

Analysts spotlight business scope to German delegation

STAR BUSINESS REPORT

The foreign direct investment (FDI) regime in Bangladesh is liberal as almost all sectors are open to foreign investors and profit repatriation, analysts said at a seminar in Dhaka yesterday.

Infrastructure, power, agro-processed foods and telecommunication are some potential sectors for German investment in Bangladesh, they said at the seminar joined by a visiting German business delegation.

Bangladesh German Chamber of Commerce and Industry organised the seminar titled "Investment Climate and Economic Prospects for Bangladesh" in association with OAV-German Asia Pacific Business Association.

OAV is a network of more than 500 German companies from all industries including production, trade and finance services.

President of the chamber Saiful Islam said the newly elected government's agenda includes huge investment in power and infrastructure and Germany is welcome to come up with development projects for infrastructure and energy.

He also expressed concern that Bangladesh has been portrayed with a negative image in the western media.

Former caretaker government finance adviser AB Mirza Azizul Islam said manufacturing, readymade garments, agro-processed foods, energy, water resources, inland river container, and telecommunications are the areas where German businessmen can invest.

As the government allows full profit repatriation and FDI in all the areas except some sectors such as arms and information, foreign investors can enjoy huge freedom in the country, he added.

Despite rapid growth in mobile telecommunication in the last few years, tele-density rate in the country is still one of the lowest in the world,

he said, describing the justification to invest in the sector.

Aziz said the size of the capital market has doubled in the last 3-4 years, while the largest-ever initial public offering was 3.5 times oversubscribed, showing a vibrant capital market.

In a keynote speech, Mamun Rashid, managing director of Citibank NA in Bangladesh, said the infrastructure problem is not unique for the country. "During my work in different countries of Southeast Asia and Africa, I have seen that infrastructure is a common problem for all the emerging countries."

About the economic progress of the country in the last few years, he said now the size of the capital market is two times higher than that of Philippines, while foreign currency reserve has reached \$9 billion recently from \$1 billion in 2001.

BD Rahmatullah, former director general of Power Cell and Power Division of the Ministry of Power, Energy and Mineral Resources, said the average per day power shortage in the country is now 2,000 megawatt.

It is not possible for any country to develop to its full potential with such a shortage of power, he added.

He also said the 'Vision 2021' of the government will remain unimplemented with a dilapidated power sector.

Not the mineral resources but absence of proper policy is the main problem for power sector development as it is possible to generate 10,000MW of power for 50 years by using the coal in the northern region of the country only, he said.

German Ambassador to Bangladesh Holger Michael said he would carry a strong message with him from the discussion at the seminar -- the country has a huge potential.

Editor and Publisher of The Daily Star Mahfuz Anam said Bangladesh has a huge opportunity for development, while the best way of defining the country is that it is a rose with

many thorns and so one has to take risks to enjoy the beauty of the flower.

Anam said it seems that the country is on the right track as the government has taken some bold steps to develop the power sector -- though still at planning level. He however said: "We are good planners, not implementers."

Christoph Isemann, director of KfW office in Dhaka, identified traffic congestion, transport and energy situation as some of the bottlenecks for the country's development.

KfW is the German state-owned development bank. Isemann also urged the authorities to at least spare the power sector bidding from politicisation for the development of the sector.

Peter Clasen, head of the OAV delegation, said although there is business potential in the country, it will require more efforts in this regard.

He also said the people of the country are business-loving.

Zaidi Sattar, former senior economist of World Bank South Asia region, and chairman of Policy Research Institute of Bangladesh, said there has been around 6 percent GDP (gross domestic product) growth in the last few years.

But the country could achieve 8-10 percent growth, he added.

He also suggested making the country part of the global supply chain instead of relying on 8-10 products for export.

He said Bangladesh still has a huge potential in RMG sector, as the existing \$12 billion annual RMG export of the country is insignificant in the \$400 billion global apparel market.

In a keynote speech, Mahboob Ahmed, managing director of Shipwrights Bangladesh Ltd, a concern of Rupayan Port and Logistics Services Ltd, stressed transporting containers through waterways to reduce transport cost.

Citing a World Bank report, he said one gallon of fuel moves one tonne of cargo 59 miles by road, 202 miles by train and 514 miles by waterways.



Ziaul Haque Khondker, chairman of Securities and Exchange Commission, speaks at the inauguration of the Third CSE Capital Market Fair at the Chittagong Club auditorium in the port city yesterday. (Story on B1)

Solar irrigation pumps on cards

STAR BUSINESS DESK

Grameen Shakti and Nahean Enterprise, a concern of MAK'S Group of Companies, have teamed up to introduce solar-based irrigation pump system, says a statement yesterday.

An agreement was signed in this regard between the two companies.

Grameen Shakti will purchase the Lorentz solar irrigation pumps, made by Germany's Bernt Lorentz GmbH & Company KG, from Nahean Enterprise.

With maintenance costs much lower than the fuel based irrigation system, these solar-based irrigation pumps can ensure continuous irrigation in those areas of the country where there is no electricity, added the statement.

Nahean Enterprise will also provide continuous technical assistance for these pumps.

JS body recommends deposit of govt fund with non-banks

STAR BUSINESS REPORT

The parliamentary standing committee on finance ministry has recommended that the government keep its fund in non-banking financial institutes (NBFI) along with different commercial banks.

It also wants the National Board of Revenue to cut the tax rate by at least 2.5 percent for these institutes so that they do good business.

"NBFI's financial management is good and they alone maintain a fund of Tk 16 thousand crore. If the government deposits its fund with these institutes,

they will be able to gain more using that fund," AHM Mostafa Kamal, chairman of the parliamentary body, told reporters after the committee held at the Jatiya Sangsad Bhavan yesterday.

The committee chief, also a ruling Awami League lawmaker, pointed to the fact that public and private banks now enjoy a better scope to do business, as government funds are deposited with the banks only.

Mostafa Kamal, popularly known as Lotus Kamal, said, "The committee recommended that NBR reduce tax rates for NBFI, as these institutes do less business

compared to banks but the rate of tax they pay is identical."

The committee also asked the Bangladesh Bank to investigate why the non-banking financial institutes failed to list on bourses within the stipulated time.

The committee also discussed on how to bring pace and dynamism in the activities of Money Loan Court.

"The committee also asked the authorities concerned to oversee that each of the non-banking financial institutes raise their paid-up capital to Tk 50 crore by 2011 from the existing Tk 25 crore," Mostafa Kamal said.



Hamidul Huq, managing director of Credit Rating Agency of Bangladesh, hands over the rating report to Firoz Alam, managing director of Shahjibazar Power Company Ltd (SPCL), in Dhaka recently. SPCL was awarded a double A two (AA2) for its 86MW gas-based power plant project in Habiganj.

Eurozone bank lending shrinks for the first time

AFP, Frankfurt

Bank lending to the eurozone private sector shrank in September for the first time on record, the European Central Bank said on Tuesday, a stark warning that any recovery is fraught with uncertainty.

Lending contracted by 0.3 percent in September, a bank spokesman said, after growing by just 0.1 percent in August.

It was the first time the figure was negative since the

bank's records began in January 1992.

"There are still few signs that the ECB's unlimited provision of liquidity to banks is prompting any pick up in eurozone broad money and lending," Capital Economics economist Ben May commented.

The central bank is to release its latest quarterly survey of bank lending on Wednesday and "the credit cycle remains the biggest question mark on the timing and the extent of the recovery in the eurozone,"

UniCredit economists Loredana Federico and Davide Stroppa wrote.

Growth of the ECB's wider M3 money supply indicator, which measures cash, deposits and various other financial items, fell to 1.8 percent in September from a revised 2.6 percent in August, the ECB spokesman said, also a record low.

Lending and money supply data reflect consumer demand and overall activity in an economy.

A falling figure points to lower demand, which normally means inflation will ease and allow the ECB to cut interest rates. However, ECB rates are already at a record low of 1.00 percent and are not expected to be cut further.

ECB president Jean-Claude Trichet has warned meanwhile that "uncertainty remains high" regarding a recovery from the eurozone's first recession and analysts say credit could get tighter as demand from business rises.

The decision was taken at a meeting visiting US Trade Representative Ron Kirk had with Indian Commerce Minister Anand Sharma here on Monday.

"We will work on a framework on cooperation for trade and investment and two agreements on IPR and traditional knowledge digital library", Sharma told media persons here.

He said the deals will be signed soon but there is timeline for it.

The US sought greater access to Indian market, especially in financial sector, and further cooperation in IPR for increased two-way trade and investment, Kirksaid.

Commerce minister off to Nepal

UNB, Dhaka

Commerce Minister Faruk Khan left here for Nepalese capital Katmandu Tuesday to attend the 4th meeting of Safta Ministerial Council, beginning today.

Enhancement of trade among Saarc-member countries under Safta agreement, Saarc economic cooperation, latest progress of Saarc Framework Agreement on Trade in Services Negotiation, non-tariff barriers and reduction of duty rate are likely to be discussed in the meeting.

The minister, who is leading a six-member home delegation, is expected to return home today.

Indo-US deal soon to liberalise trade, investment

PALLAB BHATTACHARYA, New Delhi

India and the United States will expedite framework of an agreement to liberalise bilateral trade and investment and cooperate in intellectual property rights (IPR).

The decision was taken at a meeting visiting US Trade Representative Ron Kirk had with Indian Commerce Minister Anand Sharma here on Monday.

"We will work on a framework on cooperation for trade and investment and two agreements on IPR and traditional knowledge digital library", Sharma told media persons here.

He said the deals will be signed soon but there is timeline for it.

The US sought greater access to Indian market, especially in financial sector, and further cooperation in IPR for increased two-way trade and investment, Kirksaid.

ন্যাশনাল টিউবস লিমিটেড
(বাংলাদেশ ইম্পাত ও প্রকৌশল করপোরেশনের একটি প্রতিষ্ঠান)
১৩১-১৪২ টংগী শিল্প এলাকা
টংগী, গাজীপুর-১৭১০।

আদমজী পাইপ নামে খ্যাত এনটিএলের জিআই/এমএস/এপিআই পাইপ ব্যবহার করুন যা দীর্ঘস্থায়ী, পুনঃ ব্যবহারযোগ্য, নির্ভরযোগ্য ও নিরাপদ।

API LICENSEE এবং ISO-9001-2008 সনদপ্রাপ্ত কোম্পানী।

বল বিয়ারিং, হার্ডওয়্যার ও ম্যানুফ্যাকচারিং দ্রব্যাদি ক্রয়ের টেন্ডার বিজ্ঞপ্তি

| ক্র. নং | টেন্ডার নং ও তারিখ | দ্রব্যের নাম ও বিবরণ | আবেদন মূল্য (ফেরতযোগ্য) | টেন্ডার মূল্য (অফেরতযোগ্য) | টেন্ডার খোলার তারিখ ও সময় |
|---------|--|--|---------------------------|----------------------------|--|
| ১) | বাণিজ্য (স্থানীয় ক্রয়)- ১২/০৯-১০ তারিখ- ২৫-১০-০৯ | বল বিয়ারিং, হার্ডওয়্যার ও ম্যানুফ্যাকচারিং দ্রব্যাদি | টঃ ৬,০০০/- (ছয় হাজার) | টঃ ২০০/- (দুইশত) মাত্র। | ১২-১১-২০০৯ তারিখে সকাল ১১-১৫ ঘটিকায় টেন্ডার বাস্তব বন্ধ হইবে এবং একই তারিখে সকাল ১১-৩০ ঘটিকায় খোলা হইবে। |

টেন্ডার সিডিউল নির্ধারিত মূল্য পরিশোধ সাপেক্ষে অফিস চলাকালীন সময়ে হিসাব বিভাগীয় প্রধান, ন্যাশনাল টিউবস লিমিটেড, টংগী শিল্প এলাকা, গাজীপুর এবং হিসাব নিয়ন্ত্রক, বাংলাদেশ ইম্পাত ও প্রকৌশল করপোরেশন, বিএসইসি ভবন, ১০২ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা-১২১৫ হইতে পাওয়া যাইবে। অনিবার্য কারণ বশতঃ টেন্ডার খোলার দিন অফিস ছুটি/বন্ধ থাকিলে পরবর্তী কার্যদিবসে একই সময়ে উভয় স্থানে টেন্ডার গ্রহণ ও খোলা হইবে। টেন্ডার খোলার দিন কোন দরপত্র সিডিউল বিক্রয় করা হইবে না।

(ডঃ মোঃ আমিরুল মমিন)
অতিঃ প্রধান প্রকৌঃ (বাণিজ্য)
ফোন নং ৯৮০২৭৩৭

ন্যাশনাল টিউবস লিমিটেড
(বাংলাদেশ ইম্পাত ও প্রকৌশল করপোরেশনের একটি প্রতিষ্ঠান)
১৩১-১৪২ টংগী শিল্প এলাকা
টংগী, গাজীপুর-১৭১০।

আদমজী পাইপ নামে খ্যাত এনটিএলের জিআই/এমএস/এপিআই পাইপ ব্যবহার করুন যা দীর্ঘস্থায়ী, পুনঃ ব্যবহারযোগ্য, নির্ভরযোগ্য ও নিরাপদ।

API LICENSEE এবং ISO-9001-2008 সনদপ্রাপ্ত কোম্পানী।

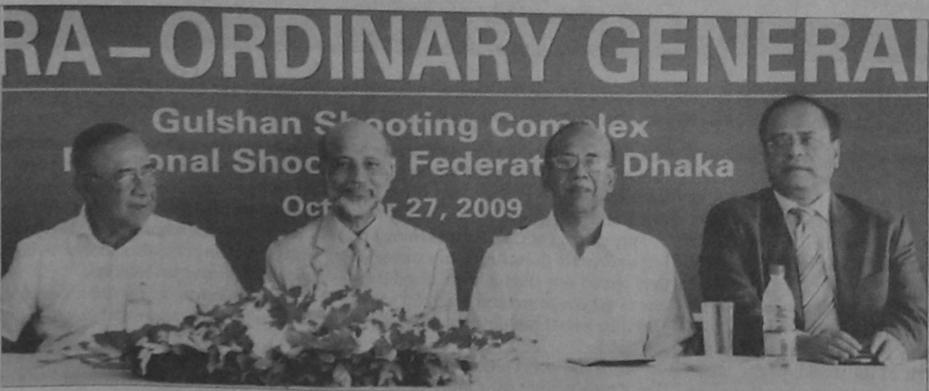
বৈদ্যুতিক মালামাল ক্রয়ের পুনঃ টেন্ডার বিজ্ঞপ্তি

ব্যবস্থাপনা পরিচালক, ন্যাশনাল টিউবস লিমিটেড, টংগী, গাজীপুর কর্তৃক নিম্নবর্ণিত পণ্যসামগ্রী সরবরাহকারীর নিজ খরচে ও দায়িত্বে অত্র কারখানার ডাডারে সরবরাহের জন্য প্রকৃত সরবরাহকারী প্রতিষ্ঠান হইতে সীলমোহরকৃত খামে দরপত্র আহবান করা যাইতেছেঃ

| ক্র. নং | টেন্ডার নং ও তারিখ | দ্রব্যের নাম ও বিবরণ | আবেদন মূল্য (ফেরতযোগ্য) | টেন্ডার মূল্য (অফেরতযোগ্য) | টেন্ডার খোলার তারিখ ও সময় |
|---------|--|---|---------------------------|-----------------------------|--|
| ১) | বাণিজ্য (স্থানীয় ক্রয়)- ১২/০৯-১০ তারিখ- ২৫-১০-০৯ | বৈদ্যুতিক মালামাল (সিলিকন রেজিস্টার, ক্যাপাসিটর, রেজিস্টার ইত্যাদি) | টঃ ১০,০০০/- (দশ হাজার) | টঃ ৫০০/- (পাঁচশত) মাত্র। | ১২-১১-২০০৯ তারিখে সকাল ১১-১৫ ঘটিকায় টেন্ডার বাস্তব বন্ধ হইবে এবং একই তারিখে সকাল ১১-৩০ ঘটিকায় খোলা হইবে। |

টেন্ডার সিডিউল নির্ধারিত মূল্য পরিশোধ সাপেক্ষে অফিস চলাকালীন সময়ে হিসাব বিভাগীয় প্রধান, ন্যাশনাল টিউবস লিমিটেড, টংগী শিল্প এলাকা, গাজীপুর এবং হিসাব নিয়ন্ত্রক, বাংলাদেশ ইম্পাত ও প্রকৌশল করপোরেশন, বিএসইসি ভবন, ১০২ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা-১২১৫ হইতে পাওয়া যাইবে। অনিবার্য কারণ বশতঃ টেন্ডার খোলার দিন অফিস ছুটি/বন্ধ থাকিলে পরবর্তী কার্যদিবসে একই সময়ে উভয় স্থানে টেন্ডার গ্রহণ ও খোলা হইবে। টেন্ডার খোলার দিন কোন দরপত্র সিডিউল বিক্রয় করা হইবে না।

(ডঃ মোঃ আমিরুল মমিন)
অতিঃ প্রধান প্রকৌঃ (বাণিজ্য)
ফোন নং ৯৮০২৭৩৭



Imam Anwar Hossain, executive committee chairman of Prime Bank Ltd, presides over the bank's seventh extraordinary general meeting in Dhaka yesterday. The meeting decided to raise capital by floating subordinate unsecured bonds for Tk 250 crore.