

## Remittance reaches \$4.80b mark in FY06

### STAR BUSINESS REPORT

Remittance inflow recorded over 25 percent growth reaching around five billion dollars in the last fiscal year due to increase in skilled labour and government's efficient move against money laundering, according to Bangladesh Bank sources.

The remittance registered a US\$4.80 billion mark in the 2005-06 fiscal, while non-resident Bangladeshis (NRBs) sent \$3.8 billion during the same period of the previous fiscal year.

Remittance inflow remained strong in June as Bangladeshis workers living abroad sent \$433 million.

Increased remittance inflow helped foreign exchange reserve stand at \$ 3.48 billion as of yesterday marking the highest reserve in the country's history. But banking sources anticipated that the reserve

would go down after paying import bills during the meeting of the Asian Clearing Union next week.

Remittance inflow has been showing a healthy trend since December, which is around \$426 million a month on an average. Inflow in December, February and March had hit the record highest and stood at \$449 million in May.

The Prime Minister yesterday in a question answer session in the parliament said the government had introduced several incentives to NRBs by opening up exchange houses in different strategic places abroad and establishing remittance cells in different nationalised banks to help increase remittance inflow.

"Recent devaluation of taka against US dollar is encouraging NRBs to send more money back home," a central bank official explained, adding that devaluation

of taka against dollar was around 10 percent during the period.

Besides, the overall earning of wages by Bangladeshi workers increased despite decline in employments for Bangladeshis abroad during the period.

Meanwhile, the private commercial banks (PCBs) introduced several competitive mechanisms to meet up the foreign exchange crisis and contributed around 60 percent remittance earning through the private banking channel during the fiscal.

Bangladeshi wage earners send over US\$ seven billion annually and a substantial portion of the total amount still comes through hundi, an illegal way of transferring money, according to bankers.

The bankers also eyed a good scope for further rise in remittance inflow through official channel.

## Indo-Bangla jt working group meet begins

### Dhaka to seek import of essentials

#### UNB, Dhaka

The fourth meeting of Bangladesh-India Joint Working Group (JWG) on trade began in Agartala, India yesterday aiming at raising export-import between the two close door neighbours.

"They are scheduled to discuss mainly the non-tariff barriers (NTBs) and other issues hindering the both-way trade," a Commerce Ministry official said here.

Additional secretary of the Ministry of Commerce Elias Ahmed was leading a 7-member Bangladesh delegation to the JWG meeting while Joint Secretary of Indian Ministry of Commerce M.V.P.C. Shastri was his counterpart.

The Bangladesh delegation reached Agartala by road in the morning to join the two-day meeting. The Bangladesh delegation at

the JWG meeting will raise its concern over India's ban on export of essential sugar, pulses and wheat and seek special consideration to allow export of the items to Bangladesh.

Imposition of additional 4 percent tax by India on import of few items, including Jamdani sarees and Hilsa, would also come up for discussion at the meeting.

Evaluating the implementation status of the decisions taken at the third meeting of the JWG here in August last year is among the other issues to be discussed at the two-day meeting.

The issues also include non-tariff and para-tariff barriers, trade facilitation through developing infrastructure for Land Customs Stations and improvement of the banking facilities in the Indian northeastern states.



Stein Naevdal (C), director of IT Division of GP and project manager of CIC programme, speaks at a press conference in Dhaka yesterday. Syed Yamin Bakht (R), general manager of Information, and Kafil HS Mueyed, director of New Business of GP, are also seen.

## GP launches community information centres

### STAR BUSINESS REPORT

In a bid to provide internet access to the rural people, GrameenPhone (GP) has launched a pilot project titled 'Community Information Center' (CIC) through its nationwide EDGE connectivity, said a high official of the cell phone operator at a press conference in Dhaka yesterday.

Stein Naevdal, director of IT Division of GP, further said members of the public will have access to some services such as internet, voice communications and a number of other information based services from these centers.

The CICs also help rural people to stay in touch with their friends and relatives at home and abroad using emails, fax and instant messaging.

A CIC is equipped with a computer, a printer, a scanner, a web and EDGE modem. ICT related and value-added services of GP are also dispensed at such a center to make the enterprise financially viable.

These centers also provide passport forms, birth and death certificates forms, market prices of agricultural products through government website to the customers.

Meanwhile, GP has put in its efforts to build on a nationwide EDGE (enhanced data rates for global evolution) coverage, which is an advanced mobile technology that enables high-speed mobile internet and data services.

"Building on our nationwide EDGE coverage, we experience that the CICs successfully act as a way of providing information based

services to rural parts of the country," said Naevdal, also the project manager of the CIC programme.

Syed Yamin Bakht, general manager of Information, and Kafil HS Mueyed, director of New Business of GP, were also present at the press conference.

Describing the project as successful as like other products of GP, Naevdal said there is huge demand for information-based services in the rural area.

In this connection he also unveiled the company's plan of expanding CICs across the country.

The centers will secure self-employment for at least one or two youths in each village, which will contribute to building advanced knowledge of wireless communications and information technology in areas served by these centers, he added.

Initiated from February, 2006, GP has so far established 26 CICs across the country. Of them, four CICs were set up in Sylhet, five in Rajshahi, four in Khulna, four in Dhaka and nine in Chittagong.

Grameen Telecom Corporation and Society for Economic and Basic Advancement (SEBA) are the partners of the projects. The two partners are involved in entrepreneurs' selection, training, distribution of kit and marketing materials.

With these, GP itself provides GSM infrastructure and supports to the entrepreneurs in establishing CIC at initial level, Yamin Bakht said, adding that with some other useful content, health and medical information services will also be made available through the CICs soon.

## Dhaka Telephone starts operations today

### STAFF CORRESPONDENT, Ctg

Private land phone company-Dhaka Telephone Company Ltd (DTCL)- is going to launch its services with post-paid connections in four zones in the country today.

The service will initially cover Chittagong, Khulna, Sylhet and Bogra with Local, NWD, ISD, call transferring, call forwarding and call barring facilities, said DTCL officials at a press briefing in the port city yesterday.

To mark the launch of its services, the company also offered special package under which subscribers will get phone set along with connection at Tk 1,000.

The offer will continue until August 14 this year, said DTCL Chairman ATM Hayatuzzaman Khan.

The call charges will be as low as 50 paisa and subscribers will also get monthly free airtime up to 100 minutes, he added.

Director of the company Rashedur Rahman and other officials were also present at the press briefing.



## Haque re-elected Mercantile Ins chairman

Abdul Haque, a member of National Council for Industrial Development and Dhaka Stock Exchange Ltd, has been re-elected chairman of Mercantile Insurance Company Ltd for the sixth consecutive time.

The election took place recently at the 10th annual general meeting of the company, says a press release.

Abdul Haque is also the chairman of Shamol Bangla Media Ltd, Royal Green Securities Ltd, Royal Green Products Ltd and Diganta Prokashali Ltd.

## Prime Bank to open exchange company in Singapore

Prime Bank Limited will open a subsidiary Prime Exchange Company in Singapore next Saturday, says a press release.

This company will offer remittance services to Bangladeshi nationals in Singapore. It will be located at Zaman Centre, a very convenient business place at Serangoon area right opposite to the Mustafa Center, a popular get together spot for the Bangladeshi people living in that country during the weekends.

The Bank has recently undertaken several initiatives, including new drawing arrangements, opening of new branches in the remote locations and offering special rates to the NRBs.

It also established a Centralized Foreign Remittance Centre at its head office to ensure efficient handling of remittance.

## Japan urged to raise investment in EPZs

### STAR BUSINESS REPORT

Bangladesh Export Processing Zones Authority (Bepza) urged Japan, the second largest foreign investor in Bangladesh, to increase its investment here, especially in the Export Processing Zones (EPZs).

Bepza Executive Chairman Brig General Ashraf Abdullah Yussuf made the request Monday at a formal meeting with the new Japanese Ambassador to Bangladesh Masayuki Inoue, says a press release.

The Japanese envoy assured that he would extend all sorts of cooperation in this regard. He also lauded the initiatives taken by Bepza in boosting foreign investments in the country.

Praising Bepza's role in bringing peace through confidence building among the workers and owners during the recent unrest in the country's apparel industry, he hoped that peaceful and productive working atmosphere would remain stable in the EPZs.

While 31 Japanese companies in the EPZs, with an approximate total investment of US\$ 127.33 million, have already created job opportunities for at least six thousand Bangladeshi workers, more Japanese investments would be welcome, Yussuf told the envoy.

The Bepza chief sought bilateral cooperation for establishment of the Japanese units in the EPZs to encourage those potential Japanese investors who already showed their eagerness in this regard.

Bepza members Masud Ahmed, Abu Reza Khan and Prasanta Bhusan Barua, Public Relations Manager Nazma Binte Alamgir as well as Masami Tamura, counsellor for Development Cooperations and Economic Affairs of the Japanese Embassy in Dhaka, were present among others during the meeting.



A Chinese army officer (L) exchanges greetings with his Indian counterpart following a meeting among the officers, as they stand on the border of Nathu La, some 52 kilometres east of Gangtok, yesterday.

## Indo-China border trade resumes today

### PTI, Gangtok

It will be the dawn of a new era in Sino-Indian bilateral ties today when border trade between the world's two most populous nations resumes through the famed Nathu La pass after a gap of over four decades.

The reopening of the Himalayan pass, once part of the historic Silk Route and closed since the Indo-China war of 1962, would be another sign of warming of relations between the two Asian economic powerhouses in recent years.

Trade through Nathu La, although on a limited scale in the beginning, promises to boost the economies of the land-locked mountainous regions of the two countries.

The reopening of the route comes little over a year after China accepted the eastern state Sikkim as Indian territory and New Delhi recognised Tibet as part of China following the historic summit meeting between Prime Minister Manmohan Singh and his Chinese counterpart Wen Jiabao in New Delhi in April 2005.

The status of Sikkim and Tibet had been a sore point in Sino-Indian bilateral relations since 1950 when Chinese troops marched into Tibet and Sikkim merged with India later in 1975.

The opening of the pass, to be attended by Tibet Autonomous Region chairman Qiangba Puncog and Sikkim Chief Minister Pawan Kumar Chamling, is expected to boost the already flourishing bilateral trade which touched USD 18.7 billion in 2005 and is growing at more than 37 percent.

According to a study conducted by Sikkim's Nathu La Trade Study Group, the trade volume through Nathu La is expected to be worth Rs 3.53 billion by 2010, Rs 4.5 billion by 2015 and Rs 5.74 billion by 2020.

As per the arrangement, trading would initially be confined to the border regions with only Sikkim-based businessmen allowed to trade in 29 items listed for export and 15 for import.

The items that can be exported include agricultural implements, agro-chemicals, processed food, clothes, spices, tobacco and vegetables.

Commodities permitted for import include goatskin, sheepskin, wool, raw silk, china clay, borax, salt and some domestic animals.

About a hundred traders from Sikkim who will go across to the Chinese side for a first-hand knowledge of trade facilities at Renqinggang, the trade station on the Chinese side, have been issued trade passes and given a crash course on import-export modalities.

As the time for the re-opening of the pass nears, there is palpable excitement in the Sikkim capital where last minute preparations are on to ensure the inaugural ceremony passes off smoothly.

The excitement about Nathu La on the Chinese side seems no less than that on the Indian side.

"The reopening of the border trade will help end economic isolation in this area (TAR) and play a key role in boosting market economy there," vice-chairman of the Tibet Autonomous Region, Hao Peng, had said after finalising the date of the reopening with a visiting Indian delegation in Lhasa last month.

## Nepal's RMG exports to US rise in June

### XINHUA, Kathmandu

Nepal's export of readymade garments to the United States increased by 28 percent in June, compared to a drop of 16 percent in the same month last year, according to the garment association.

In June last year, readymade garments worth 4.3 million US dollars were exported to the United States, while June this year saw an export worth 5.56 million dollars, General Secretary of the Garment Association of Nepal Uday R Pandey told reporters here on Wednesday.

However, in the coming months, there is still uncertainty over the export market, a matter the government must address through the budget and correct the prevalent ills, Pandey said.

He said buyers earlier has assured that if peace was restored, they would increase their orders. Accordingly, response from buyers has been good following the change in political scenario in recent time. But the environment in the factories is fast deteriorating with employee unions mushrooming at an alarming rate, which has disturbed production in garment units.

There is still a dilemma whether to take orders or not as the production capacity has already gone down despite the good responses from buyers in recent time, Pandey said.

The United States is the largest export market of Nepal's garment items, consuming some 80 percent of its total garment exports.

## Honda Motor to invest Rs 3,000cr in India over next 10 years

### PALLAB BHATTACHARYA, New Delhi

Japanese automobile major Honda Motor Company announced it will invest Rs 3,000 crore in India over the next ten years, ramp up production capacity and diversify into manufacture of small cars.

Honda President and Chief Executive Officer Takeo Fukui told reporters here on Monday that his company had invested Rs 3,000 crore in India since 1985 and would make investments of a similar amount in the next ten years across all its operations.

He said Honda would expand the capacity from 50,000 cars per year to 150,000 cars by 2010.

"The existing facility would manufacture the current models of cars with an annual capacity of one lakh units. We will have to look at alternatives to meet the target of 1.5 lakh units per annum."

Honda is aggressively looking at a new plant for bringing in small cars to India, Fukui said.

Meanwhile, most car manufacturers in India clocked high growth in June this year with market leader Maruti's sales at home going up by 17.5 per cent to 44,626 units compared to 37,995 in the corresponding month last year. Its cumulative sales stood at 48,425 units up by 17 per cent.

South Korean major Hyundai's domestic sales increased by 56.2 per cent at 17,032 units in June this year and its cumulative sales were up by 39.6 per cent at 27,251 units.



The new Japanese Ambassador to Bangladesh Masayuki Inoue calls on Bangladesh Export Processing Zones Authority (Bepza) Executive Chairman Brig General Ashraf Abdullah Yussuf in Dhaka on Monday.