

BOI targets \$1b FDI by 2006 law and order remains major hitch, roundtable told

STAR BUSINESS REPORT

While the Board of Investment (BOI) has fixed one billion US dollars direct foreign investment target in the next four years, participants at a roundtable yesterday called for improving law and order situation and reducing corruption for meeting the target.

They said that corruption has spread its wings from upper to lower level of government institutions and this stands in the way to increasing both foreign and local investment in the country.

They identified lack of information flow, inadequate infrastructure, bureaucratic bottleneck and complicated registration process as hindrance to the flow of investment.

The observations were made at a BOI roundtable 'Bangladesh Investment Roundtable: BOI Strategic Promotional Plan' held at a city hotel yesterday. BOI organised the roundtable to get views from a cross-section of civil society, foreign investors, professionals, researchers, non-government organisations, media representatives and donor agencies.

BOI Executive Chairman Mahmudur Rahman gave a presentation on the strategic promotional plan of the BOI where he said the board hopes the FDI to reach US\$ one billion by 2006. The investment size in 2001 was

US\$ 78 million, he said.

He said the opinions of the roundtable would be helpful in developing a mid-term Strategic Investment Promotion Plan (2003-2006) of the BOI.

European Union (EU) Charge d Affairs Anne Marchal said political instability was standing in the way of foreign investment in Bangladesh.

Centre for Policy Dialogue (CPD) Executive Director Debapriya Bhattacharya said if there is no improvement in the law and order situation all the development policy will fade.

He also said that the country needs to improve its image abroad and ensure latest information to tap FDI. "Real time information is needed for policy makers to make a development policy for the country."

He also put emphasis on the need of inter-regional and intra-industrial trade for increasing foreign direct investment (FDI). "The European countries' trades conduct 60 to 70 per cent trade among themselves."

British American Tobacco Bangladesh (BATB) Managing Director Stephen Daintith said stability, consistency, consolation and simplicity in doing business are the four major conditions for increasing the investment.

Siemens Bangladesh Limited Managing

Director Peter E Albrich said the country should initiate promotional activities to improve its image to increase foreign investment.

Echoing the remark of Siemens MD, KAFCO Managing Director Richard W Arnold called for improving the conditions at the Zia International Airport.

Foreign Investors' Chamber of Commerce and Industry (FICCI) President Wali Bhuiyan said it has become a set rule to have changes in some vital posts with change in government.

"As BOI Executive Chairman is a political appointee, it is not possible to make long term success in BOI," the FICCI president said.

BRAC Executive Director Abdul-Mueed Chowdhury said frequent policy changes stalls investment growth.

He recalled an incident where government had approved registration of Korean EPZ but subsequently cancelled the registration. "Such incidents are dark episodes for the country as it definitely tarnishes the image of the country abroad."

Holcim (Bangladesh) Ltd Managing Director and CEO Ramit Budhraj said it took him six hours to reach Mongla Port, the second largest seaport of the country. "If such is the situation how would it be possible to

increase investment," he added.

Budhraj said investment would rise through dissemination of successes of present investors. "So it is BOI's duty to satisfy the existing investors in the country," he added.

North South University Pro-Vice Chancellor Hafiz GA Siddiqi said there is lack of good governance and presence of corruption in many other countries of the world that includes Sri Lanka, China and Vietnam. "In spite of this, they are able to pull huge foreign investment by their official capability," he added.

Dhaka University Institute of Business Administration Director Anwar Hossain said BOI should identify some potential sectors and develop those for attracting investment.

Holiday Editor Enayeturrahman said improvement of communication system and development of Chittagong port is needed for increasing investment.

News Today Editor Rezauddin Ahmed said there is ample example of drop out of investment after registration because of bureaucratic inefficiency at the registration system. "It should be reduced," he added.

CM Alam, managing director of Industrial Promotion and Development Company of Bangladesh (IPDC) said BOI should show strong commitment on increasing investment to the world.



Members of a faction of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), under the banner of FBCCI Sangkar Sangram Parishad, form a human chain in front of the Federation building yesterday demanding direct election to all posts of the apex trade body's executive committee.

Unemployment challenges Bangladesh 25 to 30m new jobs needed by 2015: ADB

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Bangladesh's main challenge ahead is unemployment and the country needs to find around 25 to 30 million new jobs by 2015, said Asian Development Bank (ADB).

In its Quarterly Economic Update, Bangladesh, September 2002, the ADB also observed the country's unemployment would not significantly decrease if the average annual GDP growth rate remains at four to five per cent.

For significant decrease in employment situation, GDP growth rate, led by industry and services, has to increase to around seven to eight per cent on an annual basis, the

ADB observed, stating that the recent economic growth of Bangladesh is 'too low to create sufficient job and reduce poverty.'

"Evidence from elsewhere indicates that new jobs cannot be created and poverty cannot be alleviated without strong and broad based economic growth," ADB has said in the quarterly update. About one million people joined the country's labour force annually since the beginning of the nineties, it said.

The main challenge facing Bangladesh is to create productive and gainful employment opportunity for the large number of unemployed people and those entering its expanding labour force, the ADB

stated.

The ADB report has, however, predicted an accelerated economy of the country in the upcoming months. "The GDP growth rate for FY 2003 is expected to increase to 5.4 from an estimated 4.2 per cent during FY 2002, due to a measured recovery in both external and domestic demand," the ADB said.

ADB Country Director Toru Shibuichi released the update at a press conference in the city yesterday.

"We are cautiously optimistic," said Purnima Rajapakse, head of Economics Unit of ADB Bangladesh Resident Mission at the press conference, making his observation that the

law and order situation needs to be addressed.

He also stressed the need for improving investment climate as well as greater efforts in diversification of export base as the donor agency is expecting a pickup in the world economy.

Regarding the political situation, the ADB report said, "The government and the major opposition political party are yet to sort out their differences on national issues. A weak law and order situation continues to adversely affect the development activities and investment climate in the country."

The report said there has been increasing signs that the domestic

economy has stabilised in recent months. "Revenue collection during the first quarter of FY 2003 is encouraging, exports are picking up, the growth in remittances shows no sign of abating, and reserves remain at healthy levels," it said.

Although inflation accelerated relatively sharply in July 2002, this was due to seasonal factors and is expected to moderate in the months to come, ADB said.

ADB expected the medium and large-scale manufacturing output, which has been facing downside since May, will rebound during the course of the current fiscal year due to a projected stronger demand in the main export markets.

Prospect of jute lies in producing paper pulp

Roundtable on diversified use of jute observes

STAR BUSINESS REPORT

The country has many comparative advantages in making paper pulp from green jute and it can bring millions of dollars through exports.

The speakers at a roundtable on 'Diversified Use of Jute and Its Potentiality' in the city observed this yesterday. Minister for Jute Hafiz Uddin Ahmad attended the roundtable as the chief guest.

Jute experts, high government officials, jute mill owners, jute goods producers, jute exporters, traders and bankers took part in more than three hours long discussion on the future of jute sector.

The speakers said the government should encourage the paper pulp making industry from jute plants while diversifying jute sector as it has immense potentiality and the country can earn huge amount of money through exporting it after meeting local demands.

A project for making paper pulp from jute plants was taken during the previous BNP rule and it was abandoned following some miss understanding among the entrepreneurs and policy makers.

"Still Bangladesh can make a breakthrough by developing the sector and government would not have to seek foreign aid for poverty alleviation," observed former industry minister Zahiruddin Khan, who had initiated the project.

The project had opened a window of opportunity, which Bangladesh should not miss again, Khan said, adding that if any other country had such comparative advantage like Bangladesh it would have made fortune by the time, he said.

Initially, there was lack of mechanism for preserving green jute for long time but now the technology is available and the raw material can be preserved for at least for six months, the former minister said.

Khan sought a review of the project, saying a committee should be formed for evolving the process how the sector can be revived.

Speaking on the occasion, Jute Minister Hafiz Uddin Ahmad observed the jute sector had immense potentiality to be diversified. He admitted the sector has failed to produce any positive result because of massive corruption by government officials.

According to him, more than 90 per cent people in the sector are corrupt. He said the diversification project should be taken up by the private sector because the government has no intention to invest any more money in this sector.

He informed the roundtable that a Jute Diversification Promotion Centre was set up by the government and a total of 16 projects for diversified use of jute have already been taken, the minister said.

Abdul Halim, a former official of the European Commission (EC) in Bangladesh, told the roundtable the potential of pulp making from jute plants was sky high in Bangladesh.

He said Bangladesh can earn at least Tk 5,000 crore annually by exporting paper pulp through increasing jute products. He said the demand for paper pulp in the world market is also unlimited.

Halim regretted the country could not utilise the huge allocation by the World Bank under Jute Sector Adjustment Credit Programme.

The project with the allocation of Tk 1,250 crore was suspended following the government inefficiency in handling the matter, Halim said.

Some entrepreneurs urged the government to arrange bank loan at lower interest rates and ensure availability of jute yarn at lower price for diversified use of jute.

Prof. Abu Ahmed said although despite good demand for jute in the local market but it is not available.

Dr. Abdullah, Shamsul Huda Ahmed, Mokhtar Hosaain, Shahedul Islam,

Tareq Shamsur Rahman, Mohammad Ali, Dr. Mohiuddin Sirajul Haque and A S M Abdul Halim were the other prominent speakers at the round table.

BTMA against closing down ICD

UNB, Dhaka

Textile sector people expressed grave concern over the government's consideration of closing down the Inland Container Depot (ICD) at Kamalapur because of "massive misuse" of bonded warehouse facilities.

Closing down the ICD would be a suicidal step, fabric manufacturers and textile product processors said in a meeting Monday at BTMA conference room.

Instead, efforts should be made to plug the back-holes through which misuse of bonded warehouse facility was being committed, they suggested.

Chaired by Abul Quasem Haider, Vice Chairman of BTMA, the meeting observed that local fabric is facing uneven competition with the smuggled fabric and leakage from the bonded warehouses.

Consequently a huge quantity of locally manufactured fabric is stockpiled with various mills, it said.

Reduction of cash assistance from 25 percent to 15 percent is another blow to the industry, as this amount of cash incentive would not help make local fabrics competitive in price.

Cumulative outstanding of previous cash incentive has snowballed to an alarming figure due to long non-disbursement and the matter is now subjected to a lengthy procedure of audit clearance, it said.

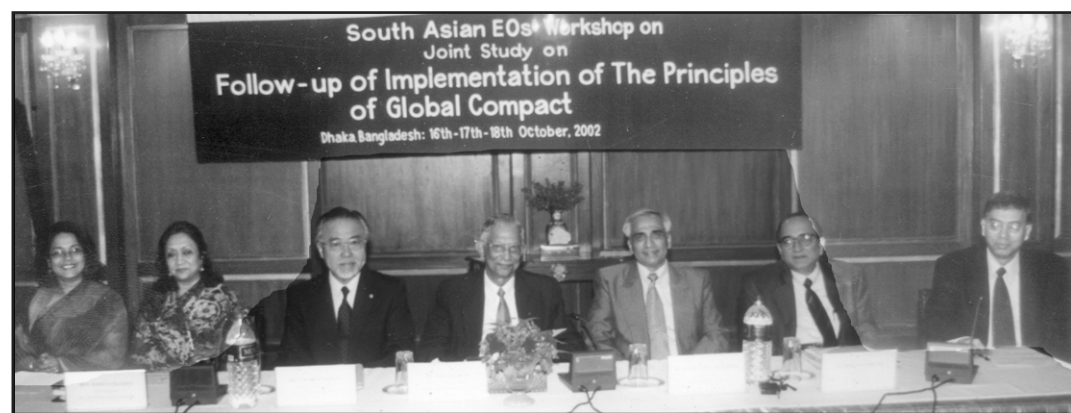
New advisor of DNS Group



Mahfuzul Haque Sufyani, former deputy managing director of Arab Bangladesh Bank Ltd, has joined DNS Group as its advisor, says a press release.

Sufyani served 34 years in the banking sector starting from United Bank (now Janata Bank) in 1967 to Arab Bangladesh Bank till 2001 and held different responsible positions.

DNS SatComm Ltd, a concern of DNS Group, is implementing "BANCNET", ATM and POS network in the country, for the banks.



Iftekharul Alam (Centre), president of Bangladesh Employers' Federation, inaugurated a three-day "South Asian Employers' Organisations Workshop on Joint Study on Follow-up of Implementation of the Principles of Global Compact" jointly organised by Bangladesh Employers' Federation (BEF) and Nikkeiren International Cooperation Centre (NICC), Japan, at the BEF Conference Hall in the city yesterday. Gopal Bhattacharya, director, ILO Area Office, Dhaka, Toshio A Suzuki, managing director, NICC, are also seen in the picture.

Indo-Bangla seminar on trade starts in Ctg today

STAFF CORRESPONDENT, Ctg

A two-day seminar on 'promotion of trade and investment between Bangladesh and North eastern states of India' jointly organised by Chittagong Chamber of Commerce and Industry (CCCI) and the high commission of India, Dhaka will begin at the CCCI conference hall today.

The seminar has been organised to increase business activities between Bangladesh and north-eastern states of India. CCCI officials said.

At a joint press conference at the conference room of CCCI yesterday, Indian officials said that India

was keen to promote a trade and investment link between its north-eastern states and Bangladesh.

They said that business people of both north eastern states and Bangladesh could come forward to develop more trade and investment by resolving the problems through mutual understanding.

At the press conference R.R. Dash, minister (economic & commercial), high commission of India, Dhaka, V. Thulasidas, chief secretary, govt. of Tripura, India and Ashok Das, assistant high commissioner of India, Chittagong spoke on behalf of Indian high commission while president of CCCI Amir Humayun Mahmud

Chowdhury and other directors for Chittagong chamber.

Replying to a question the Indian officials said that further measures were being taken to narrow down the trade imbalance between the two neighbouring countries.

CCCI president said that the seminar was organised to identify the areas of interests in the field of import and export trade between Bangladesh and north eastern states of India.

He said that both the governments would need to have a bilateral study group for identifying the potential areas for developing trade and investment.

Finlay Tea sales representatives' confce held

A conference of the sales representatives of Finlay Poly Bag Tea of Dhaka Region was held on Saturday, says a press release.

Morshed A. Chowdhury, manager of Dhaka branch, presided over the conference.

Chowdhury answered different marketing and sales related questions raised by Finlay Tea sales representatives.

Bank holiday on Tuesday

UNB, Dhaka

Bangladesh Bank and all scheduled banks will remain closed on Tuesday on the occasion of holy Shab-e-Barat, a Bangladesh Bank press release said yesterday.

ONE Bank course on prevention of money laundering begins

ONE Bank Limited started a nine-day training programme on "Prevention of Money Laundering" at the bank's head office in the city yesterday, says a press release.

The training programme was formally inaugurated by Md Abdul Matin, General Manager of Anti-Money Laundering Department of Bangladesh Bank.

In his inaugural speech, Md Abdul Matin appreciated the Anti-Money Laundering Manual prepared by ONE Bank Limited that outlines operational control, procedures and guidelines for prevention of money laundering.

Mirza Ejaz Ahmed, managing director of ONE Bank Limited, also spoke on the occasion that was marked by an interactive discussion participated by the members of the bank's Central Compliance Unit, compliance officers of branches, head office division heads and manager and principal branch.

Following the inaugural programme, A K M Mustafizur Rahman, deputy general manager, Anti-Money Laundering Department of Bangladesh Bank, conducted the first day of the training programme.

Plastic fair begins Oct 23

STAR BUSINESS REPORT

Plastic goods manufacturers are going to hold a three-day fair at the Bangladesh-China Friendship Conference Centre in the city from October 23 to October 25 to showcase their latest products.

The plastic product fair, to be organised under the aegis of the Bangladesh Plastic Goods Manufacturers Association (BPGMA), will have around 70 stalls.

Finance and Planning Minister M

Saifur Rahman is expected to inaugurate the fair, the first of its kind.

Commerce Minister Amir Khosru Mahmud Chowdhury, State Minister of Commerce Barkatullah Bulu and FBCCI President Yusuf Abdullah Harun will also attend the inaugural session.

"The main purpose of the exposition is to inform local and foreign buyers about local plastic products," said BPGMA President Yusuf Ashraf at a press conference at the Dhaka Reporters Unity auditorium.

Among others, BPGMA Vice President Abu Bakkar and General Secretary ATM Iqbal attended the conference.

The association leaders said a number of foreign buyers are also expected to visit the exhibition.

"The country earned about Tk six hundred crore last year by only exporting the plastic products. USA, Singapore, Canada and European countries are the major markets of Bangladeshi plastic products," BPGMA president said.

IT fair in festive mood 15,000 visitors form crowd Wednesday

STAR BUSINESS REPORT

The 11-day 'City IT 2002' fair that started on Thursday at BCS Computer City in the city's Agargaon area was wrapped up in a festive mood yesterday as almost 15,000 visitors thronged the fair.

As many as 170-computer hardware, software, games, multi-media CD firms and Internet service providers (ISPs) are taking part in the fair.

The exhibitors pile up their stalls with many fancy computer goods. "Arm free pad" is one of them that came to the fair. This pad provides ache-free mouse for Tk. 200 only.

Many of the exhibitors are offering computers on installments.

The Convenor of the City IT 2002 Azimuddin Ahmed told the reporters that if the younger generation rush to take this benefit of technology, then they can survive better in the IT sector.

"But we have to make the best use of the box if we want a quick return," he added.

Yesterday visitors rushed to the free cyber cafe set up inside the fair compound. People can browse Internet attached to radio link, the broadband Internet connection provided by Global Access Ltd.

A regular event is held everyday at 5 pm. People interacted vigorously in yesterday's event titled 'your new business in IT'.

A painting competition will be held tomorrow at the fair venue. The competition for 5-8 and 8-12 age group will be held at 11 a.m.

People get free coupon if they purchase computer goods of at least Tk. 1000. At the end of this fair a raffle draw will be held on this coupon.

Ten people will be awarded with 53-inch TV, washing machine and refrigerator through this raffle draw.

The City IT 2002 Fair will conclude on Sunday.



Picture shows Md Abdul Matin, general manager, Anti-Money Laundering Department of Bangladesh Bank, Mirza Ejaz Ahmed, managing director, Kaiser A Chowdhury, deputy managing director of ONE Bank Limited, and participants at the inaugural session of a training programme on prevention of money laundering in the city yesterday.