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UAE investors keen to make Cox's Bazar a world class tourist spot

STAR BUSINESS REPORT

The visiting business delegation from the United Arab Emirates yesterday expressed keen interest to develop Cox's Bazar as an international standard tourist spot.

"Cox's Bazar, the longest sea beach in the world, has huge potentiality to be a lucrative tourist destination if the place could be developed properly," Khalifa Mohamed Abdul Aziz Rubaya Al Muhairi, board member, Abu Dhabi Chamber of Commerce and Industries (ADCCI) and head of the delegation, said while exchanging views with the leaders of the Federation of Chambers of Commerce and Industry at the FBCCI conference room.

FBCCI President Mir Nasir Hossain chaired the meeting while other FBCCI directors also spoke.

The UAE team also expressed eagerness to invest in tourism, hospitality, infrastructure, telecommunication and alternative energy sectors.

But the business delegation sought removal of bureaucratic complicacies and assurance for tax holiday facility in case of their investment.

"The government should improve its lengthy bureaucratic situation to woo foreign direct investment. So far we know an investor here has to wait a long time to commence his business," Abdul Aziz said.

The team members also sought tax holiday for the ventures as they enjoyed it in the Middle East. "We do not pay any tax for our investment in the Gulf countries. So we are looking forward to enjoying the same facility,"Abdul Azizi said.

PHOTO: STAR

Khalifa Mohamed Abdul Aziz Rubaya Al Muhairi, board member of Abu Dhabi Chamber of Commerce and Industries and head of the visiting UAE trade delegation, speaks at a meeting with the members of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka yesterday as FBCCI President Mir Nasir Hossain looks on.

Member of the delegation Abdul Wahed al Hamadi, who is the senior administrator of Etihad Airways, informed the meeting that his airlines is going to sharply increase the number of flights from Bangladesh from the existing five to 14 a week.

He added that the Etihad Airways would soon start operation of direct flights between the UAE and the port city of Chittagong.

Speaking at the meeting, the FBCCI president invited the trade delegation to invest in private infrastructure projects like telecoms, power generation and transmission, port development and oil and gas under the Private Sector Infrastructure Guidelines (PSIG).

Referring to a huge trade gap between Bangladesh and the UAE, the apex trade body chief called upon the visiting delegation to increase imports from here for parity in the two-way trade.

"Bangladesh has potential for exporting a large number of items such as fish, shrimps, fruits, vegetables, jute goods, readymade garments, tea, leather, ceramic products and pharmaceuticals," he informed.

Bangladesh's trade imbalance with the UAE rose to US$ 239.97 million during the July-March period of the last fiscal year while the gap accounted for US$ 126.97 million in FY 2004-2005.

The trade gap between Dhaka and Abu Dhabi has been widening fast due to large-scale import of mineral products, plastic and articles, base metals and articles and products of chemical or allied industries from the United Arab Emirates.

In another meeting with the UAE business delegation on the day, Dhaka Chamber of Commerce and Industry (DCCI) leaders urged them to invest in food, fruit processing, real estate, gas-based industries, backward linkage of RMG, information technology, leather and leather goods, ceramic, pharmaceuticals, electronics, light engineering, steel, infrastructure development and education sectors.

Chaired by Hossain Khaled, acting president of DCCI, the meeting was attended by other business leaders of DCCI at its auditorium.

"The flow of foreign investment has been very high in Bangladesh for the last few years as the country is growing as a large consumer base with increasing purchasing power," Hossain Khaled said, urging the visitors to increase their investment here.

The DCCI directors also raised concerns about the increased trade gap between the two brotherly nations and urged them to import more to reduce the gap.

HSBC opens first branch in Sylhet

The Hongkong and Shanghai Banking Corporation (HSBC) Ltd in Bangladesh formally inaugurated its first branch in Sylhet yesterday.

Finance Minister M Saifur Rahman opened the new branch at a ceremony on the bank premises, says a press release.

HSBC Bangladesh CEO Steve Banner and

Personal Financial Services Head of HSBC Bangladesh Mamoon M Shah also spoke on the occasion.

Steve said, "With the establishment of this new branch, HSBC is uniquely able to serve Sylhetis in both their hometown and overseas, providing an integrated service supported by unrivalled connectivity."

The HSBC Group is a global institution with over 9,500 offices in 76 countries and territories.

Local dignitaries, invited guests, senior management of HSBC Bangladesh and other staff were also present at the opening.

HSBC's first-half profit seen up 7.8pc

AFP, *Hong kong*

Global banking giant HSBC Holdings is expected to report a 7.8 percent increase in half-year profit on Monday, helped by steady growth in US consumer lending.

HSBC will report a pre-tax profit of 11.47 billion US dollars for the six months to June 30, up from 10.64 billion dollars in the same period last year, according to the average forecast of five analysts.

The bank is expected to confirm that it benefited from good growth at its US consumer finance division, which in May recorded a 13 percent increase in first-quarter profit thanks to lower bad debts and stronger borrowing.

ICB declares dividends on eight mutual funds

Shareholders of First Mutual Fund to get 210pc dividend

Investment Corporation of Bangladesh (ICB) yesterday declared dividends on its eight mutual funds and unit fund for 2005-06 fiscal year, says a press release.

The ICB declared 210 per cent dividend on the First Mutual Fund while 55 per cent for Second, 52 per cent for Third, 48 per cent for Fourth, 27 per cent for Fifth, 18.50 per cent for Sixth, 16 per cent for Seventh and 15 per cent for Eighth Mutual Fund and Tk 12 per unit on Unit Fund for the year that ended June 30, 2006.

The dividends were approved in a fund related meeting of the board of directors of the corporation held in Dhaka.

The same rates of dividends were declared for the funds in the FY 2004-2005.

The release said First ICB Mutual Fund has declared highest cash dividend for the fourth consecutive year compared with other listed companies in the country during the same period.

During 2005-2006, the distributable net profit for the First Mutual Fund was Tk 330.22 lakh, Tk 116.54 lakh for Second Mutual Fund, Tk 167.14 lakh for Third Mutual Fund, Tk 167.37 lakh Fourth Mutual Fund, Tk 83.31 lakh for Fifth Mutual Fund, Tk 169.73 lakh for Sixth Mutual Fund, Tk 117.05 lakh for Seventh Mutual Fund, Tk 168.85 lakh for Eighth Mutual Fund and Tk 7,952.55 lakh for ICB Unit Fund.

PHOTO: HSBC

Finance Minister M Saifur Rahman addresses the opening ceremony of HSBC's first branch in Sylhet yesterday. HSBC Bangladesh CEO Steve Banner was also present.

Niger textile firm smothered by Asian imports

AFP, *Niamey*

The sole Niger textile firm, Enitex, is facing serious difficulties owing to high production costs and competition from cheap fabrics that are flooding into the west African country from Asia.

Formerly state-owned, Sonitextil was repurchased in 1997 by China World Best, a Chinese company which now holds 80 percent of the shares, and renamed Enitex.

Its privatization, a result of pressure from the International Monetary Fund and the World Bank, had enabled Enitex to upgrade and renovate its plant.

But from 2004, it started to show "the first signs of suffocation in the face of competition" according to Aboul Nasser Seydou, a textile industry trade unionist and department head at Enitex.

The situation worsened at the start of 2005 with an invasion of local markets by Asian textiles that were often smuggled across the southern border with Nigeria, he said.

Consequently, Enitex sales plummeted from 4.4 billion FCFA (6.7 million euros, 8.5 million dollars) in 2002 to 2.3 billion in 2005.

Over the same period, production was cut in half according to the ministry of commerce, and it ceased exporting.

In April, about 700 Enitex employees sounded an alarm, saying the company risked bankruptcy owing to a "lack of protectionist policy" vis-a-vis the dangers posed by Asian imports.

"The company is caught up in the storm of a global textile crisis, particularly with the concurrence of very competitive Chinese products," said Boubacar Gourouzane, assistant general manager of Enitex.

China to accelerate pace of rural financial reforms

AFP, *Beijing*

China will accelerate the pace of financial reform in rural areas and provide more financial services for farmers, state media on Sunday quoted a senior Chinese banking official saying.

Around 60 percent of China's population lives in the countryside and increasing farmers' incomes, which are far below those of urban dwellers, is one of the major goals of China's leaders as they try to boost consumer spending as a main engine of growth.

Financial reform in the countryside lags behind urban areas, Xinhua quoted Tang Shuangning, vice chairman of the China Banking Regulatory Commission, saying.

To remedy the problem, China would reform major rural loan providers, including the Agricultural Bank of China (ABC), the Agricultural Development Bank of China (ADBC) and rural credit cooperatives, Tang said.

The Agricultural Bank would be transformed into a state-owned commercial bank, while the Agricultural Development Bank would also be reformed to increase its capacity to serve agriculture, according to Tang.

Rural credit cooperatives would be turned into modern financial enterprises over a five to 10 year period, Tang said.

Postal savings banks would also be established, he said.

About 60 percent or 800 million of China's population lives in the countryside. However, agriculture-related loans amounted to less than one-fifth of all lending by 2005 in China, Xinhua said.

Tang said the Agricultural Bank would improve services for key agricultural industries and leading rural companies, while the Agricultural Development Bank would increase loans to poverty-stricken areas.

The government has made building a "new socialist countryside" -- meaning improved agricultural production, living conditions and public administration -- a key task for the next five years.

Rural development, however, needs a great deal of investment and banking institutions should step up their efforts to build a solid rural financial service system, said Tang, speaking Saturday at a rural finance forum.

Minister for ensuring fair prices of farm products

BSS, *Dhaka*

Agriculture Minister MK Anwar yesterday called upon the authorities concerned to develop a marketing system to ensure fair prices of agricultural products.

"Steps have to be taken to set up a model market at a convenient place in the country so that the farmers could sell their products there at fair prices," he said adding that if the system is successful, the marketing system could be expanded across the country.

The minister was speaking at a review meeting on the progress of different projects being implemented by various departments under the ministry at the ministry's conference room here.

Presided over by Agriculture Secretary Qazi Abul Kashem, the function was attended by the heads of different departments of the ministry.

The meeting was informed that Tk 601 crore out of Tk 619 crore that were released against 76 projects in the 2005-'06 fiscal was spent at the end of the year in implementing these projects.

The minister called also upon the authorities to expedite potato and wheat seeds production programmes to meet requirement of the farmers.

Traders rue bureaucrats at re-opened Silk route

AFP, *Guwahati*

Rugged traders finally allowed to cross a snowy Silk Road mountain pass between India and China that opened three weeks ago after a gap of 44 years now face a bigger hurdle - bureaucrats.

From quality permits for yak pelts to appropriate document stamps and special code permits and the amount of cash they can carry, strict rules have dimmed hopes for booming trade across the roof of the world.

Many Indian traders said securing the license that allows Chinese and Indians to cross a rusty barbed wire marker at the border without a passport was the easiest part.

"There was great hype at the start and we all thought there was big money," Indian trader Rajiv Thapa said. "But there are so many rules to trading that after spending so much time and money to trade, we make little in return."

India and China on July 6 re-opened trade across the 15,000-feet (4,545-metre) Nathu La Pass, east of Sikkim's capital Gangtok, as part of a broader rapproachment. The move marked the first direct trade link between the nuclear-armed neighbours since a bitter border war in 1962.

The re-opening of the pass comes as trade has surged between the neighbours with their combined consumer market of 2.3 billion people. Bilateral trade grew by 37.5 percent to hit 18.73 billion dollars last year, according to Chinese data.

Increased trade across the pass was expected to boost that figure, but the political will to mend fences has not been passed down to those who mind the rules, traders say.

"The hype over the border trade has already fizzled," said trader R. Lepcha who complained that officials have thrown up a series of rules that make it almost impossible to make money.

Trade now takes places four days a week -- Monday to Thursday -- beginning June 1 each year and lasting until September 30 when snow makes the area impassable.

The two countries have controlled currency regimes with the Chinese fixing the exchange rate against floating currencies and the rupee only partially convertible. That has led customs officers on both sides to insist that trade be conducted only in dollars.

"The State Bank of India allows a maximum of 500 US dollars to an Indian trader to buy Chinese goods at the trade mart. I dont think a trader can do business with just 500 US dollars," Sikkim Chamber of Commerce President S.K. Sarda told AFP.

It is all a far cry from the barter system used for centuries between the Tibetan region now controlled by China and the former independent kingdom of Sikkim. But some things have remained the same.

"The Chinese know we're stuck and haggle for a better bargain and at times we sell at a lesser price to complete the deal rather than go home with our goods," said T. Sherpa, an Indian trader.

Many of the traders claim Indian customs were out to stymie them from the start, Sarda said.

Customs officers denied permission to sell bulk items like world famous Darjeeling tea at the Chinese bazaar of Renqinggang, 17 kilometers (ten miles) from Nathu La without a special Import-Export Code (IEC).

Most of the Indian traders come from the eastern state of Sikkim which borders India's main tea growing state of Assam.

But customs retreated slightly after protests.

Now, individuals who want to sell small quantities of goods like tea are allowed to cross without an IEC, but they can only sell, not buy, on the other side of the border.

"Traders from Sikkim are now exempted from the Import-Export Code. Now each trader is allowed to take goods worth 25,000 rupees (543 dollars) across the border every day," Saman Prasad Subba, Sikkim's Director of Industries and Commerce, told AFP by telephone.

Still, two-way trade has been slow, with eight to 10 Chinese traders crossing four times a week to the bazaar of Sherathang, five kilometers below the pass on the Indian side and an equal number heading to Tibet on the Chinese side.

Asean visa pact hailed as a boon to tourism

AFP, *Kuala Lumpur*

A Southeast Asian pact to allow visa-free travel for citizens within the grouping has been hailed as a boon for the tourism industry as well as for dreams of regional unity.

Association of Southeast Asian Nations (Asean) ministers took a respite from tense discussions on rogue member state Myanmar to sign the Asean Framework Agreement on Visa Exemption at their annual talks here last week.

Combined with growing affluence in many of the 10 member states, as well as an era of cheap air travel, the pact which will allow two-week visa-free entry for Asean nationals travelling within the bloc is expected to have a real impact.

"This move should result in greater ease of travel within the region and stimulate more social and commercial interaction within ASEAN," said Tiger Airways chief executive Tony Davis.

"Tiger Airways is well positioned to facilitate this increase in travel demand and is ready to expand its services to make air travel within the region easily available and affordable," said the boss of the Singapore-based carrier.

AirAsia, the Malaysia-based budget airline which pioneered the low-cost sector in the region and which flies to all ASEAN nations except Laos, was also encouraged by the decision.

"It is a step in the right direction. We are excited about it. For sure it will encourage intra-Asean travel," said chief executive Tony Fernandes.

"When travel is made easy and cheap, it will spur people to travel and AirAsia will benefit," he told AFP. "We are best placed to take advantage of it."

Fernandes said he hopes governments will now reduce airport taxes and other travel-related levies "to make Asean a common market for travel".

The agreement will take effect once it is ratified by all 10 member countries. Asean groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Bilateral agreements between some Asean countries requiring their nationals to obtain visas currently limit intra-regional travel.

Myanmar, for example, requires a visa for all visitors into the military-ruled nation, including those from Asean countries.

Southeast Asian governments have long promoted closer integration of the region of 500 million people as a vital initiative to remain economically relevant as the long shadow of regional power China looms.

PHOTO: FICCI

US Ambassador to Bangladesh Patricia A Butenis speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (Ficci) yesterday in Dhaka. FICCI Vice President Peter A May, Ficci Secretary MA Matin and Ficci Committee Member Andrew L Fawthrop are also seen.