

Bangladesh should reduce cost of doing business

Jetro survey suggests

STAR BUSINESS REPORT

Bangladesh should continue its effort to reduce its cost of doing business and also take immediate measures to eliminate the hidden cost on a priority basis to increase its competitive edge compared to other countries, according to a survey report prepared by the Japan External Trade Organisation (Jetro).

Jetro is the Japan government's overseas organisation who is working to promote mutual trade and investment between Japan and the rest of the world.

The 18th survey report released on Tuesday is based on the data on 32 cost-components gathered from 30 countries through questionnaires.

It said cost of investment in Bangladesh is not getting cheaper as all the cost components have increased to 2.45 per cent in 2008 from 2.44 per cent in 2007, indicating a rise in cost of investment to a normal extent.

Hidden cost, which is non-figurative but exists in matters related to procedure, policy, law and infrastructure, has high correlation with the cost of doing business and cost of investment in a country.

In addition to the cost components considered in the survey it is also necessary for Bangladesh to address and eliminate the impediments that are responsible for the high cost of investment.

The report said hidden costs and loopholes in policies are eating up Bangladesh's FDI (foreign direct investment) future.

It said to attract the coveted FDI, Bangladesh needs to take necessary measures to listen to the existing investors and assess their level of satisfaction.

'Existing Japanese investors feel that hidden costs still remain one of the key elements for escalation of cost of investment, which is making

Bangladesh less attractive to both existing and prospective Japanese investors,' it added.

Introducing the budget 2008-09, the government reduced the corporate tax to 37.5 from its previous 40 per cent, will help Bangladesh to achieve the competitive edge to some extent, the Jetro said.

It said Bangladesh is still holding the second highest position in terms of this particular cost component of investment among the Asian countries that are also welcoming foreign investment.

'To be more competitive, immediate attention should be given to the cost components that still remain less competitive, especially in container transportation, land price of industrial estate, initial internet connection fee, monthly basic internet connection fee, telephone installation fee, mobile phone subscription fee, corporate income tax etc,' the Jetro report disclosed.

In the survey the cost-components included wages, plot of industrial estate, office space, telecommunications, both land phone and mobile phone, internet connectivity, utilities covering electricity, water and gas, container transportation, energy covering gasoline and diesel and tax covering personal, corporate, VAT, interest remitted to Japan etc.

Particularly, the monthly basic payment for Broadband Internet Service in Bangladesh is continuously holding the highest position among all the participating countries in this survey, the report said.

Regarding the container transportation, the survey said cost of container transportation is a big element affecting the export competitiveness of a commodity. Bangladesh is the most expensive country in case of container transportation from Chittagong Port to Yokohama Port, the survey report said.

Eskayef becomes first local firm to export medicine to Indonesia

STAR BUSINESS DESK

Eskayef Bangladesh Ltd, one of the leading pharmaceutical companies in the country, has sent its first consignment of medicines to Indonesia, according to a press release.

This is the first consignment of medicines to Indonesia by any pharmaceutical company from Bangladesh. Indonesia with a population of 237 million is a very potential export market for the Bangladeshi pharmaceutical products.

In April 2006, Managing Director of the company AM Faruque and Head of International Business Mahmud Hasan visited Indonesia with the support of the Indonesian embassy to Bangladesh, particularly Hendra P Iskandar, the first secretary and head of Chancery of the embassy.

During their visit to Indonesia, they met top officials from the Ministry of Foreign Affairs, Ministry of Health and Drug Administration Authority and different pharmaceutical companies.

In May 2007 a business delegation from Indonesia came to Bangladesh and visited Eskayef plant. The delegates were convinced of the standard of Eskayef Bangladesh, and signed an agreement.

After completing relevant registration formalities, Eskayef Bangladesh started exporting to Indonesia.

AM Faruque said, "Indonesia is a regulated market and the country has a very strong pharmaceutical base. Due to our high quality standard, we have got the approval and started exporting to Indonesia."

"We are already exporting our products to many countries across four continents," he added.

Dhaka to look for options if its demands not met at WTO

Says adviser as ministerial meet begins July 21 in Geneva

STAR BUSINESS REPORT

Bangladesh will look for alternative options if the demands and interests of the country are not met in the upcoming WTO (World Trade Organisation) ministerial meeting scheduled on July 21 in Geneva, said the commerce adviser yesterday.

"Bangladesh needs duty-free and quota-free market access to the developed countries with our potential export items, including readymade garments (RMG), leather and agricultural products," said Dr Hossain Zillur Rahman.

He was addressing a seminar on 'Upcoming WTO Ministerial Meeting and Challenges for Bangladesh', organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in the capital.

"We will take necessary

steps considering the decisions that will come out of the meeting," the adviser said.

He said as per WTO rules, 97 per cent of export products from the least developed countries (LDCs) would receive duty-free access to the developed countries.

"As an LDC, we demand modification of any discriminatory rules," Zillur said.

He also said the country needs a strong vigilance system over the international politics to prevent any campaign motivated to ban Bangladeshi products in developed countries.

In his keynote paper, Dr Debapriya Bhattacharya, ambassador and permanent representative of Bangladesh to WTO and the UN office at Geneva, said as an LDC Bangladesh has some challenges to be addressed immediately.

"The main challenge for Bangladesh is to ensure duty-free and quota-free market access and reduced tariff for exporting products to different developed countries," he said.

It needs political commitment from the government to bring together all the LDCs to lobby for ensuring these things, he said.

Debapriya also put emphasis on reaching an agreement on Non-Agricultural Market Access (NAMA) and formulating strategies with regards to overcoming the difficulties of preference erosion and preferential rules of origin.

FBCCI President Annisul Huq presided over the seminar, while President of Bangladesh Enterprise Institute Farooq Sobhan and Executive Director of Centre for Policy Dialogue Prof Mustafizur Rahman, among others, were present.

Holcim, architects agree to promote sustainable architecture

STAR BUSINESS DESK

The International Union of Architects (UIA) and the Holcim Foundation for Sustainable Construction seek to cooperate to inspire better sustainability performance in planning, architecture and building, according to a press statement.

The global Holcim Awards competition for architects, engineers and related professions will raise its profile through closer ties to the UIA network of national architects' associations.

The Holcim Awards aims to progressively form a worldwide community of recognized practitioners of excellence in sustainable construction.

The competition celebrates ground-breaking and more sustainable approaches to designing and building houses, working environments and infrastructure, and also includes a "Next Generation" category for young professionals to develop "blue sky" concepts that point the way to the future.

"The Holcim Foundation is delighted to collaborate with the UIA," said Holcim Foundation Chairman Markus Akermann. "Sustainable construction is important for everyone in terms of environmental, economic and social progress. Together we will strive to find opportunities at the design and construction phases of building projects to really make a difference and multiply best practice".

Inflation in some countries getting out of control: IMF

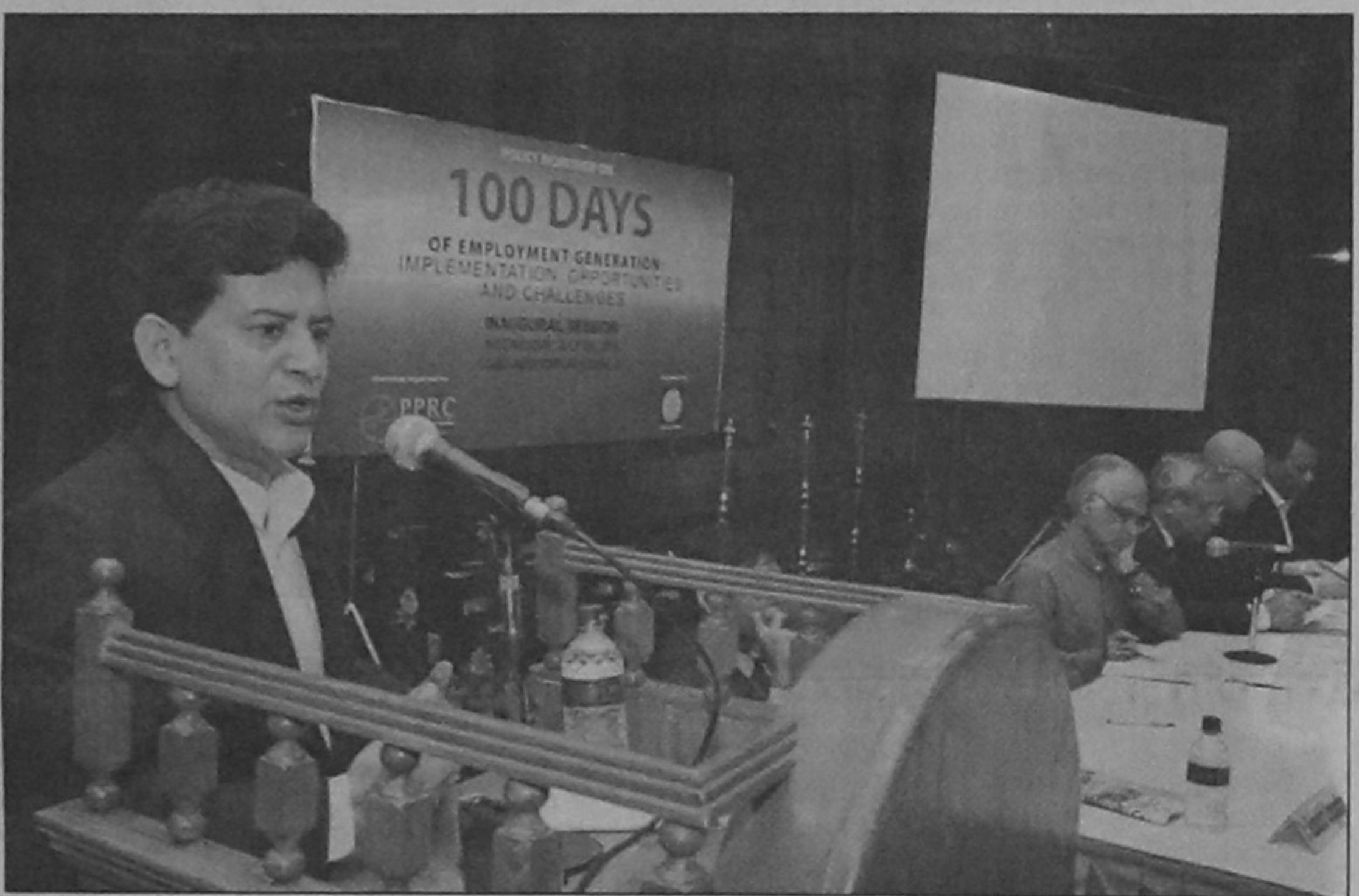
AFP, Tokyo, Japan

Inflation in some emerging countries "is getting out of control" and higher interest rates may be required to rein in prices, International Monetary Fund head Dominique Strauss-Kahn said Wednesday.

Inflation is now the biggest threat to the global economy, he told reporters on the sidelines of a summit of the Group of Eight rich nations in northern Japan.

"In some emerging countries and in some low income countries inflation is getting out of control. That means that monetary policy has probably to be tightened," he said.

He did not say which countries he was referring to but indicated that it included some nations in Latin America and Africa.



Commerce Adviser Hossain Zillur Rahman speaks at a workshop on '100 Days of Employment Generation: Implementation Opportunities and Challenges' organised by the Power and Participation Research Centre in Dhaka yesterday. (Story on B-1)

Work plan to eliminate poverty proposed

Bimstec meet announces feasibility study

STAR BUSINESS REPORT

Seven nations of the Bay of Bengal Initiative for Multi-Sectoral Technical Economic Cooperation (Bimstec) at a meeting yesterday proposed to formalise a joint work-plan to eliminate poverty in the region.

The ministerial meeting, attended by senior officials, undertook a proposal placed by Bangladesh to conduct a feasibility study to establish a food bank for the Bimstec nations.

Finance Adviser Mirza Azizul Islam revealed this at the post closing press briefing at a city hotel.

Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand are the members of the forum.

The concerned countries will again discuss the relevant issues in their own country and will take the final decisions in the next ministerial meeting.

The meeting also proposed to extend cooperation to each other for climate change and sustainable development of the region.

The meeting, preceding the first Bimstec Ministerial Meeting on Poverty Alleviation, took the issues in a view to eliminate poverty in the region.

Bimstec provides a unique link between South Asia and Southeast Asia, bringing together 1.3 billion people or 21 percent of the world's population and it covers 13 priority sectors led by member countries in a voluntary manner,

namely trade and investment, technology, energy, transport and communication, tourism, fisheries, agriculture, cultural co-operation, environment and disaster management, public health, people-to-people contact, poverty alleviation and counter-terrorism and transnational crimes.

The Dhaka meeting also proposed to extend cooperation towards the information communication and technology (ICT) sector by expanding it to education, health and agriculture sector.

To tackle food shortages arising from natural calamities or other causes, Bangladesh proposed the creation of a food bank, a senior official said.

Minister for Social Development and Human Security of Thailand, Chavarat Charanvirakul, said they are eager to establish it as a meaningful regional forum by expanding economic and social cooperation. He pointed out that the Bimstec secretariat is not adequately empowered and the members face communication gaps in producing prompt results.

He said despite the eagerness demonstrated by Thailand, India and Bangladesh, the much-talked Asian Highway project is currently not getting any momentum, as Myanmar, the main stakeholder of the project, is facing crisis due to Cyclone Nargis.

In June 1997, a sub-regional group was formed in Bangkok and given the name Bimstec

(Bangladesh, India, Sri Lanka, Thailand and Economic Cooperation). In December 1997, Myanmar joined the organisation as a full member at a Special Ministerial Meeting held in Bangkok upon which the name of the group was changed to Bimstec.

Red Cow brand reenters Bangladesh market

STAR BUSINESS DESK

Red Cow, one of the pillar brands of New Zealand Dairy Products Bangladesh Ltd, has reentered the market of Bangladesh, according to a press release.

Red Cow brand, which initially entered the Bangladesh market through distributors, is now returning through New Zealand Dairy Products Bangladesh.

Red Cow is a product brand of Australia, harvested with the natural goodness of clean and green pastures using the advanced knowledge, science and technology.

Bonlac Foods, an Australian company owned by 2300 dairy farmers in Victoria and Tasmania, established the Red Cow brand.

In 2001 when Bonlac merged with Fonterra, the ownership of the brand was transferred to New Zealand Dairy Products Bangladesh, the release added.

Advertisement for Bangladesh Career Guidance Board (বাংলাদেশ কারিগরি শিক্ষা বোর্ড) featuring a table of job openings (নিয়োগ বিজ্ঞপ্তি) with columns for job title, salary, and application details.

Advertisement for Bangabandhu Sheikh Mujib Medical University (বঙ্গবন্ধু শেখ মুজিব মেডিক্যাল বিশ্ববিদ্যালয়) featuring a table of job openings (নিয়োগ বিজ্ঞপ্তি) for various medical and administrative positions.