

## Tata Motors, Brazilian firm to make bus in India

PALLAB BHATTACHARYA, New Delhi

India's automobile giant Tata Motors on Friday announced a joint venture with Brazil-based bus body manufacturer Marcopolo to make and assemble fully-built buses and coaches for domestic and overseas markets.

Tata Motors will hold 51 percent share in the joint venture, entailing an initial investment of Rs 150 crore to Rs 200 crore with Marcopolo, which is one of the biggest bus body makers in the world, to set up a manufacturing facility in India.

The new venture will have the capacity to produce 7,000 units per year, which could be increased to 28,000, depending on demand, a Tata Motors spokesperson said.

While Tata Motors will provide the technology and expertise in chassis and aggregates for the joint venture, the expertise in body building and bus design will be given by Marcopolo.

The venture with the Brazilian company will make buses including 16- to 54-seater standard buses, 18- to 45-seater luxury buses, luxury coaches and low-floor city buses.

"The venture with Marcopolo will enable Tata Motors to successfully address the growing demand in India as well as relevant markets abroad," Tata Motors Chairman Ratan Tata said.

Recently, another Indian company Force Motors signed a joint venture accord with Man Nutzfahrzeug Group of Germany to manufacture buses for both domestic and export markets.

Mahindra and Mahindra, another Indian industrial group, formed up a joint venture with the US-based International Truck and Engine Corporation to manufacture trucks and buses in India.

The bus market in India, including chassis and fully-built buses, is estimated at 55,000 units in 2005-06 and is growing at ten percent per annum.

## Suspended Renault car deal to go ahead: Iran

AFP, Tehran

A suspended deal between Iran and French car giant Renault to make a new mass-market vehicle aimed at Iranian consumers will go ahead after the two sides resolved an export dispute, the industry ministry has said.

The landmark deal has been suspended since April when Iran insisted the plan would only go ahead if it could export some of the Iranian-made cars to the French automobile manufacturer's traditional markets.

Renault had previously only proposed that Iran export some car parts, but the Iranian industry ministry said Saturday Renault now agreed Tehran could export 20 percent of the Logan L-90 cars that would be made in Iran.

"Renault has accepted Iran's terms for exports of 20 percent of the L-90 Logan model and its contract will be modified and finalised within two weeks", state television quoted deputy industry minister Mohsen Shaterzadeh as saying.

The industry ministry had also warned Renault that it risked having another contract cancelled — for the assembly of the Megane model scheduled for launch in May — if the disagreement over the Logan was not solved.

Renault struck a deal with Tehran in 2004 to produce the Logan as part of the joint venture of Renault Pars, the car giant's Iranian unit, and the Automotive Industry Development Co, which groups Iran's two main state-controlled carmakers, Saipa and Iran Khodro.

## Taiwanese keen to invest in Bangladesh

Business delegation due this month

JASIM UDDIN KHAN

A Taiwanese business delegation comprising more than 100 manufacturers will visit Bangladesh this month to explore investment potential here and enhance bilateral trade relations.

The Taiwanese delegation is scheduled to visit Bangladesh after a visit to India from May 7 to May 18, the Board of Investment (BoI) sources confirmed.

Sources said the delegation is in an endeavour to encourage Taiwanese investment in the Indian subcontinent.

Taiwanese shoemakers and home appliance manufacturers are now keen to invest in Bangladesh targeting mainly the European

market as Bangladeshi leather goods have huge potential in European market following EU imposition of anti-dumping duties on leather shoes from China and Vietnam.

The Taiwanese investors consider Bangladesh's footwear sector manpower cheap and skilled.

Bangladeshi leather goods and footwear sector experts said Taiwan could be the best partner for the sector to gain more international market access by using high quality Taiwanese technical skill.

The Taiwan government is arranging the trip to help Taiwanese manufacturers "facilitate their global investment to upgrade competitiveness," BoI sources said quoting an economic affairs statement of

Taiwan.

The aim of the Bangladesh visit "is to help reduce the risk of focusing investment on one country," a BoI source said.

The BoI sources said the Taiwan government held an investment forum last month in Taipei to help Taiwanese manufacturers make the right investment decisions in India and Bangladesh, focusing on such sectors as information technology, communications, auto parts, food processing, textile, tourism and venture capital.

Taiwan's economy has become increasingly reliant on China, the island's biggest export market. Taiwanese businesses and individuals have so far invested around \$100 billion there, sources said.

## GP to launch new chain of sales, service centres

STAR BUSINESS REPORT

GrameenPhone (GP) Ltd, the largest mobile phone operator in the country, is going to launch new GP centres nationwide very soon to provide 'one stop solution' for its customers with all telecommunications products and services under a single roof.

Under one stop solution, the GP customers will get all types of facilities of customer service inquiries, new connection, SIM replacement and bill payment. From the centers, the customers can also purchase mobile phone handsets with attractive prices, warranty and after-sales service offer.

GP organised a press conference in Dhaka yesterday to announce the launch of these sales and service centers. Officials of the company said a total of 100 centres will be set up across the country by the end of this year with the first 20 centres going into operation from July. Presently, GP has more than 600 customer care centres across the country.

"With the high customer growth, and more customer expectations, the GP centres will ensure enhanced and best experience for all customers," said Erik Aas, chief executive officer of GP, at the press conference.

Giving a presentation on the GP's new centres, Morshed Alam, head of Trade Marketing & Distribution Sales of the company, said initially the customers will get mobile phone handsets of Nokia, Motorola and Siemens brands at the centres. "We are also negotiating with Samsung and Sony Ericsson mobile phone companies to get their handsets at the centres," he said.

Ingvald Lyché, director (Sales and Distribution), Bidyut Kumar Basu, head of Customer Management Division, and Syed Yamin Bakht, general manager (Information) of GP, were also present at the press conference.

## S'pore growth '06 likely to beat expectations

AFP, Singapore

Singapore's economy is likely to grow faster than the estimated 4.0 to 6.0 percent this year due to better-than-expected output expansion in the first quarter, Prime Minister Lee Hsien Loong said.

Lee, speaking late Friday on the eve of general elections, said gross domestic product (GDP) in the first quarter of 2006 expanded by more than 10 percent from a year ago, topping the earlier estimate of 9.1 percent.

This will prompt an upward revision of the official forecast for the entire year, said Lee, who was seeking his first mandate as head of government since taking office in August 2004 when his predecessor Goh Chok Tong stepped down in a leadership reshuffle.

"We would keep this up, and we will keep on moving forward as fast as we can," local media Saturday quoted Lee as saying.

Official figures will be released next week, he added. Preliminary figures released last month showed that the key manufacturing sector, boosted by the biomedical and transport engineering industries, grew by a better-than-anticipated 25.2 percent in the first quarter.

Singapore's economy grew by a forecast-beating 6.4 percent in 2005, largely on a stellar performance by the manufacturing sector, which contributes a third of the country's GDP.

## TATA'S INVESTMENT PROPOSALS

# Steel millers oppose guaranteed gas supply

UNB, Dhaka

Local steel manufacturers oppose any deal that will ensure a long-term guaranteed gas supply to India's industrial heavyweight Tata.

Addressing a press conference here yesterday, they also said the price of gas should be fixed on the basis of international market price.

"If Tata is given guaranteed supply of gas for a long-term period, it will be disastrous for all local companies in terms of energy security as the country's gas reserve will deplete by 2011," said Ali Hossain, president of Steel Mills Owners Association (SMOA).

Hossain said Tata should not be allowed to sell its steel products in the local market.

Tata should be asked to export its products for the sake of protecting the local steel producers, he added.

Bangladesh Re-rolling Mills Association and Bangladesh Steel Mill Owners Association jointly organised the press conference to place a six-point demand denouncing the investment offer by the Indian industrial giant, which proposed to set up a steel mill with 2.4 million tons of annual production capacity.

The two organisations represent about 100 steel and 300 re-rolling mills across the country.

They also demand the government should decide on the Tata's investment proposal after discussions with local steel manufactur-

ers. "The draft copy of the proposed deal with Tata has to be distributed among the local steel producers," the leader of steel mills operators said.

Sheikh Masadul Alam Masud, secretary general of SMOA, said, "If the government accepts Tata offer, the company [Tata] will be given a subsidy of Tk 1400 crore per annum in supplying the gas," he said referring to a comment of former Petrobangla Chairman Hossain Monsur.

The local steel mills leaders urged the government to accept their demands by May 31. Otherwise, they will launch agitation, they warned.



PHOTO: STAR

Rokia A Rahman, president of Women Entrepreneurs Association, Bangladesh (WEA), Samson H Chowdhury, chairman of Square Group of Companies, Moazzem Hossain, editor of The Financial Express, Syed Fahim Munaim, managing editor of The Daily Star, Shaukat Mahmood, general secretary of National Press Club, and Hasibur Rahman, executive director of Management and Resources Development Initiative (MRDI), among others, are seen at a national consultation on 'Bridging Corporate Sector & Media Promoting Good Governance' organised by the MRDI in Dhaka yesterday.

## Two-way interaction key to bridging corporate house-media gap

Discussion observes

STAR BUSINESS REPORT

A two-way interaction is essential to bridge the gaps between media and corporate houses to ensure better corporate governance, speakers at a consultation said yesterday in Dhaka.

They also said strengthening the capacity of both media and businesspeople is a must to establish corporate governance.

They were speaking at the consultation, organised by Management and Resources Development Initiative (MRDI) with the support from Manusher Jono, according to a press release.

Participants including newspaper gatekeepers, business community leaders and trade experts took part in the consultation. Moazzem Hossain, editor of The Financial Express, presented a keynote paper while Syed Fahim Munaim, managing editor of The Daily Star, moderated the consultation.

Samson H Chowdhury, chairman of Square Group of Companies, said the government should support corporate sector to implement governance and corporate social responsibility (CSR) practices. He said the government

is not offering tax exemption facilities to companies practising CSR.

Rokia A Rahman, president of Women Entrepreneurs Association, Bangladesh (WEA), said the western perception of CSR is different from Bangladesh's. She also said the corporate houses should share the best practices of CSR and labour standards among themselves.

Syed Fahim Munaim said functional understanding between media and corporate houses can ensure better corporate news coverage. He also said PR wings need to be strengthened so that they can issue company releases with adequate information.

Zillul Hye Razi, trade officer of Delegation of the European Commission to Bangladesh, said as part of the globalisation local companies have to ensure social compliance. He also said before practising CSR, which is not compulsory, enterprises including media houses must maintain core labour standards.

Jennefa Jabbar, compliance consultant of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said corporate houses need to enhance the

efficiency of their PR wings to provide media with adequate information for better corporate news coverage.

Manjurul Ahsan Bulbul, executive editor of the Sangbad, said as media have little access to corporate disclosures, business reports lack depth. He also stressed the need for in-house training for journalists.

Shaukat Mahmood, general secretary of National Press Club, said chamber bodies should take stand against dishonest traders. He recommended forming a watchdog to monitor malpractice in media and corporate houses.

Dewan Sultan Ahmed, vice-president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said corporate governance is linked to rule of law and overall governance in the country.

Abdul Quayum, joint editor of the Prothom Alo, said media has a role to highlight good corporate practices and successful business stories.

Rashedul Nabi, executive editor of the Amar Desh, said media houses in Bangladesh are yet to get institutional shape.

## KSA, Kuwait to build oil refineries in Indonesia

ANTARA, Jakarta

President Susilo Bambang Yudhoyono said Pertamina and oil companies from Saudi Arabia and Kuwait will build two oil refineries in Indonesia.

"Pertamina and Saudi Arabia's Aramco will build a refinery in East Java," he said on board the aircraft taking him and his entourage home from Jordan.

The crude oil to be processed by the refinery would come from Saudi Arabia and the output would be used to meet domestic demand and possibly also exported.

He said Pertamina and a Kuwaiti oil company meanwhile would also

build a refinery in an eastern Indonesia region. He declined to mention further details of the location of project in eastern Indonesia.

Regarding cooperation with Qatar, he said Indonesia plans to import liquefied natural gas from that country as of 2008 to be used by the Iskandar Muda fertilizer plant in Aceh.

The plant is currently facing problems because gas supply from Arun had declined.

The president also said cooperation with the United Arab Emirate would be directed at increasing the capacity of existing refineries in Cilacap, Cirebon and East Kalimantan.

## Tourists arrival in India from ME may go up 20pc

PTI, Dubai

Tourist arrivals in India from the Middle East may go up by about 20 per cent in the wake of several initiatives the government have taken, a high level Indian tourism delegation said here.

The delegation comprising ministers of state government of Kerala, Goa and Uttar Pradesh and senior officials from India Tourism are here to attend the Arabian Travel Market 2006, the largest travel trade show in the Middle East, to strengthen efforts of making India a top tourist destination.

Rajeev Talwar, Additional Director General (Tourism), Government of India, told reporters here Thursday that various initiatives are underway to provide Middle Eastern visitors with a world-class experience.

In the first quarter of this year, there has been a 24 per cent rise in the number of Arab tourists as compared to the same period in 2005. India earned USD 5.7 billion from just 3.92 million foreign tourists last year since their average spending stood at USD 1,500.

"Some 35,989 tourists from the Middle East have visited

India in the first quarter of 2006 and we expect an overall growth in 2006 of over 20 per cent from the region this year," he said.

Kerala's Tourism Minister Venugopal said product diversification is also being given due consideration and importance.

There has been 26.8 per cent increase in tourist arrivals during 2004 and 13.2 per cent during 2005. Foreign exchange earnings during the same period increased by 35 per cent and 20.2 per cent respectively in US dollar terms.



PHOTO: STAR

Erik Aas (C), chief executive officer of GrameenPhone Ltd, speaks at a press conference in Dhaka yesterday. Bidyut Kumar Basu, head of Customer Management Division, and Syed Yamin Bakht, general manager of Information of the company, are also seen.