



Background:

Bangladesh came into existence in 1971 when Bengali East Pakistan seceded from its union with West Pakistan. About a third of this extremely poor country floods annually during the monsoon rainy season, hampering economic development.

Location: Southern Asia, bordering the Bay of Bengal, between Burma and India

Area: 144,000 sq km

Area comparative: slightly smaller than Iowa

Capital: Dhaka

Climate: tropical; mild winter (October to March); hot, humid summer (March to June); humid, warm rainy monsoon (June to October)

Terrain: mostly flat alluvial plain; hilly in southeast

Languages: Bangla (official, also known as Bengali), English



Despite sustained domestic and international efforts to improve economic and demographic prospects, Bangladesh remains a poor, overpopulated, and ill-governed nation. Although more than half of GDP is generated through the service sector, nearly two-thirds of Bangladeshis are employed in the agriculture sector, with rice as the single most important product.

Major impediments to growth include frequent cyclones and floods, inefficient state-owned enterprises, inadequate port facilities, a rapidly growing labor force that cannot be absorbed by agriculture, delays in exploiting energy resources (natural gas), insufficient power supplies, and slow implementation of economic reforms.

Economic reform is stalled in many instances by political infighting and corruption at all levels of government. Progress also has been blocked by opposition from the bureaucracy, public sector unions, and other vested interest groups. The newly-elected BNP government, led by Prime Minister Khaleda ZIA, has the parliamentary strength to push through needed reforms, but the party's level of political will to do so remains undetermined.