

Govt plans to go for image improvement mission

Bid to woo more FDIs

STAR BUSINESS REPORT

In a bid to attract more foreign direct investments (FDIs), the government is going to adopt a promotion plan to improve Bangladesh's image abroad.

The Strategic Country Promotional Council, a public-private body formed to work on bettering the country's image, has been asked to prepare such a plan by November 7 for increasing investment.

The target of the Country Promotion Plan will be to raise the investment ratio from present 17.5 percent to 21 percent of the GDP (Gross Domestic Product) in a year.

At its first meeting yesterday, the 8-member council observed that building

ing a positive image with help of private sector and the media is vital to woo investment.

Briefing reporters after the meeting at the Board of Investment (BoI), Foreign Minister M Morshed Khan, head of the council, said, "Apart from private sector we would seek a report from media people on how to focus positive things."

"It's crucial time to work on the image of the country as quota regime will expire within few months. Many fear that export orders may shift to other countries," he said.

The foreign minister however hoped that joint initiatives of the government and private sector could

bring good results.

On implementation of the promotion plan the country will be able to attract more FDI as well as foreign tourists, he said.

Morshed said the country needs more foreign and local investment to achieve the target of halving poverty by 2015 under the UN Millennium Development Goals.

Formed on August 7 with government and private sector representatives, the council will submit its report to the prime minister for taking necessary actions.

The council comprises executive chairmen of BoI and Bangladesh Export Processing Zones Authority,

FLOOD DAMAGE
Govt asked to create Tk 300cr fund for women entrepreneurs

STAR BUSINESS REPORT

Women entrepreneurs yesterday urged the government to create a Tk 300 crore fund for rehabilitating their flood-affected enterprises.

"At least 40 percent of the total 6.3 lakh women entrepreneurs have been affected by this year's flood," said Selima Ahmad, president of Bangladesh Women Chamber of Commerce and Industry (BWCCI), at a press conference at the Jatiya Press Club.

She said the women entrepreneurs who incurred huge losses due to the devastating flood urgently need financial supports for survival.

The CEOs also said the banks will expand their investments in new areas through syndication loans.

The bankers also identified poor law and order as impediment to new investments.

On rural loan disbursement, leading bankers asked the government to change definition of 'rural branch' of banks.

At present, bank branches located outside municipalities are defined as rural branches. But branches located at the thana headquarters should be termed as rural branches, the meeting observed.

According to the Bangladesh Bank, PCBs contribute only one percent to the total rural loan disbursements in the country.

PCBs now turn to new investment areas

Focus on electricity, port, telecoms

STAR BUSINESS REPORT

Finding it hard to invest in traditional sectors, private commercial banks now turn to new areas such as electricity, port and telecommunications for better use of their idle funds.

Chief executive officers of private commercial banks (PCBs) at a meeting yesterday in Dhaka observed that the amount of excess liquidity with the PCBs stood at Tk 12,000 crore until June this year, but the banks failed to make proper use of the idle money.

The CEOs also said the banks will expand their investments in new areas through syndication loans.

The bankers also identified poor law and order as impediment to new investments.

Cut insurance premium rate to help face quota-free era

BGMEA urges insurance association

STAR BUSINESS REPORT

Apparel exporters yesterday urged insurance companies to cut premium rate for marine and fire insurance and contribute to their cost-cutting efforts to become more competitive in the quota-free era.

BWCCI Vice-president Sangita Ahmed and Treasurer Nasim Ara Hossain were also present at the press conference.

Mitsubishi plans to enhance car business in China

AFP, Tokyo

Beleaguered Japanese carmaker Mitsubishi Motors Corp. said Wednesday it planned to enhance its business in China by raising its stake in a joint venture.

"Under our revival plan we plan to start selling vehicles under our own brand name by raising our stake in a joint venture in China," the company said in a statement.

"We are cautiously considering raising our capital participation ratio," the fourth-largest Japanese carmaker said without naming specific partners.

The statement followed a newspaper report Wednesday that Mitsubishi Motors planned to build a factory in China with local medium-sized automaker Hunan Changfeng Motor Co.

Mitsubishi Motors called Hunan Changfeng Motor "an important partner in our business in China," but added: "We are studying collaboration in the future but nothing definite has been decided at the moment."

Mitsubishi now owns a 20 percent stake in the Chinese automaker, which has been engaged in licensed production of the Pajero sports utility vehicle and other Mitsubishi models under the Hunan Changfeng brand.

Indian July trade deficit nearly doubles to \$2b

REUTERS, New Delhi

Rampant growth in imports led to a surge in India's trade deficit to \$2.0 billion in July and analysts said Tuesday it could widen further due to the soaring price of crude oil, India's biggest import item.

Government data showed July's deficit had nearly doubled from \$1.08 billion a year before. Exports were 19 percent higher in the year to July as global demand picked up, while a rapidly growing domestic economy boosted imports by 31 percent.

"Looking ahead, we are going to have a year of great trade deficit due to high oil prices," said Tapan Bhaumik, senior policy adviser with industry lobby Confederation of Indian Industry.

Global oil prices have been at record highs of nearly \$46 a barrel. This has hurt India, Asia's fourth-largest economy, as it imports nearly 70 percent of its requirements.

India's exports between April and July, the first four months of the fiscal year to March 2005, rose 25 percent to \$21.93 billion from \$17.46 billion in the year-ago period.

India's new Congress-led coalition government has said it will aim to sustain double-digit export growth and meet the target of grabbing a one percent share of global trade from the present 0.7 percent. It has set an export growth target of 16 percent in the fiscal year to March 2005.

of insurance to take up steps to rationalise the rate. He told the meeting that high premium increases cost of business.

A total of 3,000 garment units pay Tk 15 crore premium a year for fire insurance and Tk 30 crore to Tk 35 crore for marine insurance but the rate of claim and settlement is low, he said urging insurance companies to slash premium by 50 percent.

Managing Director of Sadharan Bima Corporation Sirajul Islam, Chief Controller of Insurance Firoz Ahmed also attended the meeting.

Asia jet fuel demand on rise

REUTERS, Singapore

The growth of no-frills airlines in Asia Pacific is set to bolster regional jet fuel demand in the next five years, as they expand their fleet and flights, industry sources said Tuesday.

These carriers are now at their infancy and consuming just two percent or less of jet fuel in the region, but this could grow to as high as 20 percent in a decade, they said.

"In the next five years, these

carriers could hit six to seven percent of jet fuel consumption in Asia Pacific. They encourage more travel and there is a lot of potential," said an oil industry source, adding the target group was different middle to low income.

Worldwide demand for jet fuel is expected to hit around 63-64 billion US gallons this year and could rise to an estimated 65 billion gallons in 2005, another oil industry source said.

Asia Pacific makes up 21 percent of



Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Annisul Huq and Bangladesh Insurance Association (BIA) Chairman Nasir A Choudhury, among others, are seen at a meeting on insurance issues held between the two associations in Dhaka yesterday.

India's crumbling Silicon Valley losing its lustre

AFP, Bangalore, India

The success of India's hi-tech and outsourcing industry was built on Bangalore, but the southern city where the boom began has now become a victim of its own success.

The rapid growth is putting major pressure on the city's already congested roads and software firms complain that acute power cuts are taking a toll on business.

According to the Software Technology Parks of India, which facilitates hi-tech exports, 284 technology firms have set up base in the "Silicon Valley" of India over the last two years taking the total to 1,322.

The justice ministry has been engaged in a vicious year-long battle with Yukos that some analysts suggest is spinning out from under the Kremlin's control.

Yukos will use the money to help offset the back tax bill. Court bailiffs had opposed the sale, but appear to have been unable to block the sale as it took place largely offshore," the Renaissance Capital investment bank said.

The revision came as Google disclosed in an amended filing that the U.S. Securities and Exchange Commission has asked for "additional information" about the publication of a Playboy magazine article featuring an interview with Google's co-founders.

The IPO of the world's most popular Web search engine is now slated to raise as much as \$1.9 billion, far lower than its previous size of as much as \$3.5 billion. Trading could begin as early as Thursday.

Google, whose unusual auction IPO has attracted skeptics since it was announced in April, now estimates its shares will price between \$85 and \$95 each down from \$108 to \$135, amid a jittery market for technology shares and IPOs in general.

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