

Business leaders urge Pakistan to ease visa rules

BDNEWS, Islamabad

A Bangladesh business delegation, now visiting Pakistan, has urged Islamabad to ease visa rules for business people from Dhaka.

A 35-member business delegation of Bangladesh, led by President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mir Nasir Hossain, made the request to Pakistani Minister for Textile Industry Mushtaq Ali Cheema during talks Monday.

Both sides during the meeting discussed a wide range of issues to promote bilateral trade between the two nations.

Secretary of Ministry of Textile Industry Syed Masood Alam Rizvi and Deputy High Commissioner of Bangladesh to Pakistan Abdul Hanan were also present.

Welcoming the delegation, the minister said Bangladesh is a brotherly Islamic country and there is an enormous potential to enhance bilateral trade between the two countries, particularly in textile and pharmaceutical sectors.

He appreciated Bangladesh's performance in textile and pharmaceutical sectors and said Pakistan could cooperate with Bangladesh in the light engineering and textile sectors.

"Pakistan is a manufacturer of quality power looms and their spare parts, and it could supply them to Dhaka at very competitive rates," Cheema added.

Nepal declares airfare hike in domestic sector

XINHUA, Kathmandu

The Nepali government has announced an airfare hike in the domestic sector citing rising air fuel price, Radio Nepal reported yesterday.

The Ministry of Culture, Tourism and Civil Aviation forwarded the circular regarding the decision to domestic airlines today, which will be effective from Feb 17, the state-owned radio said.

Depending on flight duration and operation cost, the government has permitted the airline operators to hike airfare in the remote and tourist sectors by up to 11.8 percent and 17.6 percent respectively, the radio quoted Yagya Prasad Gautam, joint secretary at the Ministry of Culture, Tourism and Civil Aviation, as saying.

The aviation is primarily divided into three sectors. Flights to Tumlingtar, Taplejung, Lamidanda, Simkot, Jumla, Bajura, Doti and Dopa fall under the remote sector. Pokhara, Bhairahawa, Lukla and Bhojpur are some of the destinations for tourist sector. Nepalgunj, Biratnagar, Bhairahawa and Janakpur are among the destinations that fall in the other sector.

The "dollar fare" for tourists will remain the same, said Gautam, adding that the airlines will be required to give a 50 percent discount to a disabled individual in every flight.

Similarly, the fuel surcharge and insurance surcharge that were separately charged will now be included in the airfare, he said.

The airfare is being hiked after a gap of four years, the radio added.

JCI, BEI hold workshop on corporate governance

Junior Chamber International (JCI) Bangladesh in collaboration with Bangladesh Enterprise Institute (BEI) organised a workshop on corporate governance for young entrepreneurs in Dhaka on Saturday.

Lopa Rahman of BEI chaired the programme while JCI National President Rumi Saifullah delivered the opening speech, says a press release.

Yawer Sayeed, managing director and CEO of Asset & Investment Management Services of Bangladesh Ltd, Nurul Wahab, managing partner of A Wahab & Co, and Nihad Kabir and Sheela R Rahman of Barrister Ishfaq and Associates, also spoke.

Topics such as workings of boards, accounting and audit practices, legal liabilities and responsibilities came up at the workshop.

LC OPENING

Dollar price reaches record Tk 70

STAR BUSINESS REPORT

Dollar price reached record Tk 70 yesterday in case of letter of credit opening. Dollar was selling at highest Tk 70, up by Tk 0.01 from the previous day.

Dollar price increased too in the inter-bank foreign exchange market. Dollar was sold at Tk 67.20 yesterday, up by Tk 0.15 from the previous day.

The Bangladesh Bank (BB) on Sunday blamed poor liability and asset management by some new generation banks and rise in oil and commodity prices in international market for the exchange rate hike. But banking sources said only

the first generation banks are not responsible for the crisis. Other private commercial banks, foreign commercial banks and nationalised commercial banks also faced dollar crisis and raised greenback prices in case of LC opening, the sources added.

A banking source said the only US\$ 2 lakh was traded in the inter-bank market yesterday.

Meanwhile, the dollar crisis is mounting, as the state-owned Janata Bank paid \$26 million last week for fuel import bill. Agrani Bank started paying \$60 million for fuel import bill this week.

The BB said a huge supply-demand gap of foreign currency

has emerged mainly due to opening of a good number of LCs by banks.

The BB said it does not control exchange rate directly under the floating exchange rate regime but monitors the situation cautiously.

The BB said it has directed the commercial banks to improve their liability and asset management. The BB is also monitoring the situation so that the import of essential commodities and fuel cannot be hampered.

A foreign exchange dealer said depreciation of taka will shrink import while export and remittance inflow will be encouraged.

Ctg int'l trade fair kicks off

BDNEWS, Ctg

The month-long 14th Chittagong International Trade Fair (CITF) under the auspices of Chittagong Chamber of Commerce and Industry (CCCI) kicked off yesterday at Railway Polo Ground.

Inaugurating the fair Commerce Minister Altaf Hossain Chowdhury hoped that the fair will immensely contribute towards the growth of overseas investment and export through the interaction among the enthusiastic participants of leading local, foreign and multinational business and manufacturing enterprises of Asia, Europe, USA and African countries.

The minister said development of Chittagong is inevitable for overall economic progress of the county and the present government attached highest importance in this regard.

Refuting the allegation of the negligence to Chittagong in terms of development the commerce minister said a director general of the Export Promotion Bureau would be appointed next month.

"All steps will gradually be taken to empower all branch offices located in Chittagong so that busi-

nessmen of the city don't need to go to Dhaka for any decision regarding trade and investment."

The inaugural function chaired by CCCI President Saifuzzaman Chowdhury was addressed, among others, by Fisheries and Livestock Minister Abdullah Al Noman, Advisor to the Commerce Ministry Barkatullah Bulu, State Minister for Forest and Environment Jafrul Islam Chowdhury, Chittagong City Mayor ABM Mohiuddin Chowdhury, and Thai Ambassador to Bangladesh Suphat Chitrakroh.

Fisheries and Livestock Minister Abdullah Al Noman said a consensus and greater unity of all is a must for coordinated development of Chittagong, the economic lifeline of the country.

Detailing the present government's ongoing programme to develop Chittagong as a commercial capital Noman said the prime minister would inaugurate the ground breaking of the much-awaited World Trade Centre in the next month.

Processed foods and beverages, textiles, garments accessories, handlooms, furniture, handicrafts, chemicals, ceramics, motor vehicles, building materials, leather goods, toiletries, cosmetic,

jewelries, machinery, jute goods, rubber, electronics and electrical products, telecom and ICT, plastic toys, kitchenware and fashionable items will be displayed in nearly 320 stalls in 30 mega pavilions, mini pavilions, pavilions, premier gold and general booths.

Besides, a mini Thailand comprising 53 Thai stalls; products of exclusive China town and 18 Pakistani stalls will be an added attraction in the fair.

Foolproof security has been taken and law enforcers will be on round the clock duty to ensure safety of the participating companies and visitors.

There will be metal detecting archways at the entrance of the fair venue in addition to deployment of permanent police camp and a fire service team, said CCCI President Saifuzzaman Chowdhury.

The ticket for the adult will be available at Tk 10 while for the adolescent at Tk five in the fair courts.

The fair will remain open from 10 am to 10 pm.

MARKET GROWTH DSE to talk to stakeholders

BDNEWS, Dhaka

The Dhaka Stock Exchange is going to sit with the various stakeholders to formulate a plan for long-term growth and stability of the market.

"Every quarter has its own observation and say on ensuring growth and stability of the market," DSE Chief Executive Officer (CEO) Salahuddin Ahmed Khan said.

He said the DSE decided to sit with various market players so that they can contribute to a viable capital market. "We will talk to them to formulate a long term plan for the market," he said.

The DSE will sit with the institutional investors on February 16 and with the Board of Directors of the Chittagong Stock Exchange (CSE) on February 20. The DSE will also consult the Listed Companies Association of Bangladesh, he added.

"We will sit with the regulators, such as the Bangladesh Bank (BB) and the Securities and Exchange Commission (SEC), to inform them of the outcomes of the meetings and recommend measures," he noted.

DSE, CSE close higher

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) closed higher yesterday with gainers outnumbering losers.

The DSE General Index increased by 17.74 points to close at 1602.17 points from 1584.43 points on Monday.

The DSE All Share Price Index also rose by 13.93 points to close at 1222.98 points from previous trading day's 1209.05 points.

The CSE All Share Price Index increased by 9.29 points to close at 3201.52 points from 3192.23 points on Monday.

The CSE-30 Index, however, decreased by 0.44 points to close at 3027.91 points from Monday's 3028.35 points.

Some 777,801 shares worth Tk 2.78 crore changed hands against 874,775 shares valued at Tk 3.78 crore on the previous trading day.

Dhaka int'l auto show to begin March 16

STAR BUSINESS REPORT

With a view to introducing the latest products of automobile industries to customers, a three-day automobile show will begin on March 16 at Bangladesh-China Friendship Conference Centre in Dhaka.

A total of 43 participants from home and abroad including automobile manufacturers, automotive component manufacturers, automotive exporters and importers, dealers and distributors of automobiles, lubricant companies, CNG (compressed natural gas) conversion companies and some banks will take part at the show styled 'Dhaka International Auto Show-2006'.

Conference and Exhibition Management Services Ltd (CEMS), a local event management company, is organising the show. Standard Chartered Bank is the partner of the show, while South Asia Enterprise Development Facility (SEDF), Gulf Air and Bangladesh Motor Sports Club are the associate partners of the show. The Daily Star and ATN Bangla are the media partners of the event.

With local participants, some renowned brand carmakers from over 10 countries including S Korea, Japan, India, and Taiwan will display cars in some 150 stalls, organisers said.

"We are organising the show not only to showcase the product but also to make an interaction between local and international participants," said Shahid Sarwar, director of CEMS at a press conference in Dhaka yesterday.

"We will try to introduce our local automotive products to the international visitors," he said.

Meherun N Islam, managing director of CEMS, also spoke at the briefing.

Organisers said on the sidelines of the show they will organise some seminars, where some international automobile specialists will speak on different auto related subjects.

As part of the show, CEMS has formed the first ever motor sports club named 'Bangladesh Motor Sports Club'. In association with Eastern Bank Ltd, the newly formed club will organise a motor sports event styled 'Eastern Bank Treasure Hunt Challenge' on March 17.

The show will remain open from 10am to 8.30pm every day to visitors.

Ericsson wins GP, Warid deals

Swedish vendor to expand GP network under \$150m contract

ABU SAEED KHAN, from Barcelona

Ericsson, the world's largest cellular mobile network equipment maker, has further strengthened its position in Bangladesh by winning the country's largest-ever network expansion deal as well as clinching the lion's shares of another new network supply contract, according to highly placed sources attending the 3GSM World Congress in Barcelona.

Telenor, the 62 percent Norwegian owner of GP, yesterday announced its decision of awarding the US\$ 150 million contract to Ericsson for expanding GrameenPhone's network. Industry insiders say that GP has planned to acquire further 12 million customers during next three years by virtue of this expansion.

Besides the sheer size of this project, Ericsson has various strategic interests in this deal. The Swedish vendor has been the sole supplier of GP's entire network since the latter's inception in 1997.

Five years later, in 2002, GP invited bids for second supplier to expand its network. Ericsson faced fierce competitions from

Siemens in that event. The Swedish vendor, however, overpowered its German rival by offering predatory discounts to GP at the final negotiation and retained its dominance.

Three years later, in late 2005, GP again invited bids to further expand its network after acquiring additional radio frequencies from the regulator.

This time Ericsson faced additional competition from Nokia, the world's second largest mobile network equipment maker. Through another contract the Finnish vendor made aggressive inroad by replacing GP's text message processing equipment last year.

Ericsson well received that cautionary signal and took a deep breath before racing against Siemens and Chinese Huawei along with Nokia to clinch the GP's 12 million-lines expansion deal. After a series of negotiations, the Swedish telecoms giant succeeded to protect its territory in GrameenPhone as the exclusive network equipment supplier.

WARID DEAL
Meanwhile, Warid Telecom, the sixth mobile operator in Bangladesh, has also contracted

Ericsson to supply its core network equipment along with undisclosed numbers of base stations for its would be launching network.

The Abu Dhabi-based company has also engaged Nokia and Motorola to supply the remaining equipment. It will be the debut of both the vendors in the GSM mobile network market of Bangladesh.

Warid Telecom obtained the country's sixth mobile phone operating license on December 21, 2005. It has planned to acquire more than 14 million customers by December 2007. First it will launch service in 26 districts to bag 2.8 million customers by October 2006.

Then its coverage will be expanded in 22 more districts to net 3.1 million additional customers by January 2007. Consequently 13 more districts will be covered within March 2007 to bring in 3.35 million more subscribers.

Warid will cover rest of the country by December 2007 and add five million clients during those nine months.

WTO TRADE TALKS

ICC-B urges govt to up negotiation capacity

STAR BUSINESS REPORT

International Chamber of Commerce-Bangladesh has urged the government to enhance negotiation capacity to reap benefits from WTO trade talks.

"Bangladesh that performed poorly at the Hong Kong Ministerial must now build up its negotiation capacity and draw its strategies with strong backing from all stakeholders and approval from the top decision makers and the parliament; to make up for the past losses during the final phase of Doha Round in the coming months," ICC-Bangladesh said in an editorial note of its latest quarterly news bulletin.

The editorial said a total of 149 trade ministers will meet again between April and July 2006 to

resolve what has been swept under the carpet temporarily and meet the deadline for completing the much-talked-about Doha Development Round (DDA).

"But achieving these objective will not be easy either. There will be lots of 'ifs' and 'buts' from the conflicting interest groups when negotiations reach their crucial stage," it added.

The chamber advised the government to establish a separate division under the Ministry of Commerce headed by a secretary to deal with the foreign trade issues.

It suggested more support and additional resources for strengthening the WTO cell and Bangladesh Mission in Geneva.

The ICC-B also suggested activating the Bangladesh Foreign

Trade Institute (BFTI), the first-ever public-private collaboration institution, as a think-tank to deal with trade related issues.

The editorial note said many least developed countries (LDCs) are still suspicious about the move of the developed nations. They fear that the developed nations would now penetrate into the markets of poor nations in a big way to sell their goods and services while conceding little on key subsidies and access to their own market.

The editorial commented said Bangladesh stands to lose from the agreement reached on cutting subsidy on farm products; as it is a net food importing country.

Nepal deregulates retail prices of petrol, diesel

XINHUA, Kathmandu

In a landmark decision, the Nepali government has decided to end the decades-old administrated pricing of petrol and diesel at retail level and has limited its role to fixing the wholesale pricing in two major petroleum products, an official at Nepal Oil Corporation (NOC) said here yesterday.

The decision has been taken as a first step towards liberalization of petroleum market, the NOC Chief Umesh Dahal told reporters.

NOC on Monday announced that it has brought the decision into

immediate effect and disclosed a different set of ex-depot wholesale prices for petrol and diesel for dealers in different geographical zones.

"The newly unveiled wholesale price, however, will not have any impact on existing prices of petrol and diesel, as those have been fixed in such a way that retail level prices will remain unchanged," Dahal said.

The wholesale price was announced as a constant sales prices on NOC to dealers, and the dealers could add transportation and other costs over it to fix the

retail prices. The price structure will be changed in future depending on the experience, he said.

The new arrangement will free the NOC from the burden of transportation cost it otherwise shouldered for dealers indirectly, according to Dahal.

It will reduce transportation cost of NOC by about 5 percent and reduce the share of technical losses for NOC.

"Most importantly, it has set base for complete deregulation for prices," Dahal said.



PHOTO: STAR

Two women lay bricks to build a walkway at Railway Polo Ground in Chittagong where a month-long international trade fair began yesterday. Commerce Minister Altaf Hossain Chowdhury inaugurated the 14th Chittagong International Trade Fair (CITF) organised by Chittagong Chamber of Commerce and Industry.

French companies hoping for 'new opportunities' in India

PTI, New Delhi

France has said its business community is hoping for "new opportunities" and it is left for Indian polity to decide how reforms should be "broadened", implicitly suggesting that domestic resistance from certain quarters can inhibit flow of foreign investment.

"Our companies are expecting and hoping that the range of possibilities (in India) will be broadened as much as possible," French Ambassador Dominique Girard told PTI in an interview here.

Asked how his country saw the opening by Left parties to further opening up of the economy, he said "India is a democratic country... It is for you to solve that."

Noting that India's growth after liberalisation was "very much in tune" with what it started in 1991, Girard said "today, yes, it is for

Indian polity, India's political forces to set the kind of way it (economic reforms) is to be done."

The envoy underlined that it was "not for us to dictate or to request. But it is a fact that we are quite hopeful that the reform process will open up new opportunities. But it is for you to decide." Left parties, which are providing crucial support to the government, have been resisting economic reforms in various sectors, particularly raising caps on FDI.

The Communist parties have been critical of the Manmohan Singh government on easing FDI in retail trade and given warnings of reviewing support to it.

Queried whether voices of opposition here to further opening up of economy were causing inhibition to companies of his country from coming here, the Ambassador referred to retail trade and said

French firms had "opened lots and lots of operations and activities in most of Asian countries but not in India yet because your regulations do not permit."

Girard said French retail businessmen were "waiting and watching. They will seize the opportunities when they come up. Today, it is not possible. They think, may be tomorrow it will become possible."

He went on to add: "the problem is not the position of the Left or Communists or whoever. It is not the problem of whose voice is raising this or that. The problem is what the overall situation is. We take it as a whole."

The envoy said "when tomorrow, it is possible to invest in retail trade in full speed, when it is possible to invest in Indian defence industry without any limit, etc, we will be there and our companies will be there."



PHOTO: STAR

Meherun N Islam (left), managing director of Conference and Exhibition Management Services Ltd (CEMS), a local event management company, speaks at a press conference in Dhaka yesterday to announce the schedule of a three-day automobile show that will begin on March 16 at Bangladesh-China Friendship Conference Centre in Dhaka.