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UK investment to triple by '07 if Dhaka overcomes hurdles

Says British minister of state for trade

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The United Kingdom's investment in Bangladesh will be tripled by 2007, if this country adopts some measures to ensure an investment-friendly environment by this time, said British Minister of State for Trade and Investment Ian McCartney yesterday at a press conference in Dhaka.

The UK minister met journalists at the end of his two-day visit. British High Commissioner Anwar Chowdhury was also present.

Describing high corruption, religious militancy and lack of governance as major hurdles for Bangladesh in attracting foreign direct investment, McCartney said, "British investment in Bangladesh is now £80 million and it could be tripled to £240 million by 2007, if Bangladesh can overcome such obstacles."

In the 80's, Asia's share of the global economy was 21 percent, he said, adding that Asia's share in the global economy, excluding China's, will be 43 percent by the year 2020, which would create huge opportunity for a developing country like Bangladesh.

"So, Bangladesh has to be prepared to increase its share of growing economy in the region," he suggested.

The minister also urged the leaders of political parties of Bangladesh to uphold people's interests above any party interests.

Terminating the upcoming election a very significant event for the future sustainable development of Bangladesh, McCartney said,



UK Minister of State for Trade and Investment Ian McCartney addresses a press conference in Dhaka yesterday at the end of his two-day visit to Bangladesh, while High Commissioner Anwar Chowdhury looks on.

"Politicians should develop their mentality to accept the poll results, whoever wins."

The UK minister also suggested that the new government here should have that capability to tackle the challenges ahead.

Bangladesh lags behind emerging a strong competitor in the global market, he commented.

He said, "The new government should have the capacity to govern in a way that brings a sustainable economic development for Bangladesh in the next 5 to 10 years."

He made an assurance that if such a sustainable economic development within this timeframe is ensured, a £6 billion British grant would be provided to Bangladesh.

ing forward to working with the incoming government about issues including investment in economic, social and educational infrastructure, counter terrorism and human rights.

He also expressed concern over corruption, inability of bureaucracy and extra-judicial killings.

On corruption, he said it is not an issue merely for Bangladesh, rather an issue for all the countries, as corruption takes away hundreds of millions from the economy. He underlined the urgency for activating the Anti-corruption Commission as soon as possible to check corruption.

"We are very keen to invest in Bangladesh. We are very optimistic about Bangladesh and Bangladeshi people. But the optimism sometimes turns into pessimism due to bureaucratic tangles and corruption", the UK minister said.

At present, there are British investments in around three or four major sectors like power generation, banking and information technology in Bangladesh.

Besides, there are so many British projects awaiting government approval.

Echoing his country's minister, the British High Commission in Dhaka said, "If the next government activates those projects in an efficient manner we would triple our investment in Bangladesh."

"We are eyeing a £240 million investment by 2007", said Anwar Chowdhury.

Laying emphasis on holding a free and fair election, he said, "Political parties have to be responsible for their leadership as because responsible leaders could not opt for violence in the election campaign and violence has no place in the democratic society."

He, however, said, "We are not taking any side."

On the current political problem centring the Election Commission, he said its solution should come from within Bangladesh. He also stressed the need for accommodating each other for resolving any political problem.

McCartney said that like other countries in Asia, Bangladesh has huge potential and the UK is look-

Teletalk signs \$1m service deal with India's Megasoft

OUR CORRESPONDENT, New Delhi

Teletalk Bangladesh Ltd has signed up India's technology company Megasoft to offer a suite of mobile services in a one million dollar deal.

Megasoft, based in the southern Indian city of Chennai, will provide a range of services including SMS auto correct and PowerRoam, said a statement issued by the company on Wednesday.

Teletalk Bangladesh Managing Director Mohammed Obaidullah said, "this is the first time 0.4 million subscribers in Bangladesh will benefit from a range of services and help in improved end-user satisfaction."

The deal has been bagged by Xius, the telecom division of the Indian company.

WB-funded social investment project changes life of 3m

A community driven development (CDD) approach has transformed life of about three million people of the poverty-prone northern region of Bangladesh in the last 3 years.

This has been possible due to a government-led initiative, Social Investment Programme Project (SIPP), with the assistance from the World Bank, according to a press release.

The SIPP is piloting new ways of delivering small-scale infrastructure services, social assistance and promoting income-generating activities for the rural poor. Started in 2003, the project has successfully enhanced poor people's voice and participation in local level development, and reached out to about 1.5 million poor people in more than 1000 villages.

Implemented by Social Development Foundation (SDF), the communities at the beginning identify their own development priorities and develop a Community Action Plan (CAP).

Under this initiative, advocacy and people's awareness are taking place in key areas of health, education and governance. Another component is providing piped water delivery to the rural communities. In addition, building on the experience of a first Monga mitigation pilot in 2005, a second pilot programme is being implemented this year to mitigate monga in a sustained manner.

KL continues to promote financial sector development

XINHUA, Kuala Lumpur

Malaysian government will continue to promote the sound development of the financial sector, Deputy Prime Minister Najib Tun Razak said Thursday.

"An efficient, dynamic and innovative financial system forms the foundation for a robust and strong Malaysian economy on our part, the government continues to take a strong interest in the development of the financial sector," Najib said at the opening ceremony of 11th Malaysian Capital Market Summit here.

The central bank and the Securities Commission launched the Financial Sector Master Plan (FSMP) and the Capital Market Master Plan (CMP) respectively in 2001, said Najib.

These master plans chartered an orderly development of the financial sector and capital market over a ten-year period, said Najib.

Noting the results have been "positive" so far, the deputy prime minister went on to say that major initiatives such as developing the corporate bond market and the Islamic financial and capital markets have achieved "outstanding results."

Meanwhile, the government has been beefing up efforts to enhance corporate governance, strengthen the regulatory framework, and promote consumer education as well as protection, said Najib.

Call for boosting EU trade with S Asia

SATIF forum ends in London

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The two-day South Asian Trade & Investment Forum 2006 (SATIF) ended yesterday in London with a call for increasing British and European trade with South Asian countries.

The forum also raised voice to support enough allocation of resources for promoting small and medium enterprises in the South Asian region.

The meeting brought together ministers, international media, global business leaders and as many as 300 delegates from the region and Europe who have business interests in the region.

Three plenary sessions on 'Building New Partnerships through Trade', 'Capital Markets Their Role in Mobilising Investment' and 'Opportunities for Small and Medium Enterprises' were held yesterday. Graham Hand, chief executive officer of British Expertise, Dr Indrajit Coomaraswamy, director (Economic Affairs) of Commonwealth Secretariat, and Yussuf Abdullah Harun, former president of the FBCCI, were present at the sessions.

Iqbal Ahmed, president of

Seamark, UK, Zameer Choudrey, chief executive officer of Bestway Group, Shri Saroj Kumar Poddar, president of Federation of Indian Chambers of Commerce and Industry, James Caan, managing director of Hamilton Bradshaw, UK, Maudood Ahmad Lodhi, managing director of Karachi Stock Exchange, Dr Clifford De Souza, chief executive officer of Emerging Markets Group, among others, also spoke, according to the SATIF website.

The speakers also discussed possible impact of trade agreements signed in and with the region and how capital markets can be strengthened to increase investment efficiency.

The forum gave specific focus on the sectors including information technology, telecommunication, transport logistic and infrastructure, oil, energy and gas, manufacturing and engineering, healthcare, pharmaceuticals and biotechnology, media, creative communications and tourism.

The meeting was arranged in a bid to explore regional trade and development opportunities in the region.

Two-day int'l entrepreneurs fair from today

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Young Entrepreneurs Society (YES), a platform of North South University students, holds two-day 'International Entrepreneurs Fair' in Dhaka from today to promote entrepreneurship among students.

A good number of participants, including representatives from Iran, Malaysia and Pakistan embassies, are expected to take part in 60 stalls of the fair at Gulshan Youth Club. Different small and medium entrepreneurs are expected to display their products including clay works, woodwork, boutique, and food items.

The entry fee is fixed at Tk 100 a person. The fair is open to all from 10am to 10pm, Saiful Huda Chowdhury Shatli, president of YES, said at a press conference in Dhaka yesterday.

Abdul Awal Mintoo, former president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), will formally inaugurate the fair. Hafiz GA Siddiqi, vice chancellor of North South University, will also be present.

On the sidelines of the fair, a fashion show and a concert will also be held on the last day, the organisers said adding that the fair will help students to have a closer look at the entrepreneurship ability.

China asks banks to go rural

AFP, Beijing

China is urging its commercial banks to spread out into the countryside, hoping to enroll the financial sector in a campaign to narrow a yawning income gap, a banking regulator said Thursday.

"We must encourage banks to channel more business to rural and western China," Tang Shuangning, vice chairman of the

China Banking Regulatory Commission, told a conference in Beijing.

China will work to expand financial resources available to western and rural areas as it pursues a more "harmonious" society, Tang said, referring to the government's effort to spread wealth more evenly.

The activities of financial institutions are heavily concentrated

along coastal provinces, and the gap between them and the hinterland is "not satisfactory," he said.

Only 15 percent of lending in China currently goes to rural areas, Tang added.

By contrast, more than half of China's 1.3 billion people live in rural districts, although many of them travel to the cities in search of employment.

'Baby Zinc' launched for treatment of diarrhoea

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The International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B) yesterday formally launched a zinc tablet named 'Baby Zinc' for the treatment of diarrhoea of babies aged between six months and five years.

ACME Laboratories Ltd is producing and marketing the medicine, which will be available from today. The price of 10 tablets is fixed at Tk 17.50.

Officials said Baby Zinc is a dispersible zinc tablet. Used in conjunction with oral rehydration salts (ORS), it is a life-saving treatment for young children suffering from diarrhoea as zinc, which is an essential mineral for the body of baby, is lost in greater quantities during diarrhoea.

It also helps increase immunity of a baby and reduce the frequent loose motion, they said.

"The new medicine can save the lives of around 50,000 children per year in Bangladesh alone," said National Professor Dr MR Khan addressing the launching programme at Bangladesh-China Friendship Conference Centre in Dhaka.

He also said every year around 94 children out of 1000 under five years die of diarrhoeal diseases in Bangladesh.

Among others, Dr Charles P Larson, head of Suzy project and director of Health Systems and Infectious Diseases Division (HSID) of ICDDR,B, Dr Azaharul Islam Khan, head of SSU of Dhaka Hospital, Rafiqul Islam, director, marketing and sales of ACME, singer Runa Laila and Shomi Kaiser, managing director of Dhansiri Media Production House, spoke at the function.



'Baby Zinc', zinc tablets for the treatment of diarrhoea of babies, was launched yesterday in Dhaka. Among others, National Professor Dr MR Khan, Charles P Larson, head of Suzy project and director of Health Systems and Infectious Diseases Division (HSID) of ICDDR,B, and singer Runa Laila were present at the launching function.

Indian leather sector set to reap WTO benefit

PALLAB BHATTACHARYA, New Delhi

Indian leather products, identified as a thrust area of growth, will get greater market access to developed countries under the World Trade Organization (WTO), according to Commerce and Industry Minister Kamal Nath.

"Indian leather products will not only get greater market access in developed countries in view of tariff elimination and reduction mechanisms through free trade agreements, regional trade and preferential trade accords but the cost competitiveness of the domestic manufacturers will improve further in view of gradual phasing-out import duties in India on inputs and machinery", he said on Wednesday.

Nath, speaking at a Leather Summit organized by the Centre for Leather Exports, said the Indian

government has identified leather sector as one of the thrust areas to push up the growth of the manufacturing sector and both Prime Minister Manmohan Singh and UPA Chairperson Sonia Gandhi see a great potential in it.

He said different Indian states have already agreed to remove octroi duty on inputs for export items. The states have been told to cut taxes levied on exporters to make Indian exports more competitive, he added.

The commerce minister said unless the states become friendly to exporters, the latter would move out to more hospitable destinations.

Minister of State for Industry Ashwani Kumar said the government plans a range of initiatives to make the leather industry globally competitive in terms of price, quality and range of products in order to achieve the seven billion dollar

export target by the year 2010-11.

At present, leather exports from India are pegged at 2.7 billion dollars annually, reflecting a growth of eight percent of the previous year.

Minister of State for Commerce Jairam Ramesh said Indian leather exports in the current fiscal is expected to be around three billion dollars, a growth of 11 percent.

Nath said the target of annual seven billion dollar export target could be achieved if the leather sector is able to clock a sustained 20 percent growth rate in exports.

He expressed unhappiness over poor investor interest in the sector and pointed out that so far foreign investment is less than 0.5 percent of total FDI inflow into India. This trend needs to be changed, he added.