

Govt mulls new insurance firms in saturated market

Chief controller of insurance against the move

JASIM UDDIN KHAN

The government is considering allowing more insurance companies although the chief controller of insurance (CCI) opposed letting any fresh company start operation in the already saturated market.

According to sources, the government is seriously contemplating allowing another 20 general and life insurance companies.

Around 120 companies and individuals seeking insurance licences have submitted applications to the insurance department, which is under the commerce minis-

try. And majority of these applicants is interested in life insurance business with Islamic principles, sources said.

Some lawmakers, former bureaucrats, corporate houses, and expatriate Bangladeshis having close link with the government high-ups are desperately lobbying for new licences for insurance business.

Presently, there are 43 general and 17 life insurance companies in business with state-run Sadharan Bima Corporation and Jiban Bima Corporation leading players in the market.

The CCI in a report last month opposed allowing any fresh company explaining that the existing firms are facing stiff competition.

The CCI recently submitted the report to the commerce ministry but the ministry asked it to submit another report with detail information about the strength of the insurance sector.

"It is really not a good move for the insurance sector as there are lots of companies facing severe competition," said an experienced insurer preferring not to be named.

Some of the companies are already planning to be merged to

sustain business, he added.

Opposing the idea of allowing any new company, Chairman of Bangladesh Insurance Association Shamsul Alam said there is no need for any new company in the general business but there are some chances for life insurance business.

Life insurance business still holds tremendous potential with 140 million population in the country, he felt.

Presently, paid-up capital of Tk 15 crore is required for general insurance and Tk 7.50 crore for life insurance business.

SEDF-BEI seminar in India tomorrow

SouthAsia Enterprise Development Facility (SEDF), a multi-donor facility managed by International Finance Corporation (IFC), in collaboration with Bangladesh Enterprise Institute (BEI) will hold a seminar tomorrow at Guwahati, India on the role of connectivity and visa in facilitating trade between Bangladesh and Northeast India.

Prof Altaf Jalli from Department of Management of Dhaka University will present a keynote paper on 'Connectivity and Visa Issues between Bangladesh and Northeast India' at the seminar, says a press release.

The participants in the seminar will include DN Srivastava, minister of Economic and Commerce, High Commission of India, Farooq Sobhan, BEI president, Mr Sayed Shujuddin Ahmed, chairman of Bangladesh Tariff Commission, AABM Abdul Haq Chowdhury, director general of Bangladesh Standards and Testing Institution (BSTI), and Marlon Lezama, program manager of Business Enabling Environment, SEDF.

Poor infrastructure main barrier to more FDI Roundtable told

STAFF CORRESPONDENT, City

Speakers at a roundtable here identified poor infrastructure and institutional weaknesses as main barriers to attract more foreign investment to the country.

Foreign diplomats representing US, Russia and India also pinpointed on different problems crippling the port city. The roundtable put forward a 24-point recommendation.

Chittagong Chamber of Commerce and Industry (CCCI) organised the roundtable styled 'Infrastructure Development of Chittagong to Attract Foreign Investment' at its auditorium on Thursday.

Speaking at the discussion, David Renz, chief economic and commercial officer of the US Embassy in Dhaka, said Chittagong

can be turned into an attractive place not only for local entrepreneurs but also for foreign investors, stressing the need for combined efforts from the public and private sectors in this regard.

Renz referred to the flourishing enterprises here, noting Bangladesh could make rapid economic progress if her local resources and power are utilised in a bigger way.

Oleg N Avdeev, consul general of Russian Embassy, and Ashoke Das, assistant high commissioner of India, also spoke at the roundtable.

Saifuzzaman Chowdhury, CCCI president, elaborated different points of the recommendations that include constructions of Dhaka-Chittagong dedicated express highway and bridges on Karnaphuli river, improving efficiency of Chittagong Port, and setting up new

power plants and new industrial areas.

SM Nurul Haq, CCCI senior vice president, demanded immediate establishment of a garment village and urged the Russian consul general to encourage Russian entrepreneurs to invest in Bangladesh's energy sector.

CCCI directors Ershad Ullah, Syed Ahsanul Haq and SM Nuruddin, and Chittagong Women Entrepreneurs Association President Monowara Hakim Ali also spoke at the roundtable.

The 24-point recommendations also include upgrading Dhaka-Chittagong highway, laying Dhaka-Chittagong double-track rail line, constructing the third bridge on the Karnaphuli, establishing a deep-sea port at Moheshkhali, and setting up more container terminals.

Local firms get Tk 9cr export order from Yangon pharma fair

BDNEWS, Dhaka

Bangladeshi firms got confirmed export order worth Tk 9 crore at the first Bangladesh single country pharmaceuticals fair in Myanmar.

Export Promotion Bureau (EPB) and the Bangladesh Embassy in Yangon jointly organised the fair, held from March 10 to 12, according to a press release.

Educa Limited got the biggest export order worth Tk 7 crore while Beximco Pharmaceuticals received export order worth Tk 1.5 crore.

Besides, different companies received prospective export orders worth Tk 20 crore.

A total of 25 leading pharmaceutical companies of Bangladesh took part in the fair.

Inaugurated by Tin Neing Thein, commerce minister of Myanmar, the fair was attended by ambassadors of different countries and top leaders of pharmaceutical industries associations of both the countries.

ADB to increase annual soft loans for Vietnam

VNA, Hanoi

The Asian Development Bank (ADB) will increase its soft loans for Vietnam to nearly 300 million USD per year in the 2007-08 period, according to ADB Vice President Linqun Jin.

The news was delivered to Deputy Prime Minister Pham Gia Khiem by the ADB official in Hanoi Thursday, who added that Vietnam is currently the largest recipient of ADB soft loans.

China to up investment in Pakistan

APP, Islamabad

Chinese government encourages its public and private sector to actively take part in Pakistan-based projects to strengthen cooperation between the corporate entities of two countries, particularly in the manufacturing sector.

These views were expressed by Mrs. Liu Yingjun, Deputy Director General of China's Ministry of Commerce currently visiting Pakistan at the head of a six-member delegation during a meeting with Secretary Board of Investment (BOI), Jehangir Bashir here Thursday.

Secretary BOI briefing the dele-

gation about the economic and investment policies of the government said that Pakistan provides most friendly environment to the foreign investors which is evident from the fact that over 600 multinationals are operating in Pakistan and not a single company which came to Pakistan has gone back.

Bashir pointed out that despite the time tested friendship at political and diplomatic front, economic cooperation between the two countries remained insignificant, according to a BOI press release issued here.

The inking of a number of agreements during the recent visit of President General Pervez Musharraf to China, he hoped, would boost bilateral trade in various fields and enhance bilateral

economic ties.

He said as China is now looking for expanding its investments abroad, given the geographical location, cheaper cost of production, economic reforms, liberal investment policies, abundant human resource and above all a local market of 150 million people, Pakistan is an ideal place for China to invest.

Mrs Liu Yingjun expressing her gratitude on the supportive role of the Government of Pakistan, pointed out that Chinese companies established in Pakistan were greatly facilitated by the government especially Board of Investment and this has encouraged more Chinese companies to consider investment in Pakistan.

Eastern Bank now largest acquirer of VISA cards

Eastern Bank Ltd has become the largest acquirer of VISA cards in ATMs in Bangladesh.

Now all VISA cards including debit card, credit card, ATM card issued by any bank or financial institution from any part of the world will be accepted at the Q-cash ATM network, says a press release issued by the bank.

Thirty-five ATMs (automated teller machines) of Q-cash network spread all over the country will now accept all cards of VISA family under the arrangement between VISA and Eastern Bank.

"Cash withdrawals for all users including foreign travellers are now more convenient whether they are in Dhaka, Munshiganj, Sirajganj, Cox's Bazar or Bogra," said K Mahmood Sattar, managing director of the bank, while launching the service on Wednesday.

Out of the 35, 10 ATMs are on Eastern Bank premises and the rest on the premises of other non-VISA member banks.

Oil prices fall

AFP, London

World oil prices dropped on Friday following a volatile week of trading, which has seen crude futures fall owing to high US energy stockpiles and rise on tensions in major energy producers.

New York's main contract, light sweet crude for delivery in April, lost 32 cents to 63.26 dollars per barrel in electronic deals before the market's official opening.



PHOTO: EASTERN BANK

K Mahmood Sattar, managing director of Eastern Bank Ltd (EBL), launches VISA card service at one of the ATMs (automated teller machines) on EBL premises on Wednesday in Dhaka. Kazi Saifuddin Munir, chief executive officer of ITCL, the parent company of Q-cash ATMs, and other senior officials of the bank were present at the launching ceremony.



PHOTO: DSE

New Chairman of Securities and Exchange Commission (SEC) Faruk Ahmed Siddiqi receives a bouquet from Dhaka Stock Exchange (DSE) President Abdullah Bokhari when a DSE delegation led by Bokhari met the new SEC chief at the commission office on Thursday. DSE Senior Vice President Ahmad Rashid Lali, Vice President NUM Oliullah and Chief Executive Officer Salahuddin Ahmed Khan were also present.

India to build roads to boost border trade with China

PTI, New Delhi

In a bid to promote India-China trade links and develop infrastructure along the border, government is proposing to build a 608-km road covering five states.

The road link, will include areas from Jammu and Kashmir, Himachal Pradesh, Uttaranchal, Sikkim and Arunachal Pradesh, informed sources said on Thursday.

The road, which is expected to cost about Rs 900 crore, will be guarded by Indo-Tibetan Border Police (ITBP) along with the Army.

"With the trade mart at Sherathang for trade through Nathula (in Sikkim) becoming operational, India-China border trade is expected to start this year," they said.

India's border with China is characterised by high-altitude terrains and thin habitation which have resulted in inadequate devel-

opment of infrastructure in these regions.

"In addition to upgradation of road infrastructure by Defence Ministry, Home Ministry has prepared a proposal to construct a road link totalling 608 kms along the India-China border," the sources said.

The decision to resume trade between India and China through Nathula was taken in 2003.

S'pore, India to review trade agreement

ANN/THE STRAITS TIMES

Singapore and India will sit down at the end of this month to review their landmark Comprehensive Economic Cooperation Agreement (Ceca) to see if trade and investments can develop even faster.

Indian Commerce and Industry Minister Kamal Nath will visit Singapore for a meeting with his counterpart, Trade and Industry Minister Lim Hng Kiang, on March 31, Indian officials said on Tuesday (March 14) at a roadshow to highlight Ceca.

The 700-page agreement was signed last June in New Delhi during a visit to India by Prime Minister Lee Hsien Loong.

"The first review will focus on implementation issues. We will also solicit views on how to facilitate trade to grow faster and whether more sectors can be liberalised," said Loh Wai Keong, deputy secretary at Singapore's Ministry of Trade and Industry.

One issue that will be discussed is how auditors, architects and other professional bodies are proceeding on mutual recognition agreements that will ease two-way flows of skilled professionals between the two countries.

"We've made some good progress in a few fields, but there has been not enough movement in some professions," said Loh.

While professional bodies representing architects and accountants are

in the process of working out mutual recognition agreements, including which degrees to recognise, dentists, doctors and nurses have been slower to move on these issues.

One topic likely to be raised is Indian investment norms in banking, which need to be eased to facilitate a faster entry for Singapore companies into the Indian financial industry.

The issue is a divisive one in New Delhi, with the Finance Ministry and central bank loath to concede special privileges to Singapore, people familiar with the developments said.

"Monetary Authority of Singapore and Reserve Bank of India have been holding discussions on banking and we expect more banking operations in each other's countries and investments," Loh said.

According to Gopal Pillai, Special Secretary at India's Ministry for Commerce, Ceca has not led to the investment flows that New Delhi had anticipated. Besides, there are procedural bottlenecks that need to be ironed out.

Still, Singapore has done a far better job than India in conveying the benefits of Ceca to its businessmen, he conceded. For instance, he said, more than a thousand businessmen had assembled for one of the early Ceca roadshows in Singapore.