

## Indian businesses seek FTA with Bangladesh

### Buyer-seller meet kicks off

#### STAR BUSINESS REPORT

A business delegation of India yesterday underscored the need for inking a free trade agreement (FTA) between Bangladesh and India to boost trade between the two countries.

Serious consideration is going on for signing the Dhaka-Delhi FTA, said Samir Kumar Ghosh, who is leading the 13-member business delegation.

"The volume of business between the two countries is far below its potential. And I am confident, representatives of both the countries would be able to come to a decision for signing the FTA on win-win basis giving a further impetus to enhance the volume of trade between the two countries," said Ghosh, also the chairman of Chemicals and Allied Products Export Promotion Council (CAPEXIL) of India, addressing the inauguration of a two-day buyer-seller meet at the DCCI auditorium in the capital.

CAPEXIL, Indian High Commission in Dhaka and Dhaka Chamber of Commerce and Industry (DCCI) are jointly organising the event titled 'Buyer-Seller Meet cum Exhibition' to explore new business avenues and develop partnership between Bangladesh and Indian business communities.

Echoing Ghosh, Economic and Commercial Minister of Indian High Commission in Dhaka DN Srivastava also underscored the need for increasing bilateral trade under FTA, which will help Bangladesh to reduce the trade gap.

Inaugurating the event, Bangladesh state minister for finance said removal of tariff and non-tariff barriers can reduce the huge trade gap, which is in favour of India, between the two neighbouring countries.

"Besides, we have to increase our industrial base and diversify our exportable products to reduce the gap," said Shah Muhammad Abul Hussain.

He said Bangladesh is exporting

many products such as ceramic, melamine, process food, lead acid battery and pharmaceutical products to many developed countries, including the EU. "These products can also be exported to India," he maintained.

He hoped that the buyer-seller meet will not only explore the personal business avenues, but it will also help increase the trade between the two countries.

Speaking at the function, DCCI President MA Momen said the meet creates an ample scope for more interactions and dissemination of information amongst the business communities about each other's products.

"We may have thus become more active partners of development under the challenging industrial and business environment of globalisation in which businessmen and industrialists of both the countries have been striving hard to reap maximum benefits from the world trade," he said.

Inviting the Indian entrepreneurs to invest here, Momen said if SAFTA

is made properly effective among the South Asian nations, trade and investment within this region will increase significantly.

In FY 2005-06, Bangladesh exported products worth US\$ 123.79 million to India and imported products worth \$ 1800.18 million from that country.

On the sideline of the buyer-seller meet, the Indian team is also showcasing a wide range of products, including automobile tubes, rubber moulded automobile parts,

v-belts for off-road equipment, paper, paper products and stationery/office supplies, books, magazine, journals, green marble, tiles and slabs.

Blocks, safety fuse, industrial ancillary supplies, manganese dioxide, manganese oxide, adhesives and high and low tension porcelain electrical insulator are also being exhibited on the sideline of the meet.

## Growth of home textile exports Slows down

UNB, Dhaka

The export growth of the country's home textile sector slowed down in the last fiscal year for lack of proper initiative by the authorities concerned to promote the industry.

Export of home textile items rose by about 6 percent to US\$ 165 million during fiscal 2005-06 as compared to 15 percent in FY 2004-05. However, export fell short of the respective targets for the two fiscal years, according to EPB figures.

"The sector has tremendous potential to grow, but lack of proper initiatives from the authorities concerned held back the growth," said entrepreneur Harun Ar Rashid, chairman of Apex Weaving and Finishing Mills Limited (AWFML).

Despite the slow growth in home textile exports, his company registered a faster growth of 8 percent last fiscal year, posting Tk 195 crore as compared to Tk 166 crore in the previous year.

The company eyes further growth this fiscal year to increase its exports to Tk 220 crore. It is also in the process of expanding production capacity from the existing 120,000 meters 100 percent cotton and poly-cotton blends per day.

"Access to fund should be available to the enterprises having proven track record if the potential is to be tapped," Harun said, suggesting reduction of lending rates and infrastructure support to boost export.

He also stressed the need for developing institutional capacity of the home textile industry through human resources development and transfer of technology.

## ICE Today 'Branding Bangladesh' meet today

A daylong meeting, 'ICE Today Branding Bangladesh Conclave 2006', will be held today at Radisson Water Garden Hotel in Dhaka, says a press release.

The conclave will recommend strategies for an ambitious exercise titled 'Branding Bangladesh' in a bid to make positive impact on the country's image in the global community, organisers told a press conference yesterday.

In the conclave, the best minds of the country will discuss the country's image, highlighting the substantive issues relating to investment, culture, economy, governance, human rights, law and order and gender.

The meeting aims to bring some of the best minds in the country to discuss and debate the problems relating to its image and to determine the best way to brand it.

Among others, Luva Nahid Chowdhury, editor of ICE Today, Muneer Ahmed, chairman of Unirent Ltd, Esrarul Huq, executive director of Channel i, Aftab Mahmud Khurshid, director (marketing and business) of Junior Chamber International, and Ziaul Karim, executive editor of ICE, were present at the briefing.

The event will be sponsored and supported by Banglalink, Roche, Holcim, Channel i, Radisson, Unirent and Junior Chamber International.

## Dollar stable against euro

AFP, London

The dollar held stable against the euro on Friday after a speech by Federal Reserve chief Ben Bernanke failed to provide any clues about the future direction of US interest rates.

The yen fell against both currencies and the euro approached the symbolic level of 150 yen, which it has never breached.

Analysts said the Japanese unit was under pressure after domestic consumer inflation data came in softer than expected.

The euro firmed slightly in late European trading to 1.2765 dollars from 1.2758 dollars late in New York on Thursday and to 149.74 yen from 148.68 late on Thursday.

The dollar jumped to 117.31 yen, from 116.55 yen on Thursday. Trading on Friday was cautious ahead of a expected comments from US Federal Reserve chairman Ben Bernanke, who spoke on the subject of global economic integration at the Fed's Kansas City Economic Symposium in the US state Wyoming.



Qazi Kholiqzaman Ahmad (2-R), chairman of Bangladesh Unnayan Parishad, speaks at a roundtable on 'Inflation: How people cope with the situation' in Dhaka yesterday.

## Effective TCB needed to control price hike

### Removal of ministers eyewash: Roundtable

#### STAR BUSINESS REPORT

Economists, researchers and civil society members at a roundtable yesterday blasted the government for its failure to address the price hike of essential commodities, saying some ministers were removed from commerce ministry but it was only an eyewash.

A government initiative to enact a law protecting the interests of the consumers is gathering dust in the ministries for years, they said, advocating for making the state-run trading agency effective to control the syndicate responsible for price-hike.

Bangladesh Unnayan Parishad (BUP) organised the roundtable titled 'Inflation: How people cope with the situation' at the National Press Club in Dhaka with its chairman Qazi Kholiqzaman Ahmad in the chair.

Borhan Ahmed, president of Consumers' Association of Bangladesh, presented a keynote paper in the discussion.

Speaking at the discussion, Syed Yussuf Hossain, former comptroller and auditor general (CAG), said the government was forced to remove the ministers for their failure or alleged connections with the syndicates but it did not work.

"Removing or changing ministers was only eyewash," he felt.

Even the ministers publicly admitted that there is a syndicate but they could not take any action against it.

The Anti-Corruption Commission (ACC) was formed but it remains ineffective because influential people

do not want to see it as an effective body, Hossain noted.

Kholiqzaman said it is the responsibility of the government to monitor the market and take actions against any type of malpractice but the government did not respond to the situation properly.

"People with limited income and those who live on hardship are the real victims of the growing prices of essentials," said Kholiqzaman, also president of Bangladesh Economic Association (BEA).

Borhan Ahmed said prices of essential commodities are increasing at the rate of 18 per cent every year on an average. There are some syndicates, who are linked with top political leaders and bureaucrats, are controlling prices of essentials.

There are laws protecting rights of the consumers in many countries. An initiative was taken to enact such a law in Bangladesh but it is gathering dust for years, he mentioned.

Professor Abu Ahmed of Dhaka University said market is not competitive due to syndication. Government agency Trading Corporation of Bangladesh (TCB) was supposed to play an effective role but leaders within the government do not want to see it.

He also expressed his frustration over ineffective anti-corruption body despite rise in corruption in the country.

Zahurul Karim, former secretary, said sufferings of the people living in the rural areas have intensified due to price hike of essentials.

"It has become essential to conduct surveys about the food intake of the rural people in the face

of price hike of essentials," he recommended. Price hike is linked to production but the government did not go for any intervention for increasing production of essential commodities like onion, chilli, ginger and garlic.

Tarafdar Rabiul Islam, a former United Nations adviser, noted around 75 per cent of the people in Bangladesh spends 70 to 80 per cent of their incomes on buying food.

So, price hike is taking serious toll on the common and poor people of the country, he said, adding that they are unable to buy adequate food.

It is very difficult to assess cost of living with inflation only, Islam said, noting that it is one of the multiple problems.

M Taheruddin, former managing director of the Mercantile Bank, criticised the garment owners for exploiting the workers and paying meager amount to their hardworking employees.

"Those who used to live in narrow-lanes now are the residents of posh Gulshan and Banani in Dhaka," he said. But they are not interested in paying decent amount to the workers for their decent living.

Abdul Karim, managing director of MIDAS, said making money illegally and the government expenditure in unproductive areas are some of the reasons behind high inflation rate.

## Saudi favours 'moderate' oil prices

AFP, Riyadh

Oil powerhouse Saudi Arabia favours "moderate" crude prices despite reaping a windfall from record highs on world markets, King Abdullah said in remarks published Saturday.

"The kingdom's petroleum policy is moderation in prices. Despite the benefits that the increase in prices brings us, we advocate moderation in oil prices," he told the Saudi-owned pan-Arab daily Asharq Al-Awsat.

"Petroleum production is plentiful. That's why I am surprised by ... the unjustified rise in prices," he said.

The Saudi monarch did not say what he would consider a moderate price.

Saudi Arabia, which produces around 9.5 million barrels of oil per day (bpd) and is the world's top oil exporter, posted a record budget surplus of 57 billion dollars in 2005 on the back of surging crude prices and is channeling billions into development projects.

World oil prices rose slightly Friday as a tropical depression rolled across the Caribbean and edgy traders continued to follow diplomatic moves over Iran's nuclear program.

New York's main contract, light sweet crude for delivery in October, closed up 15 cents at 72.51 dollars per barrel.

In London, Brent North Sea crude for October delivery settled up two cents at 72.70 dollars per barrel.

## China may fail to meet energy saving target

AFP, Beijing

China may fail to meet its target for more efficient use of energy this year, state press said Saturday quoting the head of the country's main economic planning body.

Ma Kai, director of the National Development and Reform Commission, said the government would find it hard to achieve its goal of reducing energy consumption per unit of gross domestic product by four percent annually, the English-language China Daily reported.

The target is part of China's 11th five-year plan (2006-2010) which was adopted in March.

In fact, energy consumption had increased by 0.8 percent during the first half of the year, Ma said Friday during a session of the standing committee of the National Assembly, China's parliament.

He stressed that urban investment had risen 31 percent during the first seven months, particularly in the main energy-hungry sectors such as steel production, non-ferrous metals, chemicals and construction materials.



PHOTO: STAR

Visitors gather at a stall at the two-day 'Buyer-Seller Meet cum Exhibition' that began at the auditorium of Dhaka Chamber of Commerce and Industry yesterday.

## Govt performance to lure FDI satisfactory: Bol chief

### Corrugated carton makers want patronisation

#### STAR BUSINESS REPORT

The Bol executive chairman has described the government's performance in luring FDI as fully satisfactory, though the country experienced a 15.62 per cent drop in its net inflow last fiscal.

"FDI was only \$79 million when the present government took over, so, I think, its performance in attracting foreign direct investment is fully satisfactory as the amount stands at \$675 million when the government is going to complete its tenure," Mahmudur Rahman said.

He was speaking at the opening ceremony of an international conference on 'Packaging-Its Present Status and Future Potentials in the Emerging Asian Region and Beyond' in the capital yesterday. Bangladesh Corrugated Cartons and Accessories Manufacturers and Exporters Association (BCCAMEA) organised the daylong conference at a local hotel.

Referring to the Bangladesh's recent data regarding the FDI flow during the last fiscal, the Bol chief and adviser for Energy and Mineral Resources Division said, "With the declined flow of FDI, BB governor also comments it as satisfactory. But that comment does not reflect in the media", he added.

He said this government is a private-sector-friendly one, which reflects in the 21 percent export growth in the 2005-06 fiscal as

well. Responding to the BCCAMEA demand for establishing a packaging institute in the country to improve quality of the industry, he suggested that the stakeholders should come up with specific proposal to the Board of Investment.

He said, "If you come up with a specific proposal on such an institute, we will do whatever needed for the sector on our part".

Although the packaging industry has flourished to an extent over the last two decades, probably it has not reached that level it is able to compete with other Asian countries like Japan, Korea, Thailand, India and Malaysia, the chief of the state-run investment promotional agency observed.

Mahmudur Rahman said, "When you have better packaging, you have every possibility to get better price from the global market. So you have to concentrate in research and design to develop the industry as a whole."

Safullah Chowdhury, president of BCCAMEA, Carl Oismats, secretary general of World Packaging Organisation, Mir Nasir Hossain, president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), and Lutfar Rahman Matin, vice president of Bangladesh Garments Manufacturers and Exporters Association (BGMEA), also spoke at the meeting.

The BCCAMEA president said

the country fetches over \$1.2 billion through its annual export of packaging and accessories in different export-oriented products, so the sector plays an important role in marketing products and commodities.

He said, "If basic raw materials of the industry can be produced locally, we may save a huge amount of foreign currency and the pricing of our products may also be lesser, which might help our exportable items enjoy more competitiveness in the world market".

The local corrugated carton and accessories industries supply their different products to food and beverage, cosmetics, biscuits, chips, RMG, frozen foods and leather goods sector.

Although these packaging industries can save more than \$1 billion a year through meeting up the demand for packet and accessories of the export-oriented industries, a good number of exporters sometimes need to import packet from abroad as they demand high quality packages, Chowdhury observed.

"So, the government should come forward to patronise the industry so that the industry people can go for improving quality of their products and contributing more to save hard-earned foreign exchange," he demanded.



PHOTO: ICE MEDIA LTD

Organisers of ICE Today Branding Bangladesh Conclave 2006 are seen at a press briefing in Dhaka yesterday.

## Canberra wants access to KL procurement in trade deal

AFP, Kuala Lumpur

Australia said Friday it wants access to Malaysia's government procurement market, which favours the country's majority ethnic Malays, enshrined in a free-trade deal currently under negotiation.

Australia's Trade Minister Mark Vaile said free trade agreement (FTA) talks had so far been "constructive and positive", but that his country wanted them to extend to procurement.

"It's always an objective," Vaile told reporters after meeting Southeast Asian economic ministers to discuss a wider trade pact with the region.

"It's important for both sides, and I pointed out to some colleagues here the opportunities that exist in accessing the Australian government procurement market as well," he said.

"It's not just a one-way street, it's a two-way issue." Malaysia's Muslim Malays lag economically behind its ethnic Chinese community, and under a system of positive discrimination, have sole access to specific government contracts.

Restrictions on Malaysian government procurement have also been flagged as a sensitive area in ongoing trade negotiations with the United States, although Malaysia has flatly said it will not unravel its policies.

Vaile said Australia understands Malaysia's concerns, but was optimistic about finding a solution for the deal, as well as the agreement being negotiated with the Association of Southeast Asian Nations (Asean) and New Zealand.

"We understand ... the domestic restrictions as far as some programs are concerned," he said.

## Ctg housing fair fetches Tk 150cr

#### CU CORRESPONDENT

Abason Mela 2006, the three-day real estate fair, concluded in the port city yesterday with a good response from the buyers as the developers offered them attractive discounts and gifts. According to the fair sources, the participating developers have fetched over Tk 150 crore from sales of plots and apartments.

The fair, organised by Bangladesh Real Estate Directory for the fifth time, began on the premises of Institute of Engineers, Bangladesh (IEB), Chittagong on Thursday.

Amin Mohammed Lands Development Limited offered a Tk 20 thousand discount per katha and fridge against each booking.

The company received booking of Tk 14 crore in the first two days. "Consumers in Chittagong are solvent and their choices as well as responses are satisfactory," Syed Md. Wasim, the company's deputy general manager, observed.

Epic Properties Limited, a real estate firm of Chittagong, was selling flats of its five projects at city's South Khulshi, Chatteshwari Road, Nur Ahmed Road, Patharghata and Abedin Colony. They received booking of more than Tk 6 crore against 200 flats till yesterday morning. Mohammed Yeasen Khan, chief executive of Bangladesh Real Estate Directory, told The Daily Star on the fair premises that more than 50 thousand visitors as well as intending consumers thronged the fair over the three years. "We are trying to decentralise the industry from the capital to different divisions as the space in the capital is decreasing day by day," Yeasen said.

Denying extracting excess charge from the customers, he said there is no scope for doing so as the industry has already entered a competitive market.

A total of 46 real estate development firms, manufacturers of construction materials and house finance organisations took part in 60 stalls at the fair.