

## Relocate sick industries to Bangladesh

### FM urges Japanese as 3-day Japan trade fair begins

#### STAR BUSINESS REPORT

Foreign Minister M Morshed Khan yesterday urged Japanese investors to relocate their sick industries from other countries to Bangladesh to make them more profitable.

Khan also urged them to get the opportunities of cheap labour and investment-friendly environment in Bangladesh.

He said if Japanese sunset industries are relocated to Bangladesh, their products will get different facilities in international market as Bangladesh is a least developed country.

The foreign minister was speaking at the inaugural ceremony of the three-day 'Japan Trade Fair' at Dhaka Sheraton Hotel.

He also said Dhaka is ready to offer several facilities, including a special economic zone, if required, to Japanese investors to boost Japanese investment in Bangladesh.

Showing their products and services in 55 stalls, 40 Japanese companies including automobile, electronics, textile machinery, IT and aviation, have participated in the fair.

Speaking at the inauguration, Executive Chairman of the Board of Investment (BoI) Mahmudur Rahman said, "Very few LDCs have the infrastructure like ours," adding that time has come for Japan to



Foreign Minister M Morshed Khan (C) inaugurates the three-day 'Japan Trade Fair' at Dhaka Sheraton Hotel yesterday.

PHOTO: STAR

become the biggest investor in Bangladesh instead of the biggest donor.

Japanese investment in the country's EPZs (export processing zones) was third highest in 2004, but the investment is very insignificant outside the EPZs, BoI chairman said.

Japanese Ambassador in Dhaka Matsuhiro Horiguchi,

Chairman of Japan-Bangladesh Joint Committee for Commercial and Economic Cooperation Koji Nojima, President of Japanese Commerce & Industry Association in Dhaka Eiji Sekine and JETRO Representative in Dhaka Sotaro Nishikawa also spoke at the inaugural function.

Although the trade gap between the two countries is heavily in favour

of Japan, exports to Japan have been rising for the past few years.

In the fiscal year 2003-04 Bangladesh earned \$118.33 million through export to Japan while it imported goods and machinery worth \$551.65 million from the country during the same period. On the other hand, until 2003 Japan provided \$221 billion as assistance for Bangladesh.

## Hartal hinders FDI in Bangladesh

### Japan-Bangla business forum told

BSS, Dhaka

Hartal is one of the major impediments to discourage foreign direct investments (FDI) in Bangladesh.

This view was expressed by Takao Kobayashi, general manager of Marubini Corporation, while speaking at a meeting of the Japan-Bangladesh Business Forum 2005 at Dhaka Sheraton Hotel yesterday.

The country requires urgent and sincere efforts to overcome hartal, he said, adding it needs big efforts to maintain political stability. "The recent series bombing has dented the country's image," he observed.

President of Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) Matur Rahman presided over the meeting.

Kobayashi said there is no doubt that the business climate has improved in some cases. But more problems need to be addressed to bring about significant improvement in the flow of FDI and the Japanese investment particular.

JBCCI Vice-president Hideo Ueno and Japanese Chamber of Commerce and Industry in Dhaka Vice-president Akihiko Misima also spoke at the function.

## Businesses urge govt to review two-day holiday

#### STAR BUSINESS REPORT

The country's business leaders yesterday urged the government to review the two-day holiday.

They also demanded a study to assess the impact of Friday-Saturday holiday on the economy in the next two months.

The businesses at a meeting also criticised the government for not consulting the private sector before taking the major decision. They preferred Sunday as full day and Saturday as half-day holiday.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) organised the meeting at the Federation building where business leaders representing Metropolitan chamber, Dhaka chamber, American chamber,

Chittagong chamber, BGMEA, insurance association, frozen foods' exporters association and jute mill association took part in the discussion.

The business leaders also said if the government fails to change the new weekly holiday, which takes effect today, it [government] should take steps so that export-import related bank branches, port, Export Promotion Bureau, customs and fisheries inspection department remain open in six days.

"The business community should take common stand against two-day weekend," said Mir Nasir Hossain, who took over as the new FBCCI president on Tuesday.

President of Dhaka Chamber of Commerce and Industry Sayeeful

Islam said the government should promote CNG conversion of petroleum-fuel run vehicles to reduce oil use.

Senior Vice-president of Chittagong Chamber of Commerce and Industry SM Nurul Haque said the country's business activities will remain isolated from the world for more than three days due to the new holiday.

Referring to the finance minister's advice of creating virtual offices through e-governance to offset two-day holiday, Aftab-Ul Islam, president of American Chamber of Commerce in Bangladesh, said the country lacks adequate infrastructure to establish e-governance.

## Japanese keen to help govt build metro rail

#### STAR BUSINESS REPORT

Japan's private sector has shown interest to help Bangladesh construct an underground railway network in the capital to ease traffic congestion.

The interest was shown when a four-member delegation led by Koji Nojima, chairman of Japan-Bangladesh Joint Committee for Commercial and Economic Cooperation, yesterday called on Communication Minister Nazmul Huda.

Nojima also assured the minister of the Japanese private sector help for building an underground

railway.

The delegation also expressed interest in conducting a feasibility study to this effect and forming a consortium to finance the project.

Nojima told the minister that the economic assistance for the project would be available after completion of the feasibility study, meeting sources said.

Japanese Ambassador to Bangladesh Matsuhiro Horiguchi and Communication Secretary Shafiqul Islam, among others, were present at the meeting.

The Japanese delegation said the underground metro rail service

is necessary for exploring the economic and commercial opportunities in Dhaka city.

Huda told the delegation that the government wants to introduce the underground rail service connecting Gazipur, Narsingdi, Munshiganj and Manikganj with Dhaka.

Meeting sources said the delegation also discussed the progress about construction of Padma Bridge, introduction of electric train service between Dhaka and Chittagong, sky train service and circular road in Dhaka.

## Vietnam food festival begins

BDNEWS, Dhaka

The Vietnam Food and Cultural Festival began at Pan Pacific Sonargaon Hotel in Dhaka yesterday to mark the 60th Independence Day of Vietnam.

State Minister for Civil Aviation & Tourism Mir Mohammad Nasiruddin inaugurated the week-long festival.

Among others, Ngo Van Hoa, the Vietnamese ambassador to Bangladesh, and Grant J. Gaskin, general manager of Pan Pacific Sonargaon, spoke.

A 14-member cultural group from Vietnam also performed at the function.

## ADB raises '05 Asia growth forecast to 6.6pc

AFP, Manila

Developing Asian economies should grow by 6.6 percent this year despite surging oil prices that will clip prospects in Southeast Asia, the Asian Development Bank (ADB) said Thursday.

China and India will carry the region over the next two years with international trade and financial conditions expected to remain favorable for Asian exports as well

as investments into the region, the Philippines-based lender said in a report.

It upgraded the gross domestic product (GDP) forecast for China by 0.7 of a percentage point to 9.2 percent this year and by 0.1 point to 8.8 percent in 2006.

India's 2006 GDP forecast rose by 0.7 percentage points to 6.8 percent, while the bank's 2005 forecast for the country was unchanged at 6.9 percent.

For developing Asia as a whole, the Asian Development Outlook report upgraded its 2005 GDP forecast by 0.1 point to 6.6 percent this year, while maintaining its 6.6 forecast for 2006.

The report kept its GDP growth forecast for the major industrialized economies unchanged at 2.5 percent, a full percentage point below last year's pace but slightly better than the five-year average of 2.4 percent.

## 2 shows of textile machinery, accessories from Sept 12

UNB, Dhaka

Two separate three-day exhibitions of textile machinery and accessories will begin here on September 12.

Conference and Exhibition Management Service (CEMS) will organise both the exhibitions with the help of its media partner ATN Bangla and other organisations.

Addressing a press briefing at a local hotel, CEMS Managing Director Meherun Islam said through the two exhibitions the country's businessmen would be able to know about the latest technologies that could help enhance their businesses.

She said the two exhibitions -- "6th Textech-2005" and "2nd Machineexpo-2005" -- would be held simultaneously at Hotel Sheraton. Both the exhibitions will remain open from 10 am to 8pm.

In all, 165 stalls will be set up at the two exhibitions by 70 companies from 30 countries, including USA, Japan, Germany, China, Taiwan, Italy, Korea and Spain, to display their products.

## Oil prices rise ahead of key US inventories report

AFP, London,

World oil prices rebounded on Thursday before a key report on US crude stockpiles expected to show a sharp drop in energy supplies, owing to severe disruption to production in the Gulf of Mexico caused by Hurricane Katrina.

New York's main contract, light sweet crude for delivery in October, rose by 61 cents to 64.98 dollars per barrel in electronic deals.

The price of Brent North Sea crude for October delivery climbed 73 cents to 63.62 dollars per barrel in London.

"Today the market will be focused on the US government inventory data to obtain a clearer picture of the damage done by Hurricane Katrina to domestic crude and product stockpiles," Sueden analyst Sam Tilley said.

The market was expecting a 6.4 million barrel fall in crude inventories,

a 6.2 million barrel drop in gasoline, or petrol, stocks and a 2.6 million barrel reduction in distillates, Tilley noted.

The report, which is normally published by the Department of Energy on Wednesdays, was delayed by a day owing to the Labor Day public holiday in the United States on Monday.

On August 30, a day after Katrina battered US oil facilities on the Gulf coast, New York's main oil contract hit a record-high 70.85 dollars per barrel, while in London Brent reached an all-time high 68.89 dollars -- leaving prices double the levels in 2003.

However prices fell heavily between last Friday and Wednesday as a number of oil facilities came back on line and after the United States and its industrial partners agreed to tap emergency reserves.

## US calls for greater yuan flexibility

REUTERS, Sogwipo, South Korea

US Deputy Treasury Secretary Robert Kimmitt called yesterday for greater flexibility in the yuan after China revalued its currency by 2.1 percent in July.

Calling the Chinese revaluation an "important first step to a more flexible currency regime", Kimmitt told reporters that more was needed to ensure the yuan currency was able to respond to underlying market forces.

"What's important now is that China, and other major economies, allow their currencies to respond to underlying market forces," he said while attending the Asia-Pacific Economic Cooperation (APEC) finance ministers' meeting in South Korea.

China revalued the yuan to 8.1 per dollar on July 21 and scrapped a

decade-long peg to the dollar, putting the yuan under a managed float with reference to a basket of currencies, including the dollar, euro and yen.

Central bank chief Zhong Xiaochuan, while playing down the likelihood of another revaluation, has pointed the way to a stronger yuan in the longer-term by saying market forces will play a greater role in setting the currency's value.

But Beijing is also treading carefully to protect Chinese exporters from any sharp rise in the yuan's value which could cause job losses, analysts say.

The central bank has so far kept the yuan on a tight leash through intervention, allowing the currency to rise by just over 0.2 percent since July 21.

## EU anti-dumping moves worrying India

REUTERS, New Delhi

European Union anti-dumping actions against Indian products are a major concern for New Delhi, which feels they are neither rational nor fair, India's trade minister said Wednesday.

Mounting stringency of standards, cumbersome and complex rules and procedures and frequent use of trade defence instruments were emerging as serious barriers to enhanced economic cooperation, Kamal Nath said.

"A disproportionately large number of products in textiles, electronics, chemicals, pharmaceuticals, herbal remedies and steel sectors face such

actions," Nath told an India-EU business conference which was also addressed by EU Trade Commissioner Peter Mandelson.

The European Union is India's largest trading partner and India-EU bilateral trade last year stood at \$35 billion.

But Nath said Indian entrepreneurs were finding it increasingly hard to penetrate markets in developed countries.

"Indian trade and industry circles feel that while India has liberalised and markets have been opened up offering new vistas to global trade and industry, reciprocal benefits have not flowed from the developed world to us," he said.

India's exports of marine products were hindered by restrictions and standards enforced in the EU, he added.

"Not all such standards are in conformity with the international ones and are often based on excessive precaution and perceived rather than real risk."

Indian Prime Minister Manmohan Singh said non-tariff barriers should be removed for more EU-India trade. "As tariff barriers disintegrate, non-tariff barriers suddenly come up," said Singh. "We need to address any such issues that exist, so that our trade with you (EU) can rise from less than 2 percent of your trade to a more healthy level."