

Dhaka-Delhi FTA to address trade deficit

Indian commerce minister says

PALLB BHATTACHARYA, *New Delhi*

India yesterday said the proposal for a free trade agreement (FTA) with Bangladesh should gain momentum, as it will substantially address the trade deficit issue repeatedly pressed by Dhaka.

Citing the success of FTA between India and Sri Lanka, Indian Commerce and Industry Minister Kamal Nath said, "A bilateral FTA, which would be Safta plus, could also substantially address the trade deficit issue."

Addressing the captains of Indian industry and business in presence of Bangladesh Prime Minister, he said after signing the FTA, Sri Lankan exports to India rose to \$200 million from just \$45 million in 2001 prior to the FTA.

The balance of trade which had favoured India 15:1 when the FTA

was signed has come down to 1:4 at present, Nath pointed out.

"It is in the light of this experience that the proposal for India-Bangladesh FTA should gather momentum," he said.

The Indian commerce minister suggested a commercial motor vehicles agreement for seamless transport connectivity between the two countries, which would allow trucks from both sides to enter each other's territory and said this would be similar to practices being followed in European Union and Asean.

Nath said containerized movement of goods through riverine route, land route and railways between the two countries would considerably reduce existing heavy congestion at Petrapole-Benapole station and result in faster and safer movement of goods and realization of greater revenue for the two governments.

"It would eliminate several artificial obstacles and hindrances to greater bilateral trade that are today described by the euphemism of non tariff and para-tariff barriers," he said.

At present, a container between Kolkata and Dhaka via Singapore costs 2,500 dollars and takes over 15 days but "through our common riverine transportation, this will cost only 500 dollars and take just five days", he pointed out.

Nath suggested declaring Ashuganj a port of call under the bilateral Inland Water Trade and Transit Protocol with multi modal facilities.

He said with the implementation of Safta in July this year and India's initiative to address market access issues of Bangladeshi textiles and clothing sector by offering TRQ, "we are certain that there would be a substantial increase in Bangladesh's exports to India".

He said while talking about trade gap, it should be remembered that nearly 70 percent of India's exports to Bangladesh consists of commodities and raw materials such as yarn, chemicals, petroleum products and construction materials or basic items such as rice, wheat, sugar which not only fulfill the essential demands of the people of Bangladesh but, more importantly in a commercial context, add to Dhaka's own export and manufacturing competitiveness.

So, what is necessary is not merely to look at the weight of India's trade basket but also at the content of that basket, Nath said.

Nath said Bangladesh's exports to India in the last four years had not only tripled but also outstripped Bangladesh's overall export growth rate of 14 percent.

He said, "There is no non tariff barrier by design. If there is any, it is by default."



Bangladeshi businesswoman invited to join advisory board in Denmark

Geetara Safiya Chowdhury, managing director of Adcomm Limited, was recently invited by Danish Minister of Foreign Affairs Per Stig Moller to join a high-level advisory board.

Consisting of leading academics, former diplomats, business leaders, media experts as well as civil service representatives from Denmark and abroad, the advisory board is a select group of renowned personalities in the field of globalisation, says a press release.

In the context of the emergence of a new globalised world and its impact on international relations, the advisory board is expected to assist the Danish foreign ministry in the challenge of developing a recipe for modern diplomacy in the 21st century in the broadest sense of the word: foreign and security policy, development assistance, trade and export promotion, consular services, as well as public diplomacy.

Chowdhury's appointment on the high-level advisory board in Denmark adds to the recognition that Bangladeshi businesswomen have now arrived in the global scenario and are being valued for their professional insights and their ability to contribute to issues of international importance.

Call for developing skilled manpower in telecoms

24th GSM Asia Pacific conference begins

STAR BUSINESS REPORT

GSM Asia Pacific conference began in Dhaka yesterday with a call to develop a pool of skilled human resources taking the advantage of the booming telecoms sector.

Post and Telecommunications Minister Md Aminul Hoque inaugurated the 24th GSM Asia Pacific (GSMAP) conference at Dhaka Sheraton Hotel as chief guest.

Around 130 delegates, mostly GSM operators and vendors representing 35 countries in Asia Pacific region are participating in the two-day meet.

Speaking at the inaugural session, the minister said Bangladesh will be able to develop a pool of skilled human resources if opportunity from the ongoing boom in the telecoms sector is utilised. "This, in turn, will give us an opportunity to become a supplier of skilled telecoms experts to other parts of the world."

The minister said tele-density is an indicator of the economic condition of a country. Bangladesh's tele-density, which was around 2 percent just in the beginning of the new millennium and one of the lowest in the world, has reached around 10 percent, he added.

There are now 12 million mobile phone subscribers of five mobile phone companies, he said, adding that, "We hope there will be an addition 12 million mobile users by the end of next year and tele-density would rise 20 percent."

GSMAP Chairman Simon Zhang, Chief Executive Officer of Banglalink Lars P. Reichelt, and GSMAP Deputy Chairman Mehboob Chowdhury also spoke at the inaugural session. Banglalink is hosting the two-day conference.

The GSM Association is the global trade association representing more than 679 GSM mobile phone operators across 210 coun-

tries. In addition, more than 150 manufacturers and suppliers support the association's initiatives as key partners.

Speaking at the inaugural ceremony, Reichelt termed Bangladesh is one of the fastest growing markets, highlighting the contribution of telecoms sector to the country's economic growth.

Simon Zhang stressed the need for low-cost handsets and services, noting it is important to reach the people who still do not have mobile phone yet.

GSMAP members meet twice every year to discuss common issues, exchange views and ideas and share best practices.

The association's members serve more than 1.6 billion customers -- 78 percent of the world's mobile phone users. Asia Pacific apart, Africa, Western Europe, Middle East and Gulf, USA, and Eastern Europe are other regions of the GSM Association.

Foreign investment to fuel Indian media growth

AFP, Mumbai

Indian media and entertainment revenues are set to grow at nearly 20 percent a year to 837 billion rupees (19 billion dollars) by 2010 from a foreign investment boom, a report said Wednesday.

The television industry will lead the sector as the country's rural poor benefit from rising incomes and are able to buy sets and subscribe to pay-per-view channels, said the report by the Federation of Indian Chambers of Commerce and Industry (FICCI) and PricewaterhouseCoopers.

Cinemas were also being upgraded to multiplexes across the country and new technology was helping the Indian movie industry which churns out some 1,000 films a year which makes it the world's most prolific.

"With our vast pool of software engineers and creative story tellers, India is poised to leap-frog from a mere outsourcing destination to the holders of new intellectual property," Saroj Kumar Poddar, FICCI president, said in the release of the report to industry executives in the country's entertainment and financial capital.



PHOTO: BANK ASIA

The Board of Directors of Bank Asia at a meeting on Tuesday approve the accounts for the year that ended on December 31, 2005. Chairman M Syeduzzaman, Vice-chairman A Rouf Chowdhury, directors Md Sirajul Haque, Jahir Uddin and M Shamsul Alam, and President and Managing Director Syed Anisul Huq are seen in the picture.

Tokyo bourse to spend 62b yen to avert systems overload

AFP, Tokyo

The Tokyo Stock Exchange said Wednesday it will spend 62 billion yen (529 million dollars) upgrading its computer system to cope with a surge in volumes that forced it to

curtail trading hours. Asia's largest bourse has come under heavy criticism since it closed early for the first time ever in January after a scandal at Internet firm Livdoor sparked a flood of selling that threatened to crash its

computer system. The bourse has shortened its afternoon session by 30 minutes since January 19 in the wake of the feared systems overload, which was just the latest in a series of technical problems.

In November the Tokyo Stock Exchange (TSE) suffered its worst-ever system crash which paralyzed the bourse for most of the trading day.

"(The) TSE recognizes that this is a grave situation which could shake the confidence of investors at home and abroad in the financial capital markets of our country," the exchange operator said in a mid-term management plan.

Separately, Japan's number two bourse, the Osaka Securities Exchange, which is independent to the TSE, announced plans to invest 13 billion yen to beef up its computer system.

The TSE's November system failure was the first time in its history of more than half a century that trading in all stocks was halted and its first major system failure since 1997.

The bourse's chief executive, Takuo Tsurushima, quit in December to take the blame for another incident in which a securities firm lost 330 million dollars when the slip of a trader's finger triggered a massive accidental sell order.

Bank Asia recommends 30pc dividend

The Board of Directors of Bank Asia in its meeting held on Tuesday recommended 30 percent dividend, out of which 20 percent will be stock dividend and 10 percent cash dividend, for the year that ended on December 31, 2005.

It was also decided that the 7th annual general meeting of the shareholders of the bank will be held on April 24, 2006 at 11:00am at the Officers Club Auditorium in Dhaka while the record date (instead of book closure) will be on April 4, 2006, says a press release.

Bank Asia Chairman M Syeduzzaman presided over the meeting, which was also attended by Vice-chairman A Rouf Chowdhury, directors Md Sirajul Haque, Jahir Uddin and M Shamsul Alam, and President & Managing Director Syed Anisul Huq.

Oil prices slip ahead of US stocks report

AFP, London

World oil prices fell on Wednesday as traders anticipated a healthy market update later in the day of crude stockpiles in the United States, the world's biggest energy consumer.

New York's main contract, light sweet crude for delivery in May, fell by 28 cents to 62.06 dollars per barrel in electronic deals before the market's official opening. April's contract had expired Tuesday at 60.57 dollars.

Toyota urged to set up plant in Bangladesh

STAR BUSINESS REPORT

Dhaka Mayor Sadeque Hossain Khoka has invited Toyota, the world's leading car maker, to set up a joint venture car manufacturing plant in Bangladesh.

The mayor said, "I invite you (Toyota) to examine the investment opportunities in Bangladesh."

The mayor was addressing a function in Dhaka Tuesday. Navana Ltd, the sole distributor of Toyota

vehicles in Bangladesh, organised the function to mark the formal launch of Toyota's Yaris car in the local market.

Japanese Ambassador in Dhaka Matsushiro Horiguchi, Navana Ltd Chairman Shaiful Islam Kamal and Director Saiful Islam Shumon, Toyota Tsusho Corporation General Manager S Ito and Chief Representative in Bangladesh Takeshi Abe and Toyota Motor Corporation General Manager H Sakaguchi also attended the function.

Toyota Yaris, built of 1300cc engine with VVT-I (variable valve timing intelligent) technology, is an environment friendly longer wheel-base car with the facilities of power window, power door monitor, wireless door lock, ABS, air bag, electric power steering and air conditioning system.

The car will be available at Tk17.5 lakh, officials said.

Money transfer firm plans to open office in Dhaka

STAR BUSINESS REPORT

Western Union, a US-based money transfer company, is planning to set up a liaison office in Bangladesh.

The company, which has been working in Bangladesh since 1994, is also planning to increase the number of its agents and money-receiving outlets in the country.

"We have already submitted a proposal to Bangladesh Bank for setting up the liaison office in Bangladesh," Anil Kapur, managing director of Western Union South Asia, told a press meet in Dhaka yesterday.

"Bangladesh is a big market of money transfer business. So, we

are planning to expand our activities here," Kapur added.

Ratheesh Kumar, country director, Southern and Eastern India, Bangladesh, Sri Lanka and the Maldives, and Kamal Sharma, director (Operations), South Asia of Western Union, were also present at the press conference.

Kapur also said, "If we get the central bank approval, the liaison

office of Western Union will be set up by three months in Bangladesh."

Although the company is offering remittance transferring through 550 outlets, the number is not adequate, Kapur added.

Western Union is offering its services through Arab Bangladesh Bank, Brac Bank and Brac branches.



PHOTO: STAR

(From left) Chief Executive Officer of Banglalink Lars P. Reichelt, GSM Asia Pacific (GSMAP) Deputy Chairman Mehboob Chowdhury, Post and Telecommunications Minister Md Aminul Hoque, and GSMAP Chairman Simon Zhang, among others, are seen at the 24th GSMAP conference that began at Dhaka Sheraton Hotel yesterday.