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DAKA SUNDAY DECEMBER 19, 2004 E-mail: dsbusinse@gononet.com

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সময়: সকাল ১০টা মেলে রাত ১০টা পর্যন্ত (ক্ষমতা রাখিবাদের জন্য)

2-day Bangladesh Malaysia Business Forum kicks off

Move to help establish contacts, explore investment opportunities, expand markets

M SHAMSUR RAHMAN

Aiming to help businesses of Bangladesh and Malaysia establish contacts, explore investment opportunities and expand markets, a two-day Bangladesh Malaysia Business Forum kicked off yesterday.

A 72-member high profile business delegation is attending the two-day event organised by Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI).

The trade delegation includes some 15 members from manufacturing sector, eight from the medical service sector, representatives from the service industry, education and skill training providers and representatives of Telekom Malaysia.

Malaysia, after the USA and the UK, is the third largest source of foreign investment in Bangladesh. Bangladesh offers vast potential market of its own and also provides the access to the huge South Asian market.

On the sidelines of the two-day forum, three memoranda of understanding were signed. The memoranda include a joint partnership agreement signed between Pensonics Malaysia and Daffodil Computers under which Pensonics Malaysia will develop the market within one or two years and then set up a manufacturing plant in Bangladesh.

Pensonics presently exports its products to 26 destinations and in Bangladesh the company plans to foray into entry-level home appliance market in Bangladesh.

Another MoU was signed between BMCCI and the Federation of Malaysian Manufacturers while the third MoU was signed between the United group and a Malaysian company on joint venture investment in developing health care facilities in Bangladesh.

The two-day event was divided into six separate business sessions. On the first day the participants focussed on cross-border investment, trade regime in post-Geneva

perspective and bridging the digital divide.

Today the three sessions will highlight issues on infrastructure development, export of food products to Malaysia and tourism and aviation sectors.

Finance and Planning Minister M Saifur Rahman, Foreign Minister M Morshed Khan, Commerce Minister Altaf Hossain Chowdhury, President of Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) Abdul Awal Mintoo and President of BMCCI Salauddin Kashem Khan addressed the opening session yesterday.

Malaysia presently has investments worth US\$530.4 million in Bangladesh's telecoms, power and infrastructure sectors.

In the opening plenary session of the Forum Dr Mahathir Mohamad presented a keynote speech titled 'Malaysia 2020-From Vision to Reality'.

The trade and statistics between Bangladesh and Malaysia show that

in 2002-03 fiscal Bangladesh exported products and services to Malaysia worth about \$4.71 million against the import from Malaysia of around \$169.42 million in the same fiscal.

The exports from Bangladesh to Malaysia rose to around 50 percent at US\$ 8.65 million in the fiscal 2003-04.

Malaysia imports camera parts, jute yarn, manufacturing items, leather, ready-made garments, pharmaceutical products, shrimp, printed materials, vegetables and other agro-based products.

The HSBC Bank, Aitel, Telekom Malaysia, Prime Bank, Electra International Ltd and FBCCI are the main sponsors of the event while Huawei, Eastern Bank Ltd, Ericsson, Islami Bank Bangladesh, Jubok Phone, Alcatel, West Mont Power, Malaysia International Shipping Corporation and Pragati Insurance are the co-sponsors. The event is managed by Conference and Exhibition Management Services.

Malaysians eyeing to relocate industries in Bangladesh

Visiting trade team leader tells *The Daily Star*

M SHAMSUR RAHMAN and ASHFAQ WARES KHAN

Visiting leader of the 72-member Malaysian business delegation Datuk Mustafa Mansur said the high level of skills of Bangladeshi workers engaged in different manufacturing plants in Malaysia has generated tremendous confidence in Malaysian entrepreneurs which is manifested through the visit of the high-profile delegation to Bangladesh.

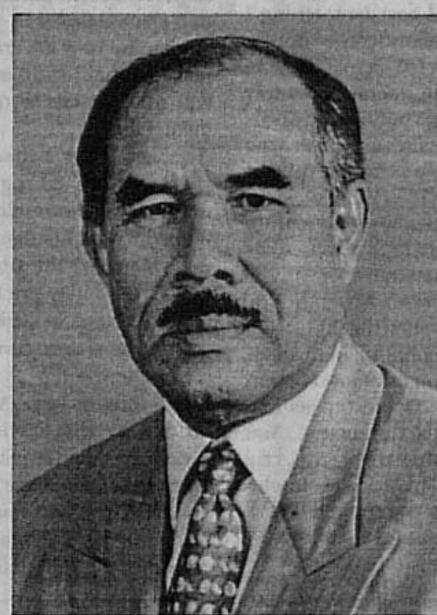
In an exclusive interview with *The Daily Star* on the sidelines of the Bangladesh Malaysia Business Forum yesterday, Mansur said the Malaysian businesses are looking at options to relocate their industries in Bangladesh in order to use the "excellent human capital" and preferential trade concessions to explore the developed markets.

"We are encouraging traditional labour-intensive industries to explore new trade opportunities for Bangladesh," said Mansur referring to the human resources available here. "You should not see the huge population as a liability, but as an important resource."

Mansur is the president of Federation of Malaysian Manufacturers, the biggest business chamber of manufacturing industries in Malaysia encompassing 82 percent of Malaysia's exports.

He said presently Bangladesh gets trade concessions in the form of generalised system of preference (GSP) from the 25-member European Union. "We understand that the size of EU will expand with new members waiting to be incorporated into the forum."

Besides, Bangladesh has a number of



Datuk Mustafa Mansur

untapped sectors with provision of cheap labour and overhead costs which will attract Malaysian foreign investments. "Costs in China are cheap, but it will not remain so for much longer with business centres in Shanghai and Beijing already becoming very expensive."

Malaysian business interests in Bangladesh are currently focused around outsourcing, especially in the growing automotive sector in

Malaysia. In the global perspective, Bangladesh will be attractive with its cheap labour and being next to one of the bigger players of global outsourcing, India.

"Gone are the days of competition when nations had to try to kill each other's markets. The present day approach is to move towards strategic alliances on bilateral, sub-regional and regional levels," president of Federation of Malaysian Manufacturers said.

He said Bangladesh is strategically wedged between two of the fastest growing economies of the world -- China and India -- and can really take advantage through investing heavily in developing infrastructure to profit from its position.

Mansur noted, "With only two ports, a lot needs to be done. To be a really good trading nation in infrastructure as well as handling cargo, immigration and customs need to be overhauled."

"There is room for plenty of expansion in the construction industry since a lot of infrastructure developments are to take place in Bangladesh. Malaysia has strength in steel and cement manufacturers which can cater to the future needs of Bangladesh," Mansur added.

Noting that French company Lafarge has been one of the rare companies to see the massive potential in that sector, he said, adding that Malaysia's booming steel and cement industry are paying attention to the potential.

He said economic development is linked to social and political stability. "Once economy is tuned to take the right direction all the social and political unrest will be over in due course."

Assess strengths, needs before going for FTA

Speakers tell business session on bilateral FTA possibility

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for them, he said observing the country can be a very attractive destination for investment from Malaysia.

As Bangladesh is a least developed country (LDC), it has market access to European Union, Canada, Japan, New Zealand, Australia, he said.

"Our export possibilities have also expanded significantly due to our induction in the regional blocs/FTAs. So far, going to be implemented by 2006. As a result, we may take advantage of our geographical location for exporting to North-eastern states of India apart from trade with Nepal and Bhutan," he added.

The big export giants may lose their competitiveness due to cost escalation resulting from continuous growth. This is going to happen, for example, in China due to the fact that cost of their production will go up as oil price is rising, the FBCCI president added.

Minto observed China has to restructure its banking and financial credit institutions under world pressure. Besides, it will have to revalue its currency, which is now undervalued by 30 to 35 percent.

President of Dhaka Chamber of Commerce & Industry (DCCI) Sayeedul Islam said investment should come from Malaysia if there is an FTA between the two countries.

"Malaysian entrepreneurs

Mahathir says 'no' to Microsoft

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Dr Mahathir Mohamad said Bangladesh should prefer Linux operating system to Microsoft in order to leapfrog in the ICT sector.

While highlighting the key factor behind Malaysia's success in ICT sector, Mahathir said the Malaysian government did not adopt the "monopolistic and proprietary" computer operating system of Microsoft.

"We have standardized the use of Linux instead, which is based on open standards," said the former Malaysian premier while answering the audience after his remarkable keynote speech at the inaugural session of Bangladesh-Malaysia Business Forum yesterday.

He gave credit to user-friendliness of Linux for Malaysia's tremendous success in e-governance, e-business and e-learning. Mahathir said the Bangladesh government's ICT policy should also make Linux the national standard of computer operating system.

should invest here but FTA should not only focus on products. Sending more workers in Malaysia should also be considered," he said.

Islam said both the governments should consider establishing training institutions for training workers to meet the needs of Malaysia.

Turn digital divide into dividend

Experts tell business session on ICT development

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Bangladesh can be tremendously benefited by the experience of Malaysia in developing information communication technology (ICT) sector.

The only need for this is to 'turn the digital divide into digital dividend' through cooperation and joint ventures, speakers observed at a business session of Bangladesh Malaysia Business Forum.

Syed Marghub Morshed, chairman of Bangladesh Telecommunications Regulatory Authority (BTRA), chaired the session titled 'Bridging Digital Divide' at Sonargaon Hotel.

Speakers said the existing digital divide faced with the lack of e-mail facilities, telecommunications, mobile phone services between the two countries. "Such gaps should be reduced for overall economic cooperation between the two Muslim nations."

While addressing as chief guest at the session Minister for Post & Telecommunications of Bangladesh Md Annurul Haque said: "We want to share experience of Malaysia and be a development partner in ICT sector."

He said Bangladesh is lagging far behind India, China and even Pakistan in this regard. "But we have determination to go ahead with our limited resources."

The minister, in this regard, mentioned various steps taken by the government to deregulate the telecommunications sector. He hoped that Bangladesh would be linked with the information superhighway early next year.

"We can expect a remarkable change in the sector after being connected with the super highway and hope our younger generation will fulfil our goal" he assured the Malaysian delegates.

IT expert Prof Jamilur Reza Chowdhury of Bangladesh and Haji Ismail from Malaysia also spoke at the function.

Chowdhury in his key note speech observed



Syed Marghub Morshed, chairman of Bangladesh Telecommunications Regulatory Authority, speaks at a business session on "Bridging Digital Divide" in Dhaka yesterday. Minister for Post & Telecommunications Annurul Haque, IT experts Prof Jamilur Reza Chowdhury of Bangladesh and Haji Ismail from Malaysia also spoke at the function.

that Malaysia has great potential to develop business in Bangladesh as the ICT market is yet to expand much.

Explaining various aspects of ICT development in Bangladesh, Chowdhury said several thousand IT graduates come out from the universities and the technical colleges every year here. The emerging requirements for these IT experts would be met very soon, he hoped.

He, however, observed the progress in infrastructural development in this regard is not satisfactory. "Only 1.5 million people in Bangladesh have access to e-mail facilities. On the

other hand, access to telephone facilities in the rural areas is much less than one per cent," he noted.

Haji Ismail said the Islamic states should not miss the benefits of IT in developing their country and glorifying Islamic values.

The Malaysian IT expert said private sectors need political leadership and policy guideline for development in this sector.

Referring to various policies and infrastructure developments in Malaysia in this regard, Ismail said all schools concentrated on IT related education in Malaysia following a policy framework launched recently.

Dhaka well staged to attract foreign direct investment: Speakers

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Bangladesh has emerged as a prospective country for attracting foreign direct investment (FDI), considering its duty and quota free access to some major markets including European Union, speakers told a business session yesterday.

Bangladesh-Malaysia Chamber of Commerce & Industry (BMCCI) organised the session on 'Trade and Investment: Cross Border Investments can Bangladesh be an ideal location to attract Malaysian investment?' as part of first Bangladesh-Malaysia Business Forum at Sonargaon Hotel in Dhaka yesterday.

Eminent economist and former advisor to the caretaker government Professor Wahiduddin Mahmud chaired the session.

Making the keynote speech, Executive Chairman of Board of Investment (BOL) Mamadur Rahman said textile, leather, ceramic, agro-processing, processed food, edible oil, electronics, steel and services as potential

sectors for investment for the Malaysian entrepreneurs.

Referring to a Japanese study, he said the cost of operating business in Bangladesh is very competitive and less than many other countries including ASEAN.

Former commerce secretary Suhel Ahmed said Bangladesh is now enjoying trade concessions in many countries, which Malaysian entrepreneurs should take into consideration for investing in this country.

President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Annisul Huq urged the Malaysian entrepreneurs to invest in the backward linkage industries of the garment sector, saying Bangladesh has a ready market for investment in this sector.

"I don't see foreign investors here who say that they are unhappy. Opportunities in some areas in Bangladesh are unlimited," he noted.

In his speech, Wahiduddin Mahmud said it is a lesson for

many to note how Malaysia started recovering fast after the Southeast Asian economic crisis.

Preventing a country from such crisis was not very easy. It was a matter of domestically developed strategy that we learnt from Malaysia," he explained.

Former commerce minister Tofail Ahmed mentioned incentive packages for some sectors in Bangladesh is the best in South Asia and added Bangladesh is a potential country for investment.

Bangladesh's export earning is now US\$7.6 billion, which was only \$200 million in 1972, he said mentioning congenial investment environment is prevailing here.

President of Foreign Investors' Chamber of Commerce & Industry (FCCI) in Bangladesh Mahbub Jamil said foreign investors who are already in this country are quite happy.

There are possibilities of merger and acquisition and Malaysian investors can think of taking over state-owned enterprises (SOEs), he added.

President of Federation of Malaysian Manufacturers Datuk Mustafa Mansur said bilateral trade between Malaysia and Bangladesh has increased substantially over last few years.

Bangladesh has 140 million people and many of its citizens are working abroad including Malaysia, meaning that the country has highly skilled workforce.

There is a good demand for halal food in the global market and Bangladeshi and Malaysian companies can join hands to explore the opportunities in this area, he opined.

Former chairman of Bangladesh Textile Mills Association (BTMA) A Matin Chowdhury said Bangladesh has market access for its products to some major markets including European Union, Canada and others.

On the other hand, Malaysian companies are strong in producing polyester, synthetic fabrics where Bangladesh has to grow, he added.



Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh, speaks at a business session on 'Trade Regime in Post Geneva Perspective' in Dhaka yesterday. (from left) Farooq Sobhan, chairman of Bangladesh Enterprise Institute, Abul Hasan Chowdhury, former state minister for Foreign Affairs, and Mirzaan Mahathir, president of Asian Strategy & Leadership Institute, are also seen in the picture.

PHOTO: STAR