and the economy. They found low degree of relations in India but very high degree in China. Johnson (2005) and Popescu (2014) found foreign firms enjoy benefits of FDI through economies of scale, advanced technology sharing, managerial skills and more. Hossain and Hossain (2012) studied the co-integration and cause and effect relation between FDI and economic yield in Bangladesh, India and Pakistan. They observed co-integration between FDI and EG in Bangladesh and unidirectional relationship in India and Pakistan. Roy and Mandol (2012) observed long-run equilibrium relationship between FDI and EG in 27 economies in Asia. They clearly found that though FDI enhances growth in Asia, the extent of its impact depends on the threshold levels of absorptive capacities measured by the levels

of human capital and infrastructure.Acaravci and Ozturk (2012) studied the same relation in Bulgaria, Estonia, Latvia, Hungary, Lithuania, the Czech Republic, Romania, Poland, Slovenia and Slovakia. They found long-run relation of FDI and their EG in four countries- Slovakia, Latvia, Poland and the Czech Republic. According to them, FDI stimulates EG at a better rate than that of exports in these selective countries. Tabassum and Ahmed (2014) found significant contribution of local investment on the economic progress of Bangladesh, whereas FDI and open economy had insignificant influence on the same. Sarkar, Khan and Mahmood (2016) found a long-run connotation between FDI and energy consumption in Bangladesh and concluded that FDI can stop the wheel of the vicious circle by increasing the additional domestic resources. Hussain and Haque (2016) found a positive relationship between FDI and total trade in Bangladesh. Nwaogu and Ryan (2015) observed positive impact of foreign assistance and remittances on economic progress of fifty-three African, thirty-four Latin American and Caribbean countries. Anwar and Sun(2012) conducted another study on the six manufacturing industries in China. Their objective was to see the interrelationship between local sales, foreign presence and concentration of local firms. They found local exports and sales are complementary for native firms in Pharmaceutical industry. However, in other industries like beverage, textile, general equipment, transportation equipment, and communication equipment exports and local sales was found to be substitute. Agrawal (2015) found a positive association and long-term equilibrium between FDI and EG among the five BRICS (Brazil, Russia, India, China and South Africa) countries. But the opposite result was found in a study conducted by Tang (2015). He examined the effect of foreign capital flow on the EG of European Union and found no contribution of FDI on the growth. Chowdhury and Islam (2017) found a positive contribution of FDI on the stock market development in Bangladesh. They highly recommended more influxes of FDI to enable long-run sustainability of different sectors.

Rationale for the Study and Development of Hypotheses

Being an emerging country, Bangladesh has low absorptive capacity which may have reverse effect on both FDI and EG.Existing research works emphasized only on the impact of FDI on few selective sectors like stock market development (Chowdhury & Islam, 2017), Energy consumption and environment (Sarkar, Khan & Mahmood, 2016), overview of FDI in Bangladesh (Abdin, 2015) and determinants and impact of FDI in Bangladesh (Manzur, 2010). This study will specifically focus on the contribution of FDI on the economic progress of Bangladesh and will also validate whether the variables have short-run and long-run causality or not. The outcome of this study will help the researchers and various concerned bodies to know the chemistry between FDI and economic development from various perspectives. To authenticate the above issuesthis study assumes the following null hypotheses:

First hypothesis (H_1): FDI does not stimulate the EG of Bangladesh
Second hypothesis (H_2): FDI and EG do not have long-run association
Third hypothesis (H_3): FDI and EG do not have short-run association

Data and Methodology

To test the above hypotheses, forty (40) years' data of GDP per capita and FDI in Bangladesh have been collected from the Bangladesh Bank data archives from 1975 to 2015. Since FDI is a vital factor of economic growth, FDI is considered as independent variable and the economic growth as dependent variable in this study. GDP per capita is used as a measure of EG of Bangladesh. Figure 3 shows the GDP per capita in Bangladesh and figure 4 shows the FDI flows in Bangladesh for the above stated period. This study applies Johansen procedure and Granger Causality test to know the impact of FDI on the EG of Bangladesh. Stationarity of the data is verified by applying Augmented Dickey Fuller (ADF) unit root test. The cointegration of the variables is conducted at the stationarity level of the data and Granger Causality test is used to know the cause of FDI on the growth of Bangladesh economy.Sarker, Khan and Mahmood (2016), Alkhasawneh (2013),and Encinas and Villegas (2015) applied similar methodology to measure the impact of independent variable on the relevant dependent variables.
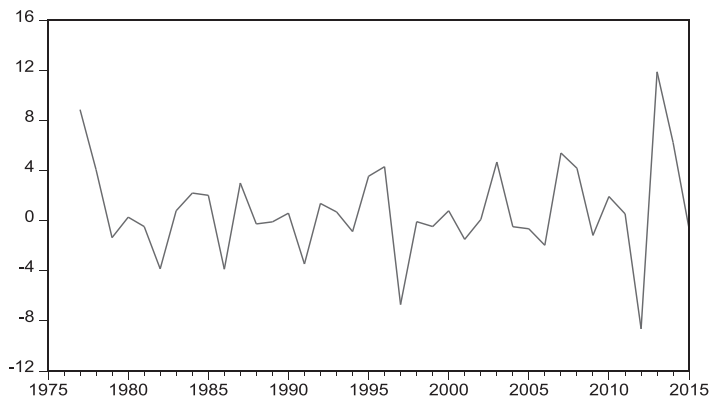

Figure 3. GDP per capita (in US$) of Bangladesh
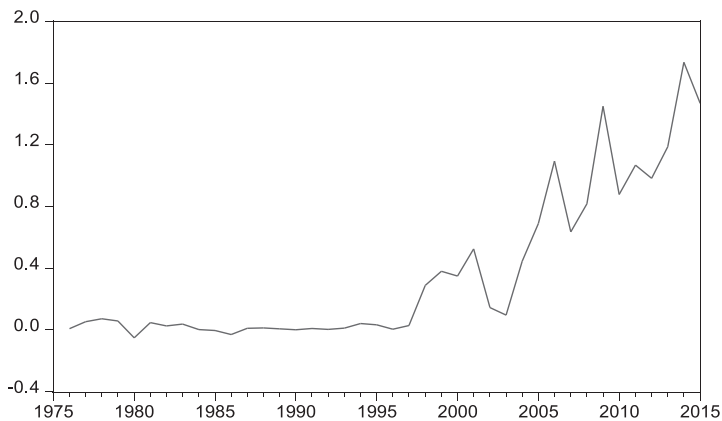Source: Bangladesh Bank

Figure 4. FDI inflows (in million US$) in Bangladesh
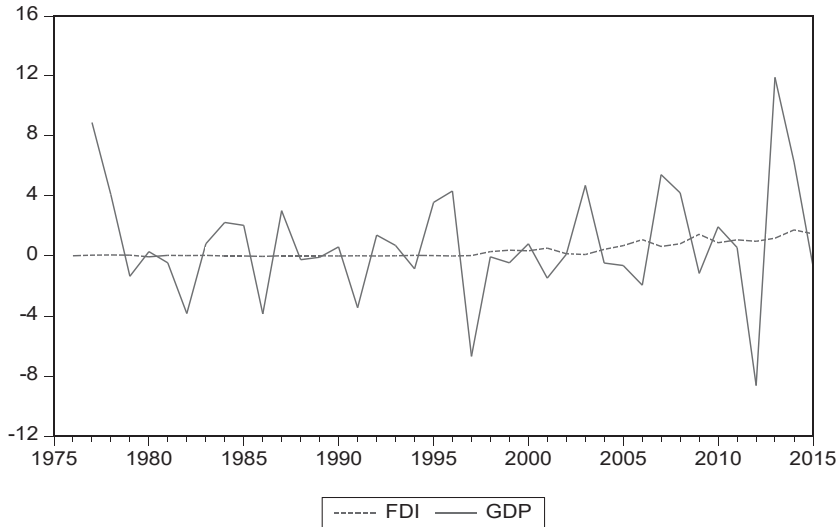Source: Bangladesh Bank

Figure 5. GDP per capita and FDI of Bangladesh
Source: Bangladesh Bank

Figure 5 shows both GDP per capital and FDI inflows in Bangladesh simulta-neously. The lines clearly indicate a positive relationship between the variables. The degree of association between the factors is to be determined through cointegration analysis after confirming the stationarity of respective data.

Unit root test for stationarity

As non-stationary data series cannot be applied in regression analysis, it is important to know the stationarity of both GDP per capita and FDI data. In this study, Augmented Dickey-Fuller test is used to check their stationarity. It is found that both FDI and GDP are fluctuating over the period of time. In this case, ADF test with trend and intercept is appropriate to use. The equation for this test is

$$\Delta y_t = \alpha + \gamma\, y_{t-1} + \lambda t + v_t$$

Δy_t indicates change in GDP per capita or change in FDI in time t, α is constant, y_{t-1} indicates GDP per capita or FDI are lagged one period, whereas y, λ are v_t tindicates error term in time t.

The null hypothesis is the series has a unit root (H_0: y = 0) against alternative hypothesis that (H_1: y<0). If null hypothesis is rejected, it can be concluded that data series are stationary.

Test of Cointegration

Cointegration test suggests that when dependent and independent variables share stochastic trends and difference of error term is stationary, they do not deviate too far from each other. In order to test whether FDI and GDP are

cointegrated, Johansen Cointegration test is applied. The null and alternative hypotheses for this test are as follows:

H_0: The series are not cointegrated
H_1: The series are cointegrated.

Testing for cointegration involves testing the residuals i.e., the difference between actual value of the dependent value and the predicted value from the estimated equation from an Ordinary Least Square (OLS) regression for the time series. The residuals are obtained as

$$\Delta y_t = \beta_1 x_1 + \varepsilon$$

Regress y on x. The residuals are obtained from the OLS and a Dicky Fuller unit root test is carried out to check for unit root. If a unit root is not present, the residuals are stationary and the variables are cointegrated.The first difference of the residuals Δy_t is regressed against the forst lag of the residuals y_{t-1} and the sufficient lags of y_t

$$\Delta Y_t = \left(Y_t - Y_{t-1}\right) = \mu_t$$

The results of the unit root test, t-statistics have to be compared with specially calculated critical values. If the estimated r exceeds any of these critical values, the null hypothesis that there is no cointegration among the variables can be rejected. Otherwise, the null hypothesis is to be accepted.

Granger Causality Test

The Granger Causality test is used to know the bi-directional existence between FDI and GDP of Bangladesh from 1975 to 2015. If FDI can help to forecast GDP, then it is assumed that FDI causes GDP but if it cannot then it is thought that unidirectional causality exists between FDI and GDP. From this test, it will be understood whether GDP causes FDI by finding how much of the current value of GDP can be explained by past values of GDP and lagged values of FDI. Following regression equations will be applied to estimate the casualty between GDP and FDI

$$GDP = \gamma + \sum_{i=1}^{k}\alpha_i GDP_{t-1} + \sum_{i=1}^{k}\beta_i FDI_{t-1} + \mu_t$$

$$FDI = \varphi + \sum_{i=1}^{k}\delta_i GDP_{t-1} + \sum_{i=1}^{k}\lambda_i FDI_{t-1} + \eta_t$$

where GDPt and FDI_t are stationary time series sequence, μ_t and η_t are the respective intercepts and are white noise error terms, k is the maximum lag length used in each time series. FDI is said to Granger cause GDP if the β_i coefficients are jointly significantly different from zero. On the other hand, GDP is said to Granger cause FDI if the δ_i coefficients are jointly significantly different from zero.

Research Findings

The important statistic parameters of FDI and GDP shown in table 2 are easily understandable. The data are symmetric in nature.

Table 2. Statistical Summary

	Mean	Median	Maximum	Minimum	Std. Dev.	Skewness	Kurtosis
FDI	0.375	0.058	1.735	-0.051	0.505	1.197	3.205
GDP	48.972	33.769	149.990	9.651	36.459	1.238	3.702

Table 3 shows the ADF test result. Since the ADF test statistics values of both GDP and FDI are significantly higher than the critical values at 1, 5 and 10 percent level of significance in first difference, it is concluded that the data series are stationary and can be used for further test after converting the data into first difference.

Table 3. Dickey-Fuller test for unit root

		FDI		GDP	
		t-Statistic	Prob.*	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		–4.745882	0.0029	-6.978647	0.0000
	1% level	–4.252879		-4.226815	
	5% level	-3.548490		-3.536601	
Test critical values:	10% level	-3.207094		-3.200320	

Table 4 shows that GDP and FDI have trend. Both the variables have stationarity properties. Lagged in GDP per capita and FDI one period are significant at 1, 5 and 10 percent levels.

Table 4. Coefficient values of GDP and FDI for ADF root test

	D(GDP(-1),2)	C	@TREND("1975")	D(FDI(-1))	C	@TREND("1975")
Coefficient	-1.586	-1.079	0.0897	-3.931	-0.182	0.0144
t-Statistic	-6.979	-0.847	1.702	-4.746	-2.296	3.676
Prob.	0.000	0.403	0.098	0.000	0.030	0.0011

Table 5. Johansen cointegration test

| Hypothesized No, of CE(s) | Critical value | | | | | |
| | 1% | | 5% | | 10% | |
	Trace Stat. (p-vale)ψ	Max-Eigen Stat. (p-value)ψ	Trace Stat. (p-vale)ψ	Max-Eigen Stat. (p-value)ψ	Trace Stat. (p-vale)ψ	Max-Eigen Stat. (p-value)ψ
None*	19.93711 (0.000)	18.52001 (0.000)	15.49471 (0.000)	14.2646 (0.8434)	13.42878 (0.000)	12.29652 (0.000)
At most 1	6.634897 (0.8434)	6.634897 (0.8434)	3.841466 (0.8434)	3.841466 (0.8434)	2.705545 (0.8434)	2.705545 (0.8434)

Both Trace and Max-eigenvalue test indicates 1 cointegrating eqn(s) at the 1%, 5% and 10% level
* denotes rejection of the hypothesis at the 1%, 5% and 10% level
Ψ MacKinnon-Haug-Michelis (1999) p-values

Table 5 indicates that FDI and GDP are co-integrated and have long-run relation. Therefore, the null hypothesis that the GDP and FDI series are not cointegrated is rejected.
Long-run association between the variables is further verified with Vector Error Correction Model (VECM). The effect of FDI on the EG is expressed by;

$$D(GDP) = C(1)*(GDP(-1) - 1.29296167056*FDI(-1) - 0.0673774532676) + C(2)*D(GDP(-1)) + C(3)*D(GDP(-2)) + C(4)*D(FDI(-1)) + C(5)*D(FDI(-2)) + C(6)$$

The following result indicates both FDI and GDP have long-run relation as vector error coefficient (C1) is negative (-1.829715) and significant (0.0001) and it proves FDI causes GDP in the long-run.

Table 6. Vector Error Correction Model of FDI and EG
Dependent Variable: D(GDP)
Method: Least Squares (Gauss-Newton / Marquardt steps)

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	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	-1.829715	0.400287	-4.571003	0.0001
C(2)	0.513370	0.289084	1.775849	0.0859
C(3)	0.110305	0.179004	0.616214	0.5424
C(4)	-1.706407	2.531578	-0.674049	0.5054
C(5)	4.296651	2.670215	1.609103	0.1181
C(6)	-0.079015	0.558041	-0.141594	0.8883
R-squared	0.720011	Mean dependent var	0.017722
Adjusted R-squared	0.673346	S.D. dependent var	5.614945
S.E. of regression	3.209147	Akaike info criterion	5.320899
Sum squared resid	308.9587	Schwarz criterion	5.584819
Log likelihood	-89.77619	Hannan-Quinn criter.	5.413014
F-statistic	15.42939	Durbin-Watson stat	1.878451
Prob(F-statistic)	0.000000		

However, chi-square value of Wald statistics (table 7) indicates no causality of FDI on GDP in the short-run as the p-value is 14.54%.

Table 7. Wald Test

Test Statistic	Value	df	Probability
F-statistic	1.928151	(2, 30)	0.1630
Chi-square	3.856303	2	0.1454

The casual effect of FDI on EG of Bangladesh, is checked as follows;

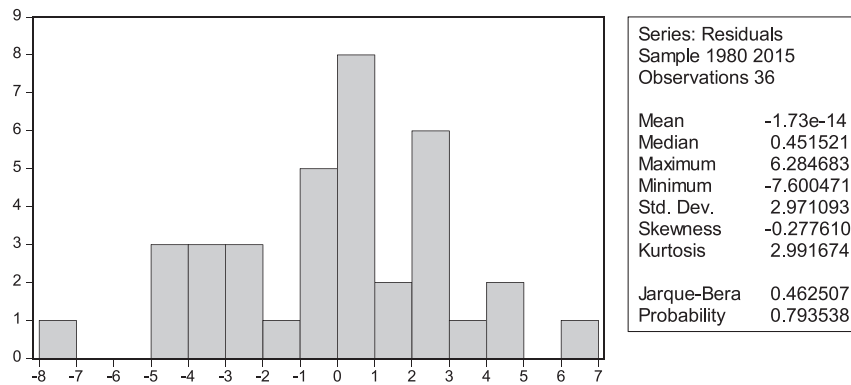**Table 8.** Pairwise Granger causality test

Null Hypothesis:	Obs	F-Statistic	Prob.	
GDP does not Granger Cause FDI	37	1.48312	0.2421	Rejected
FDI does not Granger Cause GDP		3.03684	0.0620	Rejected

Table 8 illustrates the result of a pairwise Granger causality test. It supports a bi-directional relation between the variables, so we can reject the null hypothesis in both the cases that neither GDP nor FDI granger cause each other in Bangladesh. To confirm the stability of the above model, following efficiency tests are required to be performed. The above model can be specified if the following conditions are satisfied related to residuals

Test	Condition	Null Hypothesis (H_0)
Normality	Residuals are normally distributed	Residuals are normally distributed
Heteroskedasticity	There is no ARCH effect	There is no ARCH effect
Serial Correlation	There is no serial correlation	There is no serial correlation

Test Results:

a) Normality test:

Series: Residuals
Sample 1980 2015
Observations 36

Mean	-1.73e-14
Median	0.451521
Maximum	6.284683
Minimum	-7.600471
Std. Dev.	2.971093
Skewness	-0.277610
Kurtosis	2.991674
Jarque-Bera	0.462507
Probability	0.793538

Figure-6. Jarque-Bera Test

b) ARCH (Heteroskedasticity) Test

Table 9. Heteroskedasticity Test: Breusch -Pagan-Godfrey

F-statistic	3.126160	Prob. F (1,34)	0.0860
Obs*R -squared	3.031333	Prob. Chi -Square (1)	0.0817

There is no ARCH effect in the residuals as the p-value is higher than 5 percent.

c) Serial Correlation

Table 10. Breusch-Godfrey Serial Correlation LM Test

F-statistic	0.109406	Prob. F (2,30)	0.8967
Obs*R -squared	0.267915	Prob. Chi -Square (2)	0.8746

Breusch-Godfrey Serial Correlation LM Test finds no serial correlation. Therefore, above tests indicate that the model estimates are consistent and unbiased.

Discussion and Policy Implications

Although FDI and GDP growth in Bangladesh are cointegrated, she is still at an immature state to exploit the full benefits of FDI in order to accelerate the GDP to a desired level. This is happening due to several logical but avoidable reasons. Few vital reasons (but not limited to) are undeveloped infrastructure, lack of necessary logistic and utility facilities, and extreme corruption at both approving and implementation stages. The slow-going nature of public organizations due to bureaucratic procedure hinders the smooth functioning of economic development process in Bangladesh. Privatization of important public sectors like railway, sea port, gas, water and electricity can remove the prolonged bottleneck of economic progress. Being world's second lowest labor cost country, organizations should arrange training program for workers on a regular basis ensuring promotion at the right time, paying incentives for additional skills and productivity in order to shift the present unskilled and

semi-skilled workers to highly skilled workforce. Despite all these challenges, Bangladesh economy is moving ahead with six percent plus growth rate. Apart from increase in FDI, factors such as decreasing inflation rate (6.5 to 5.65 percent), stable exchange rate, decreasing food inflation (6.4 to 3.9 percent), and favorable balance of payment are also contributing toward economic progress of Bangladesh. Bangladesh economy got a satisfactory momentum with the expansion of ready-made garments industry where a huge portion of investment comes through FDI (396.05 million US$ in 2016). This expansion ultimately results in massive employment generation at both managerial and operational levels. The increasing trend of per capita income of Bangladesh indicates that she is gradually going to reach the goal of middle-income status very soon. Poverty level declined to nearly half since 1990.Improved financial services at mass level is also contributing toward economic progress. Meanwhile government approved several vital legal amendments such as labor rights and rapid transit of buses at export processing zone area to secure the rights and enhance the facilities for workers in Bangladesh. The remarkable economic progress of Bangladesh is a combined afford of various sectors in Bangladesh.

Conclusion

In this study, the extent of cointegration between GDP and FDI in Bangladesh has been examined. The study covers data period of 40 years from 1975 to 2015. The stationarity of the data has been checked by ADF unit root test, the cointegration between the variables has been examined by Johansen Cointegration test and the Granger Causality test. It is observed that FDI has significant impact on the EG of Bangladesh, as confirmed by the Choe (2003) and Chowdhury and Mavrotas (2006). Furthermore, Granger causality test indicates that there is bi-directional causality between FDI and GDP. Since the FDI causes EG in Bangladesh in the long-run, it is highly recommended to create a foreign investment friendly atmosphere in Bangladesh to ensure more influx of FDI in all possible areas. Apart from state-owned enterprises, private enterprises should also be encouraged to come forward to take the possibilities several steps ahead by relaxing entry requirements and tax policy; developing infrastructural facilities; ensuring fair and strict law and order situations, security of workers; compelling companies to comply with the existing rules; reducing political unrest through participative mechanism; taking rapid and strict actions against militants to stop their intrusion in Bangladesh.

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