

# Reap maximum benefits from intra-regional trade

## Commerce adviser urges Indo-Bangla businesspeople

### STAR BUSINESS REPORT

The commerce adviser has called upon the businesspeople from both Bangladesh and India to reap maximum benefits from intra-regional trade, pointing to the huge trade gap between the two countries.

"The countries located in South Asia could resolve many important issues like poverty alleviation and promotion of trade through building up intra-regional trade ties," Dr Hossain Zillur Rahman told the AmCham (American Chamber of Commerce) Bangladesh meeting at a city hotel yesterday.

As per official data, Bangladesh imported goods from India worth US\$2.229 billion in 2006-07 fiscal, while the amount was \$2.009 billion in FY 2005-06 and \$1.850 billion in FY 2004-05.

On the other hand, Bangladesh exported to India goods worth \$289.42 million in FY 2006-07, \$242.19 million in FY 2005-06 and \$143.66 million in FY 2004-05.

Trade experts say the Indo-Bangla trade in FY 2007-08 reflects that it largely tilts

## Trade between Bangladesh and India

Fiscal Year	Exports to India	Imports from India
2006-07	\$289.42 million	\$2.229 billion
2005-06	\$242.19 million	\$2.009 billion
2004-05	\$143.66 million	\$1.850 billion

towards India.

"The intra-regional trade is still at a pitiable level in the South Asian region," Hossain Zillur said.

Trade experts suggested restoration of all sources of communication link among the Saarc-member countries to push the regional trade volume beyond the present 5 percent of the total foreign trade volume of the 8 nations in the bloc. They said the South Asian Free Trade Agreement (Safta) has created openings for the increased trade in the region.

The adviser urged the businessmen to expand the country's export basket lessening dependence on apparels. He also lauded the domestic private sector's entrepreneurs for

developing the industrial base.

He informed the meeting that the government had already asked bureaucrats to promote a sector-wise export basket.

Replying to a query, the commerce adviser said the cost of fund is not only high in Bangladesh, but also in other countries.

"But, the central bank governor along with other stakeholders of private and public commercial banks have been working on the issue of bank interest rate. I hope an acceptable solution regarding the bank interest rate could be reached," Hossain Zillur Rahman said.

Among the dignitaries American Charge d' Affairs in

Dhaka Geeta Pasi, former commerce minister Tofael Ahmed and Country Director of Asian Development Bank (ADB) Hua Du attended the luncheon meeting where a memorandum of understanding (MoU) was signed between AmCham Bangladesh and AmCham India to enhance cooperation between the two trade bodies.

AmCham India Chairman K N Memani and AmCham Bangladesh President Syed Ershad Ahmed signed the MoU on behalf of their respective sides.

In his speech, Syed Ershad Ahmed stressed the need for dispelling corruption to raise GDP growth, ensuring a good governance to tap the country's investment potential.

## House Building Finance Corporation net profit Tk135.36cr

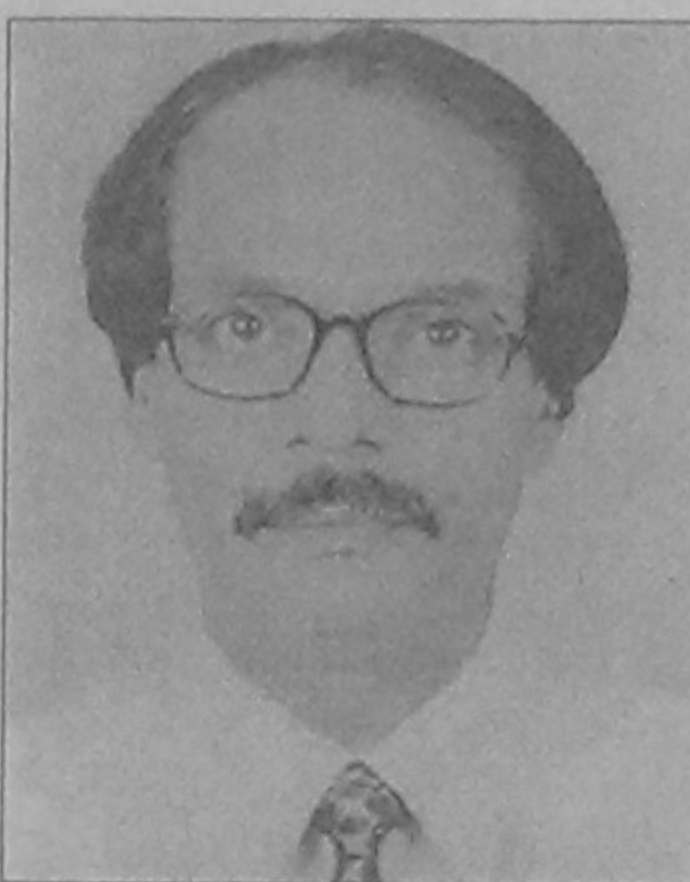
Bangladesh House Building Finance Corporation (BHBFC) earned a net profit of Tk135.36 crore in 2006-07 fiscal, Tk11.26 crore more than the previous corresponding fiscal year.

This was disclosed at the BHBFC's 305th board meeting presided over by its chairman ATM Fazlul Karim in Dhaka recently, says a press release.

The release said the present rate of classified loan has come down to 17.62 percent. The corporation paid Tk43.71 crore as income tax in 006-07 fiscal.

Revenue income of the corporation has increased by 3.72 percent, while revenue expenditure has decreased by 1.12 percent.

At the end of 2006-07 fiscal, total asset of the BHBFC stood at Tk3055.64 crore.



## MD of Venture Investment Partners

Md Harun-Al-Rashid has recently joined the Venture Investment Partners Bangladesh Ltd, a venture capital finance company, as managing director (MD) and chief executive officer (CEO).

Prior to his new assignment, he was managing director of Self Employment Finance Ltd, says a press release.

Venture Investment Partners Bangladesh received approval from the Securities and Exchange Commission as an asset management company on Tuesday.

It is the third asset management company that got permission from the stock market regulator to manage funds including mutual.

# Scrap iron stockpiled as iron rod prices up

STAFF CORRESPONDENT, Ctg

Around 4 lakh tonnes of scrap iron and scrap vessels, the raw material of iron rod, remain stockpiled in ship breaking yards here as prices of rod are going up.

Industry insiders said some leading re-rolling mills have lowered their production in a bid to create a shortage of iron rod to hike prices.

And some re-rolling mills have suspended production on the grounds of raw material

crisis despite the fact that the mills have tonnes of scrap iron at ship-breaking yards.

The price of 40-grade rod made from scrap iron is rising almost everyday while the price of 60-grade rod made from imported billets remains almost steady at a higher level.

Price of 60-grade rod yesterday ranged from Tk 69,500 to Tk 70,500 per tonne while the price of 40-grade rod hovered around Tk 65,500 per tonne, market sources said.

Best quality 60-grade rod measuring 8mm of Bangladesh Steel Re-rolling Mills (BSRM) were selling at Tk 70,500 per tonne yesterday.

The price of 60-grade rods of other manufacturers such as Bayezid Steel Mills and Shima Re-rolling Mills was hovering around Tk 69,500 per tonne.

But the re-rolling mills have attributed the high prices of iron rod to the price hike of billets and scrap irons in the international market.

# Another set of incentives for Indian exporters

PALLAB BHATTACHARYA, New Delhi

India has come out with another set of incentives for its exporters hit by appreciating Rupee, its national currency, by announcing refund of tax paid by them on services provided by customs house agents, banking and other financial services in connection with collection of export bills and export letters of credit and foreign commission agents.

"The government has decided to refund the service

tax paid by exporters on three taxable services which are not in the nature of input services but could be linked to export goods", a statement issued by the Finance Ministry here on Tuesday said.

Refund of taxable services are now available for 13 services including port, general insurance, business exhibition, storage and warehousing and inspection and certification agency services.

The government imposes a 12 percent service tax along

with a three percent education cess on services.

The Rupee has appreciated by 12 percent vis-a-vis US Dollar in 2007 and it remains to be seen if India can meet its export target of 160 billion dollars for 2007-8.

Meanwhile, despite the appreciating Rupee, exports grew by 35.35 percent in February this year to reach 138.42 billion dollars in the 11 months of the financial year 2007-8, said official statistics released on Tuesday.

## Citibank India's special offer for expatriates

Citibank India yesterday announced the launch of a comprehensive offering of banking, financial solutions and other relevant value-added services for the rapidly growing expatriate community in India, says a press release.

With the launch of the 'Citibank Account for Expatriates', Citibank will be the first bank in India to customise a comprehensive banking and solutions package tailored to expatriate needs.

This is the first time ever that Citi has launched such a specialised offering for expatriates in any specific country across the world.



Professor Dr Muhammad Yunus, founder of Grameen Bank, poses for photographs with a delegation from Abu Dhabi Fund for Development (ADF)-UAE led by Mohammed Saif Al Suwaidi recently. Shawqi Ali Taleb, director, Rashid Mohammed Al-Kouk, director, and Dr SM Akbar, managing director of UAE-Bangladesh Investment Company Limited (UBICO), were also present. During the meeting, the team expresses its willingness to participate in the development activities of rural Bangladesh.

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Finance Adviser Dr AB Mirza Azizul Islam and International Chamber of Commerce-Bangladesh (ICC-B) President Mahbubur Rahman hold the Business Directory of the ICC-B at the launching of the directory in Dhaka yesterday. (Story on B-1)

**Government of the People's Republic of Bangladesh**  
Ministry of Planning  
Planning Division  
Capacity Building of the Planning Commission/Division (2nd Phase)  
Sher-e-Bangla Nagar, Dhaka.

### Invitation for Tender

1	Ministry/Division	Ministry of Planning, Planning Division.
2	Agency	Planning Division.
3	Procuring entity name	Capacity Building of the Planning Commission/Division (2nd Phase).
4	Procuring entity code	1401-5810
5	Procuring entity district	Dhaka.
6	Invitation for	Procurement of Microbus.
7	Invitation Ref No	PC/PD/CBPC (2nd Phase)/Car-04/2007.
8	Date	01/04/2008

**KEY INFORMATION**

9	Procurement method	National Open Tendering Method.
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**FUNDING INFORMATION**

10	Budget and Source of Funds	GOB
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**PARTICULAR INFORMATION**

11	Development partners (if applicable)	N/A
12	Project/programme code (if applicable)	1401-5810
13	Project/programme name	Capacity Building of the Planning Commission/Division (2nd Phase).
14	Tender Package No.	Group-1
15	Tender Package Name	Group-1: Microbus
16	Tender publication date	03/04/2008
17	Tender last selling date	20/04/2008, from 9.30am to 3.00pm.
18	Tender closing date and time	G-1: 21/04/2008 At 12noon
19	Tender opening date and time	G-1: 21/04/2008 At 12.30pm
20	Name & address of the office of selling, receiving & opening tender documents	Project Director, Capacity Building of the Planning Commission/Division (2nd Phase), Block-9, Room-11, Planning Division, Sher-e-Bangla Nagar, Dhaka-1207.

**INFORMATION FOR TENDERER**

21	Eligibility of tenderer	Any reputed firm/distributor/supplier/ manufacturer having up-to-date valid Trade License, VAT, Tax registration certificates and bank solvency certificates with experience in supply to autonomous and government organizations of Bangladesh.
22	Brief description of goods	Group-1: Procurement of Microbus.
23	Price of tender document	Group-1: 1,500 (one thousand five hundred) only.
24	Group	1
25	Identification of Lot	01 Nos. Microbus
26	Location	Dhaka
27	Tender security amount (Tk)	50,000/- (fifty thousand)
28	Completion time in days	60 days

**PROCURING ENTITY DETAILS**

24	Name of official inviting tender	Md. Fakhru Islam
25	Designation of official inviting tender	Deputy Secretary (Admin) & Project Director
26	Address of official inviting tender	Planning Division, Block-9, Room-11.
27	Contact details of official inviting tender	815514 (Office)

**Special Instructions:**

(a) The purchaser reserves the right to accept or reject any or all tenders prior to acceptance without assigning any reason whatsoever.

(b) If the tender closing and opening date is disturbed by any unavoidable circumstances the next working day will be applicable for the same.

**Md. Fakhru Islam**  
Deputy Secretary (Admin)  
&  
Project Director  
Planning Division

GD-1564

## Key lending rate in Bangladesh to average at 15pc in 2008: EIU

UNB, Dhaka

London-based Economist Intelligence Unit (EIU) expects the key lending rate in Bangladesh would average at 15 percent in 2008 as compared to 16 percent in 2007.

In its April report on Bangladesh, the EIU said Bangladesh Bank is expected to maintain an accommodative monetary policy stance during the early part of the forecast period, despite persistent inflationary pressures.

"It would continue to ignore calls from the IMF to raise interest rates and is unlikely to tighten policy over the short term," said the report, adding that although mounting inflationary pressures remain a major concern, BB is expected to stress that "economic growth is also a priority."

EIU is a specialist publisher serving companies managing operations across national borders. For 60 years, it has been a source of information on business developments, economic and political trends, government regulations and corporate practice worldwide.

EIU has estimated that the consumer price inflation in Bangladesh would average 8.9 percent in 2008.

"The inflation rate slowed slightly to 11.4 percent year-on-year in January from a nine-year high of 11.6 percent in December 2007," it said.

The report expected that

the budget deficit in fiscal year 2007-08 to rise to the equivalent of 5 percent of GDP compared with the official target of 4.7 percent. GDP is expected to grow by 5.7 percent in 2007-08 and by 6.2 percent in 2008-09.

The trade deficit is likely to swell to record levels as demand for industrial raw materials strengthens and international oil prices stay high. Strong inflows of workers' remittances resulted in a small current-account surplus in July-December 2007.

The report said the fiscal policy would remain expansionary over the forecast period.

Liberalisation of the banking sector is expected to continue in 2008-09, although progress is likely to be slowed following the government's decision in March to cancel the sale of a stake in one of the four nationalised commercial banks to Prince Bandar of Saudi Arabia.

"The most pressing task for the current administration is to rein in consumer price inflation. A shortage of food and high global prices for food staples such as rice and wheat have made these items too expensive for many Bangladeshis," said the report.

Despite the measures outlined in the 2007-08 budget to boost collection, revenue is expected to remain low as a proportion of GDP during the forecast period.

**Government of the People's Republic of Bangladesh**  
HQ Bangladesh Rifles  
Communications Directorate, Peelkhana, Dhaka

### Invitation for Re-Tender

No. 16/2007-08/CD Dated 30 March 2008

1.	Ministry/Division	Ministry of Home Affairs/HQ Bangladesh Rifles, Communications Directorate.
2.	Agency	Bangladesh Rifles.
3.	Procuring entity name	Director General, Bangladesh Rifles.
4.	Procuring entity code	2231 Bangladesh Rifles.
5.	Procuring entity district	Dhaka.
6.	Invitation for	Supply of VHF 25 Watt with accessories.
7.	Invitation reference No.	416/CD
8.	Date	30 March 2008.

**KEY INFORMATION**

9.	Procurement method	Open tendering method.
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**FUNDING INFORMATION**

10.	Budget and source of funds	Government of Bangladesh (GOB).
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**PARTICULAR INFORMATION**

11.	Date of advertisement for tender	3 April 2008.
12.	Tender last selling date	16 April 2008.
13.	Tender closing date and time	23 April 2008 at 11.30 hours.
14.	Tender opening date and time	23 April 2008 at 12.00 hours.
15.	Name and address of the office(s)	Address.
a.	Selling tender document	HQ Bangladesh Rifles, Communications Directorate, Peelkhana, Dhaka.
b.	Receiving tender document	HQ Bangladesh Rifles, Communications Directorate, Peelkhana, Dhaka.
c.	Opening tender document	HQ Bangladesh Rifles, Communications Directorate, Peelkhana, Dhaka.
16.	Pre-tender meeting Place, date and time	HQ Bangladesh Rifles, Communications Directorate, Peelkhana, Dhaka on 17 April 2008 at 10.00 hours.

**INFORMATION FOR TENDERER**

17.	Experience of tenderer	As per tender documents.			
18.	Price of tender document	Tk. 750/- each (non-refundable).			
19.	<b>DETAILS</b>				
SI	Description of signals Eqpt	Qty	Details	Tender security money	Duration of supply
a.	VHF 25 Watt with accessories	62	As per schedule	93,000/-	As per deed
20.	Sample to be provided with the quotation.				

**PROCURING ENTITY DETAILS**

21.	Name of officer inviting tender	Md Abu Tasnim.
22.	Designation of official inviting tender	Lieutenant Colonel, GSO-1 (Communications).
23.	Address of official inviting tender and Telephone No.	HQ Bangladesh Rifles, Communications Directorate, Peelkhana, Dhaka. Tel: 8340001/333
24.	The procuring entity reserves the right to accept or reject any or all tenders without showing any reason.	
25.	All proceedings will be regulated as per PPR-2006.	

GD-1555

GSO-1 (Communications)  
For Director General