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Star BUSINESS

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Take measures to lift embargo on Bangladesh's investment in India

Business leaders urge govt

STAR BUSINESS REPORT

Country's top business leaders have urged the government to take immediate move for the withdrawal of Indian embargo on acceptance of Bangladesh's investment in India.

Such a ban since Bangladesh's independence bars the local entrepreneurs from making any investment in the neighbouring country, they said, also pointing to the central bank's rigid policy, which, according to them, hinders the cross-border investment.

The call came at a meeting organised by the Metropolitan Chamber of Commerce and Industry (MCCI) at its office yesterday in Dhaka.

The meeting, attended by Foreign Affairs Adviser Iftekhar Ahmed Chowdhury as the chief guest, deliberated on implementation of the offer made by the Indian government at the Saarc summit for duty-free access of the commodities produced by the least developed countries in the regional forum to the Indian market.

The adviser said, “We must discuss the issue bilaterally so that investment embargo for the Bangladeshi businessmen would be withdrawn by the Indian government”.

Chowdhury described the embargo as a 'historical restriction' that was imposed by the Indian government during the political transition in the sub-continent before Bangladesh's emergence as an independent nation.

The adviser assured the business leaders of taking measure to amend the local policy to facilitate cross-border investment, if it is necessary.

Presided over by MCCI President Latifur Rahman, the meeting was also addressed by Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICC-B), Mostafizur Rahman, research fellow of Centre for Policy Dialogue (CPD), Fazlul Haq, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), and C K Hyder, secretary general of MCCI.

The metropolitan chamber chief emphasised finalisation of an agreement on investment promotion with the letter and spirit of Saarc.

Referring to the Indian state minister for commerce, Joy Ram Romesh, Latifur Rahman said India accepts investment from all countries, except Pakistan and Bangladesh.

“There might be problems between India and Pakistan. But it is not rational if other countries suffer for the same reason,” he opined.

He however mentioned that the Bangladesh Bank's policy also makes hindrance to investment in other countries.

Just trading is not enough to get benefit from a regional forum like Saarc (South Asian Association for Regional Cooperation), he said, suggesting that

an inter-regional investment climate is needed.

Mostafizur Rahman said since the Indian prime minister made a commitment during the 14th Saarc Summit in New Delhi to downsize the Safta negative list to give benefit the LDCs among the Saarc member countries, Bangladesh government should lay emphasis on inducting the apparel sector in the Indian positive list.

Otherwise, Bangladesh would not get something significant from the South Asian Free Trade Area agreement, he said.

Indian Prime Minister Manmohan Singh also announced at the Saarc Delhi meet to provide duty-free and quota free market access to all Saarc LDCs, including Bangladesh.

On such a market access, the MCCI president said

this access cannot ensure free flow of goods into the Indian market, unless non-tariff and para-tariff barriers are removed.

“We strongly feel that the government should urge the Indian government to withdraw all para-tariff barriers and also special duties and levies imposed in March 2006,” he suggested.

Responding to the issues raised in the meeting, the foreign affairs adviser said the present government is working on inclusion of Bangladesh's apparel sector in the Indian positive list. He asked all the chambers to involve in the process.

On non-tariff and para-tariff barriers, Iftekhar Ahmed Chowdhury said, “These create major impediments to expanding our export to the neighboring countries”.

But the trade barriers would be removed phase by phase through cooperation with India, he hoped.

PHOTO: MCCI

Foreign Affairs Adviser Dr Iftekhar Ahmed Chowdhury speaks at a meeting organised by MCCI in Dhaka yesterday that discussed the implementation of the offer made by India at the Saarc summit for duty-free access of the goods produced by the LDCs among the Saarc members to the Indian market.

DSE turnover hits Tk100cr

STAR BUSINESS REPORT

After a break of 47 trading days, turnover on the Dhaka Stock Exchange (DSE) crossed Tk 100 crore mark yesterday amid a growing confidence among the investors.

The total turnover was Tk 103.14 crore on the day. On February 20 this year, the turnover hit Tk 101.07 crore for the last time. Earlier on February 5, the turnover posted an all time high at Tk 159.20 crore.

The price indices also rose led by some selective companies shares, mainly from power and banking sectors.

The DSE General Index increased by 10.47 points, or 0.59 percent, finishing the day at 1772.83 points, while the DSE All Share Price Index rose by 5.24 points, or 0.35 percent, closing at 1502.16 points.

Market insiders said along with general investors, institutional participants, who are the major players to keep the market vibrant, were in a buying spree that helped the market to witness a Tk 100 crore turnover in terms of value.

The ups in turnover and indices were in contrast with most of the issues traded down on the premier bourse. Of the issues traded, 116 made loss, 60 closed in gains and 17 remained unchanged. A total of 6,494,770 shares worth Tk 103.14 crore changed hands on the DSE.

At the end of the day, Power Grid Company of Bangladesh topped the list of turnover leaders with 439,700 shares worth Tk 22.40 crore. The day's other turnover leaders were Dhaka Electric Supply Company, Summit Power, Prime Bank, Brac Bank, Southeast Bank, EXIM Bank, Shahjalal Islami Bank, Square Textile and Lafarge Surma Cement.

DUTY-FREE ACCESS TO US MARKET

Yunus agrees to join public hearing in Washington

STAR BUSINESS REPORT

Nobel laureate Prof Muhammad Yunus has consented to participate in a public hearing in Washington on May 16 to elicit opinions on allowing duty and quota-free market access of products from the least developed countries (LDCs) to the US.

The US Senate Committee invited Prof Yunus to participate in the hearing for his support to attain Bangladesh's long-cherished demand for duty and quota-free access to the American market.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Garment Manufacturers and Exporters Association also invited Yunus to participate in the hearing.

Yunus will deliver his speech supporting Bangladesh's position in getting market access to the US.

The commerce ministry and the BKMEA are preparing two separate presentations for the Nobel laureate.

Yunus will argue that if the US gives Bangladesh duty free and quota free (DFQF) market access, it will not hamper the facility given to the African countries under the existing African Growth and Opportunity Act (AGOA), Fazlul Hoque, president of BKMEA, told The Daily Star.

Yunus will also explain that the proposed DFQF will also benefit American manufacturers as the facility will create huge opportunity to export apparel machinery to Bangladesh, according to the BKMEA chief.

Yunus will tell the Americans that Bangladeshi manufacturers maintain labour standards.

Besides, the Nobel laureate may inform the Americans that the proposed facility will contribute to women empowerment in Bangladesh as 85 percent of the 2.5 million workers in the industry are women.

Yunus is also likely to highlight the US tariff discrimination against poorer nations as statistics shows US charged $ 496 million tariff for Bangladesh's $3.3 billion exports in 2006 at the rate of 15.2 percent, while it charged only $430 million for UK's $53.5 billion at a rate of 0.8 percent and $367 million for France's 36.8 billion at a rate of 1.0 percent in the same year.

An initiative is in the offing to table a bill in the US Senate on free market access for the LDCs.

The United States Trade Representative (USTR) is collecting public opinion on the idea of liberalising trade regime as well as ensuring market access for the poorer countries.

The USTR also seeks submissions from Bangladesh side on how much the bill would impact the trade between Bangladesh and the US before May 16 and the Ministry of Commerce had already submitted a report in this regard to the USTR.

As many as 14 least developed countries, including Bangladesh, have long been lobbying for a duty-free access of their products to the US market.

PHOTO: STAR

Industries Adviser Geeteara Safiya Choudhury visits a stall at the 3-day 'Baishakhi Women Entrepreneurs' Products Expo 2007' that began in Dhaka yesterday.

Indian state may open up power distribution sector

ANN/ THE STATESMAN

The UPA government is likely to open up the power distribution sector and allow multiple global and domestic private firms to deliver power directly to consumers. This would end the monopoly of government-controlled companies, which have largely proven inefficient and been responsible for large-scale power shortages.

The finance ministry has prepared a note that would be placed shortly for the approval of the Cabinet Committee for Infrastructure, headed by the Prime Minister, Dr Manmohan Singh.

Power ministry officials have pointed out that it requires foreign direct investment of $320 billion for its infrastructure sector by 2010. The UPA included power as one of the main components of the infrastructure sector in its National Common Minimum Programme. The government had earlier asked the power ministry to put in place a mechanism that could boost competition in the power-distribution sector.

Elaborating on the details of the proposed power-distribution mechanism, the finance ministry note says the distribution-wires business should be de-linked from the business of last-mile operations of delivering electricity to the end consumer. Under this provision, the transmission and distribution of wires in a particular area would be placed under a new company, which would allow distribution firms to have access to its network and source power from the grid to deliver it to the final consumer.

Once done, the concerned power grids will only sell power to private companies and bill them under the proposed mechanism. Currently, state-run power companies have sole control over the grids and the distribution network. The new mechanism would transfer the existing distribution network to private companies either on a one-time charge or monthly renting system.

The new mechanism has already been put in place in Delhi, Andhra Pradesh, Orissa and Uttar Pradesh states, where private majors such as Reliance and Tata are controlling the transmission and distribution network. The success of this experiment has encouraged the government to extend it to the national level.

Thais keen to invest in textile, tannery

A high-profile Thai business delegation yesterday expressed keen interest to invest in Bangladesh's textile, tannery and processed food sectors.

The delegation also showed interest to increase imports from Bangladesh in a bid to reduce the existing trade deficit between the two countries, according to a press release.

Led by Wirapan Piankusol, vice-president of Thai-Bangladesh Business Council, the delegates described Bangladesh as an investment-friendly country.

They were exchanging views with Chittagong Chamber of Commerce and Industry (CCCI) leaders in Chittagong.

Earlier, they visited a number of factories and industrial areas, including the Chittagong Export Processing Zone, in the port city.

Welcoming the delegation, CCCI President Saifuzzaman Chowdhury urged the Thais to up import from Bangladesh to reduce trade deficit.

Women entrepreneurs' product show begins

STAR BUSINESS REPORT

Industries adviser yesterday urged women entrepreneurs to be hard working to succeed in business as a three-day fair of goods produced by women began in the capital.

“We cannot make any progress if women do household activities only," Geeteara Safiya Choudhury said while inaugurating the fair at Dhaka Chamber building at Motijheel.

Geeteara, also a renowned woman entrepreneur, stressed the need for developing skills of women to shoulder the challenges of business, saying besides theoretical knowledge the women entrepreneurs require practical knowledge.

“I hope the fair will help the women entrepreneurs promote their business,” said Geeteara, also adviser to the ministries of textile and jute, social welfare, women and children affairs.

The fair styled 'Baishakhi Women Entrepreneurs' Products Expo 2007' is jointly organised by Dhaka Chamber of Commerce and Junior Chamber International (JCI), Bangladesh.

A total of 36 organisations including two private banks are showcasing their products and services at the fair, which is open to all without any entry fee.

Garments, footwear, food items, handicrafts, ladies wear, ornaments, and jute products are being displayed in the show.

The role of small and medium enterprises is very critical for development of the country as the SMEs account for 20-25 percent of gross domestic products, Dashgupta Ashim Kumar, general manager of Bangladesh Bank, said in the function.

Addressing the ceremony, Khaled Hossain, president of DCCI, called upon the women entrepreneurs for product diversification and quality development with impressive packing.

DCCI president urged the banks and financial organisations to reduce interest rates for SMEs.

Shahed Noman, managing director of Dhaka Bank, Mamun Akbar, president of JCI Bangladesh, Shafina Rahman, director of DCCI, among others, spoke.

PHOTO: CCCI

A Thai business delegation exchanges views with the members of Chittagong Chamber of Commerce and Industry (CCCI) in Chittagong yesterday.

PHOTO: BEPZA

Prasanta Bhushan Barua, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Hasan Mahmood Raja, chairman of United Group, sign an agreement in Dhaka yesterday to set up a 40MW power plant in Dhaka Export Processing Zone (EPZ) with an investment of $32 million. Among others, Bepza Executive Chairman Brig Gen Ashraf Abdullah Yussuf was present.

ROK, EU launch FTA talks

AFP, *Seoul*

South Korea and the European Union on Sunday declared the formal launch of free trade talks to combine Asia's third largest economy and the world's largest trading bloc.

The first round of talks opens in Seoul on Monday, EU Trade Commissioner Peter Mandelson and South Korean Minister of State Kim Hyun-Chong said in a joint news conference.

The negotiations, if concluded, would create a bilateral free trade area where two-way trade reached almost 80 billion dollars last year.

The 27-member EU remains the biggest foreign investor in South Korea, investing 4.97 billion dollars last year alone, according to Seoul's foreign ministry.

The EU was South Korea's second largest trading partner after China last year, with trade reaching 78.56 billion dollars, according to the ministry.