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Star BUSINESS

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Malaysian entrepreneurs urged to invest more in Bangladesh

STAR BUSINESS REPORT

Speakers at a business session of two-day Malaysia Bangladesh Business Forum yesterday urged the Malaysian entrepreneurs to invest in Bangladesh's power, energy, communication and shipping sectors.

They said Bangladesh needs huge investment for strengthening its present poor and ailing infrastructure and Malaysia can be a real partner in this regard.

The speakers also identified various areas and the advantages for investing in those sectors.

Communications Minister Nazmul Huda was the chief guest at the business session titled 'Infrastructure development: energy, power, communication and shipping'.

"There are immense opportunities for investment in the infrastructure sector of Bangladesh including roads, highways and bridges," Nazmul Huda said.

He said the Malaysian entrepreneurs are already engaged in some road and bridge management and toll collection activities in Bangladesh and we would retain the offer to them to invest in any sector at any moment.

State Minister for Energy A K M Mosharrar Hossain urged the Malaysian entrepreneurs to invest in the mineral resources sector for exploring oil and gas in deep sea. "Only one company is exploring gas in offshore Sangu field in Bangladesh."

On the other hand, he said, neighbouring Myanmar and India are much ahead in exploring offshore gas.

Mosharrar mentioned some recent initiatives taken by the government to amend various rules and regulations for attracting foreign direct investment.

In this connection, he mentioned the formation of energy regulatory commission which will start functioning within next six

months. The regulatory commission will be fully independent and will take all necessary steps in this regard, Mosharrar said.

The ministry will give only policy decision after the formal functioning of the commission, he categorically told the seminar.

The energy minister further said that the system loss in the power and gas sectors had been reduced to 24 percent recently from the earlier 28 percent.

Chairman of the Chittagong Port Authority (CPA) Shahadat Hossain said a negative propaganda is going on against Chittagong port even though every year it handles three times more containers than its existing capacity.

The port is not costly or time consuming, rather the processes of releasing goods take time, he claimed. He also explained various steps taken by the government to increase the capacity of port in handling exporting and importing goods.

Hossain also felt the necessity of setting up a direct rail and road link between Dhaka and Chittagong for transporting export-import goods as over 70 percent of goods are Dhaka bound.

He emphasised setting up a deep seaport near Chittagong port for coping with the increased volume of trade in near future.

Obaid Monsur of Penang Port Commission of Malaysia emphasised on increasing trade between Bangladesh and Malaysia. The trade between Malaysia and Bangladesh became three-fold from \$42 million in 1992 to \$186.6 million in 2001, he said.

He also focused on direct shipping lines between Bangladesh and Malaysia. He also pointed out that the government of Malaysia always emphasised the development of shipping services as they had been instrumental to the economic growth.



President of Malaysia South-South Association Tan Sri Dato Azman Hashim speaks at the Dhaka declaration ceremony of the two-day Bangladesh Malaysia Business Forum 2004 in Dhaka yesterday. President of International Chamber of Commerce, Malaysia Dato Mustafa Manzur and President of Bangladesh-Malaysia Chamber of Commerce & Industry Salahuddin Kasem Khan were also present in the wrap up function.

Joint venture key to expanding Islamic banking in Bangladesh

Participants observe at business session

STAR BUSINESS REPORT

Speakers at a business session yesterday stressed the need for setting up joint venture Bangladesh-Malaysia financial institutions to encourage and further expand Islamic banking system in Bangladesh.

They called Malaysian financial institutions to invest in Bangladesh by opening branches here and providing Islamic bonds and other investment instruments.

Speakers also underscored the need for encouraging collaboration within Islamic banks, insurance and

reinsurance companies and stock exchanges of both countries.

Bangladesh-Malaysia Chamber of Commerce & Industry (BMCCI) organised the session on Islamic Banking and Finance as part of the two-day first Bangladesh-Malaysia Business Forum in Sonargaon Hotel in Dhaka yesterday. Finance Secretary Zakir Ahmed Khan attended the session as chief guest.

Chairman of Malaysia South-South Association Tan Sri Azman Hashim, Vice-president of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) Abul Kasem Haider,

Chairman of Islamic Bank Bangladesh Ltd Nazir Ahmed, and Chief Executive Officer of Islamic Insurance Azizul Huq also spoke at the session.

Presiding over the session, Zakir Ahmed said Islamic banking system has been able to create a good demand in Bangladesh.

"Around 70 to 72 percent remittance is coming to the country through Islamic banking channel," he added.

If Bangladeshi and Malaysian companies come up with joint venture projects and introduce new products, it would help expand the

market in both the countries, he observed.

In his speech, Tan Sri Azman Hashim said Islamic financial system is doing very well in Bangladesh and Malaysia.

"I don't feel that there is a need for international assistance to take Islamic financial system forward," he observed.

Azizul Huq said there are some similarities between conventional and Islamic banking system.

"It will take time to reduce the influence of conventional banking on the Islamic banking system," he felt.

Bangladesh can grab big pie in global halal food market

Seminar keynote presentation says

STAR BUSINESS REPORT

The global market size of halal food is over \$500 billion and Bangladesh has a good chance of capturing at least 10 percent within a decade provided the government sets a target and takes preparation from now, said a keynote presentation at a business session of the two-day Bangladesh Malaysia Business Forum.

The presentation said the country can achieve the target with strong policy support and guideline for entrepreneurs.

"With the resources available in Bangladesh the target would not be very ambitious," Rouf Chowdhury, chairman of Rahima Food Limited and a prominent businessman, said yesterday while delivering a keynote speech on Halal Food and Food Processing: Export of Food Products to Malaysia.

"I do not see any reason for not achieving the target because we have all the potentials in this regard," he said. He invited investment from Malaysian private sec-

tors with joint venture of local counterparts.

Justifying his remark, Rouf Chowdhury recalled that the garments industry in the country had started in '70s with yearly export of only \$20 million, which is now over \$5 billion.

Rouf Chowdhury said not only the Muslims but also a lot of people from other religions consume halal food due to its high quality and hygiene.

If this target is achieved, there will be no poverty in the country, he observed. In this connection, he informed the business session he is also planning to make substantial amount of investment in this emerging sector.

Speaking as chief guest, Minister for Fisheries and Livestock Abdullah Al Noman said the government gives highest priority to export of agro-based products and also has adopted a very liberal policy in this regard, he added.

Thirty percent cash incentive has been given to the agro-based product exporters for boosting export, he

pointed out.

Stressing the diversification of country's export basket, the minister hoped that the country would enter the phase of exporting halal food to Muslim countries very soon.

Vice-chairman of Export Promotion Bureau Mir Shahabuddin Mohammad chaired the session. David JH Griffith, chief executive officer of HSBC bank, and Ismail Hossain, chairman of Premium Seed Limited, also spoke on the occasion.

Griffith explained various facilities available for foreign investors to establish agro-based food processing units in Bangladesh.

The facilities, according to him, include homogeneous workforce, facilities of export processing zones, low cost of manpower, a sizeable English speaking workforce, large domestic market, proximity to a vast regional market.

Generous tax incentives, readily available finance, no restriction on repatriation of profit or capital gains, high rate of return, relatively stable currency and least developed country (LDC) status can also bring

Bangladesh more investment, he said.

David also pointed out that the agro-based industry can increase net output, reduce wastage, enhance food security, improve living standard for low income groups and increase efficiency.

He noted that the local market of processed food is also expanding with the increase of middle class people in urban areas. The middle class people are increasingly consuming processed food, he observed.

Ismail Hossain, chairman of Premium Seed Limited, said his company has set up a new modern abattoir for processing halal meat in the country. He assured that the abattoir would provide meat of a high quality for the buyers.

Foreign experts have already visited the plant and expressed satisfaction over the quality it maintains, he informed the session. As Malaysia imports substantial quantity of meat from a good number of non-Muslim countries, he urged them to import it from Bangladesh.

AKTEL call tariff unlikely to come down now

STAR BUSINESS REPORT

Call tariff of AKTEL mobile phone is unlikely to come down now.

"We don't have any plan at this stage to reduce call tariff," visiting Chief Executive Officer of Telekom Malaysia International Christian Manuel De Faria said yesterday in Dhaka.

Telekom Malaysia International and AK Khan Group of Bangladesh have formed Telekom Malaysia International Bangladesh (TMIB) that operates AKTEL brand mobile phone.

"Competition will determine the call tariff," Faria told reporters at a function.

Faria, who arrived in Dhaka for the December 18-19 Bangladesh-Malaysia Business Forum, said subscribers will be benefited from the immediate result of competition.

AKTEL reached one million subscribers' mark in mid-December, Nasir Bin Baharom, chief executive officer and managing director of TMIB, told the function.

Baharom also hopes the number of AKTEL subscribers will reach three million by the year 2005.

"We have been able to raise the number of subscribers by expanding network coverage and improving call quality," Baharom added.

He said AKTEL, which uses GSM (Global System for Mobile Communication), has recently launched international roaming services, allowing users to have access to over 317 global operators in more than 170 countries.

Vijay Watson, chief operating officer, Fazlur Rahman, director-coordination, and Jose Ravee, general manager-marketing, were also present.

Central bank asks banks to take services to the poor

STAR BUSINESS REPORT

Bangladesh Bank Governor Fakhruddin Ahmed yesterday asked the banks to take their services to people with low income.

He categorically asked the CEOs of around 40 banks to introduce new products in the new year, saying the banks have so far served the elite.

At a meeting with the CEOs, the BB governor observed the banks now have over Tk9,000 crore excess liquidity that can be used for the poor. If necessary, the central bank itself will help the banks.

Responding positively to this suggestion, bankers said the banks are mainly serving the urban people. But the rural areas remain ignored even by the nationalised commercial

banks (NCBs).

"The NCBs have opened some branches in the rural areas but they could not serve the rural people with specific products," Khandker Ibrahim Khaled, managing director of the Pubali Bank, told this correspondent after the meeting.

"That is why these NCB branches incur losses," he added.

"If these banks are closed, how can the rural people get any banking service? If we can introduce new and innovative products in the villages, the banks will not incur loss," he pointed out while describing the discussion points of the bankers' meeting with the governor.

The meeting resolved that the bankers will decide what kind of new products can be developed for the

rural or the middle class people.

BB Deputy Governor Nazrul Huda at a briefing on the meeting told journalists that the meeting was a non-traditional one and it gave the bankers some guidelines.

The central bank marked that the banks have improved their performance following the first phase of reforms of the last three years, said Huda.

For instance, in the last one year the banks have lowered interest rates by two percent on an average. Classified loans and capital shortfall have also shrunk. "Most of the private banks do not have any shortfall," said Huda.

The BB now wants the banks to take fruits of this improved banking to the poorer mass.



Chairman of Islami Bank Bangladesh Ltd Nazir Ahmed speaks at a business session on Islamic banking and finance at the two-day Bangladesh Malaysia Business Forum 2004 in Dhaka yesterday. Finance Secretary Zakir Ahmed Khan (2-R), Chairman of Malaysia South-South Association Tan Sri Azman Hashim (R) are also seen in the picture.

Three agribusiness planners of Dhaka get ATDP awards

STAR BUSINESS REPORT

Three agriculture business planners in Dhaka region were awarded "Agripreneur 2004" for their new entrepreneurial ideas in the sector.

Agro-based Industries and Technologies Development Project (ATDP) handed over the awards to winners at a function in Dhaka yesterday.

The competition was aimed at generating entrepreneurs' interest in the agribusiness and identifying agripreneurs with new ideas.

Anwar Hossain's plan to set up a branded juice chain shop in the capital city won him the first prize in Dhaka Regional Agribusiness Plan Completion of Agripreneur 2004.

An MBA from Dhaka University, Anwar Hossain has planned to offer fresh juice at a price below Tk30 in his shop chain.

Iqbal Hossain, a science graduate from Bangladesh Agricultural

University, won second prize with his plan to establish modern slaughterhouse. His mission is to ensure hygienic production, supply of quality beef and food security through the slaughterhouse.

Abu Zahur Nizam, an MBA from IUB, bagged the third prize with plan to export crocodile meat and skin. Profit prospects in commercial farming are high with single crocodile giving a return of Tk 42,000 in 18 months. The skin is used for hand bags and other consumer items once a crocodile is 140 cm in length, he said.

The first prize of the competition is Tk 50,000, second prize Tk 30,000 and third prize Tk 20,000.

State Minister for Agriculture Mirza Fakhru Islam Alamgir and ATDP Chief of Party Ron Gillespie distributed prizes among the winners.

Speaking at the ceremony at Spectra Convention Centre at

Gulshan, Mirza Fakhru Islam Alamgir hoped that entrepreneurs would come forward to make the contestants' plan a reality.

"There is no way but to increase our capacity for surviving in the free market competition," he said adding the competition would be very supportive to start a business in a proper way.

Anwar Hossain, champion in the competition, said that his objective is to succeed in business by providing consumers with good quality products. He also said that he conducted a feasibility study and market survey on his business idea.

In Dhaka region, a total of 23 business planners vied in the competition. This was the third agribusiness plan competition organised by ATDP to create a culture of business planning before investing in the business.