

# Tifa to deepen trade ties with US

Says American ambassador at MCCI discussion

## STAR BUSINESS REPORT

US Ambassador James F Moriarty said yesterday the Trade and Investment Framework Agreement (Tifa) is crucial for Bangladesh to win greater access to the US market.

Tifa became a topic of debate after Assistant US Trade Representative (USTR) for Central and South Asia Michael J Delaney visited Bangladesh last month.

The US has been saying Tifa is a non-binding agreement that only commits parties to hold regular annual meetings, although many Bangladeshi stakeholders are still unaware of the matter.

At a discussion at the Metropolitan Chamber of Commerce and Industry (MCCI), Moriarty said both countries could sign Tifa to foster greater dialogue on entrepreneurship, market access and labour issues.

"I want to be very clear that the proposed Tifa will not affect existing international commitments relating to intellectual property rights (IPR) or other areas," he said.

"Our past experiences clearly show these meetings can produce tangible benefits for both sides -- particularly for members of the business community," he said as the chief guest at the MCCI discussion.

Moriarty also said all of the issues -- entrepreneurship, market access, labour



James F Moriarty (fourth from left), US ambassador to Bangladesh, speaks at a meeting with the members of Metropolitan Chamber of Commerce and Industry in Dhaka yesterday.

rights and Tifa -- are essentially aimed at promoting economic development and spreading greater prosperity to the people of Bangladesh.

"By fostering entrepreneurship, enhancing market access and improving worker rights, we will ultimately help create jobs and reduce poverty. As experienced entrepreneurs, exporters and employers, you have a vital role to play in this process. Through your active engagement, you will help Bangladesh build a brighter future," Moriarty said.

In response to a query, he said if Bangladesh does not want to sign Tifa with the US, Washington will not push it. He said the US has no Tifa deal with India and China, but holds a lot of dialogues

and talks with both all the yearround.

At the discussion, President of International Chamber of Commerce and Industry--Bangladesh (ICC-B) Mahbubur Rahman urged both the US and Bangladesh governments to reveal the contents of the proposed Tifa to the public, as many people are still unaware about such agreement despite being a heated debate in the last couple of years.

"If Tifa is open, transparent and mutually beneficial, you can come with it anytime. But we are always debating without knowing the contents of the issue," Rahman said.

MCCI President Abdul Hafiz Choudhury also agreed that the provisions in Tifa have unfortunately not

been made public by the governments and therefore, the stakeholders are unaware of the provisions in the agreements.

"We urge the governments of both the countries to make the terms of the draft agreement public so that the stakeholders can take informed and effective discussions to resolve the differences," Choudhury said.

He said they are not against signing Tifa, but it needs to be assured that the benefits granted by WTO being a least developed country must not be affected.

Asking for continuing of renewal or extending of the current generalised system of preferences (GSP), Choudhury said such benefits will expire on December 31.

"We will like to bring to your notice that the top 30 Bangladeshi export items are not included on the list of GSP, which accounts for 70 percent of the value of exports to the US. We request that while renewing the US GSP, it should make an inclusive list with wider coverage to help the LDCs to increase trade dependency with USA," Choudhury said.

Meanwhile, the US has already signed Tifa with more than 30 trading partners, including Pakistan, Sri Lanka, Afghanistan, a group of Central Asian nations and Asean.

Former MCCI President Latifur Rahman and Vice-President Syed Nasim Manzur were also present at the discussion.

## Inflation likely with high currency reserves

Says finance minister

### STAR BUSINESS REPORT

A healthy foreign exchange reserve is a must for a healthy economy, but everyone should be careful about its probable adverse impacts on inflationary pressures, said Finance Minister AMA Muhith.

"Access to foreign exchange reserve sometimes may lead to inflationary pressures. We all should be careful about the impacts," said the minister at a programme to celebrate Bangladesh's foreign reserve figures that crossed \$10 billion.

Looking back, the minister said Bangladesh did not have gold reserves worth \$52 million in 1972 to become a member of International Monetary Fund (IMF).

Canada later helped Bangladesh to become a member of IMF.

"Today, we have foreign reserves worth \$10 billion. Why should we not expect reserves worth \$100 billion in the next 15 years?" Muhith asked the audience.

On November 11, Bangladesh's foreign exchange reserves crossed the \$10 billion mark for the first time in history, riding on buoyant remittance inflows, moderate exports and declining import payments.

The foreign exchange reserve was \$9 billion in September and \$7.47 billion in June. Figures were slightly over \$5 billion in June 2007.

Reserves crossed the \$10 billion mark

mainly due to a significant rise in inward remittances despite global recession that dealt a blow to many countries with negative growth in their remittances.

The finance minister expects a momentum in foreign direct investment (FDI) soon. However a mindset problem remains, according to him.

"We madly want FDI. But at the same time, we start shouting when foreign investors remit money to their home country," he said. "We should change this mindset. There is nothing to worry about."

High remittance inflow through legal channels, a strong anti-money laundering act and steady export growth mainly helped Bangladesh pocket the handsome foreign exchange figure, said Atiur Rahman, governor of the central bank.

Echoing the finance minister on the probable impacts of healthy remittance on commodity prices, he said the next monetary policy by the central bank will take measures to check the impacts.

According to him, the healthy reserves will help Bangladesh take a strong position in bargaining for donor aid.

Ziaul Hassan Siddiqui, deputy governor of Bangladesh Bank, conducted the programme, while representatives from banks and other government and non-government organisations were also present at Dhaka Sheraton Hotel.



Arshad Huq, chief operating officer of Transcom Electronics, and Jerry Mobbs, chief executive officer of Augere Wireless Broadband Bangladesh Ltd, exchange documents after signing a deal in Dhaka on Sunday. Transcom Electronics will retail Qubee Wimax products and services through its Transcom Digital showrooms.

## Entrepreneurship and Private Equity Investment in Bangladesh



Dr Tawfiq-e-Elahi (centre), the prime minister's energy adviser, attends a panel discussion organised by Brummer and Partners in Dhaka yesterday.

## Equity firms urged to invest in energy

### STAR BUSINESS REPORT

The government is trying to organise a special fund for the energy and power sector to help Bangladesh overcome the present crisis, said the prime minister's energy adviser yesterday.

"Once we finalise our groundwork, we will invite private equity investors for funds," said Dr Tawfiq-e-Elahi at a panel discussion on entrepreneurship and private equity investment, organised by Brummer and Partners, Bangladesh at Dhaka Sheraton Hotel.

Brummer and Partners, a Stockholm-based hedge fund management firm, has started its opera-

tion in Bangladesh in July 2008.

"Our energy sector needs huge investments to meet the local need to run big industrial units," said Tawfiq-e-Elahi.

"We are also trying to modernise and liberalise our financial system to make it investment friendly."

Tawfiq-e-Elahi urged the private equity investors to invest in education as well.

He called for local entrepreneurs to ensure a balance between creating wealth by receiving capital through a private equity investment and educating people to enhance economic growth.

Patrik Brummer, chairman of Brummer and Partners, said the company looks to tap the potential

of Bangladesh as one of the fastest-growing economies in South Asia as the country benefits from its geographical proximity to India and China.

"We hope to invest in the reputed and profitable local ventures to help them grow faster," Brummer said.

The firm, which manages about \$6 billion, increased its fund to \$100 million in Bangladesh from its initial investment of \$53 million.

"The local entrepreneurs should look into the trend of private equity investment around the world before taking such funds," said Muhammad A (Rume) Ali, managing director (enterprises) of Brac.

"The economy is now robust,

supported by a high liquidity flow and highest foreign exchange reserve. It's time to take steps cautiously."

He said private equity investors started investing in small economies like Bangladesh in 2006-07.

Syed Nasim Manzur, managing director of Apex Adelchi Footwear Ltd, said: "In a country like Bangladesh, the 'private equity' should offer something more than just capital. It should provide strategic partnership as well."

Richard Gillingwater, chairman of CDC, a UK government-owned fund of funds, and Khalid Quadir, chief executive officer of Brummer and Partners, Bangladesh, were also present.

## CAAB profit may exceed Tk 400cr

BSS, Dhaka

The civil aviation authority's profit may exceed Tk 400 crore this year compared to last year's Tk 200 crore, indicating a rise of more than 50 percent.

The disclosure was made yesterday by acting Civil Aviation and Tourism Secretary Shafique Alam Mehedi at a meeting of officers and employees of Bangladesh Parjatan Corporation at Hotel Abokash in the city.

The meeting, arranged by the corporation, was presided by its Chairman Hemayet Uddin Talukder while Chairman of the Civil Aviation Authority of Bangladesh Air Commodore Sakib Khanmajlish was the special guest.

Mehedi asked the officials to take up new work outlook and development strategy and said such innovative approach is important to deliver the goods. Nobody is beyond accountability; they have to carry out their job in full transparency and accountability, he warned.

## গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

পরিচালকের কার্যালয়

স্যার সলিমুল্লাহ মেডিকেল কলেজ মিটফোর্ড হাসপাতাল, ঢাকা  
স্বাক নং পঞ্জি/মিহা/নিলাম/০৯/১৫৯৮৭ তারিখঃ ১১/১১/০৯

## নিলাম বিজ্ঞপ্তি

এতদ্বারা স্যার সলিমুল্লাহ মেডিকেল কলেজ মিটফোর্ড হাসপাতাল, ঢাকার পুরাতন অকেজো লোহার খাট, বেড সাইড লকার, স্টীল আলমিরা, বিভিন্ন প্রকার আলুমিনিয়াম ও তামার মালামাল, গাড়ির পুরাতন টায়ার ও অকেজো খুচরা যন্ত্রাংশ এবং সার্জিকেল যন্ত্রপাতি (যেখানে যে অবস্থায় আছে ভিত্তিতে) নিলামে বিক্রয় করার জন্য প্রকৃত ব্যবসায়ী প্রতিষ্ঠান এর নিকট হতে সীলমোহরকৃত খামে দরপত্র আহ্বান করা যাইতেছে। দরপত্র আগামী ০৯-১২-০৯ইং তারিখ পর্যন্ত অফিস চলাকালীন সময়ে অত্র হাসপাতালের ক্যাশিয়ারের নিকট হইতে ক্রয় করা যাইবে। দরপত্র আগামী ১০-১২-০৯ইং তারিখ বেলা ১২-০০ ঘটিকা পর্যন্ত দাখিল করা যাইবে এবং ঐ দিনই বেলা ১২-৩০ মিনিটের সময় নিলাম কমিটি কর্তৃক দরপত্র বাস্তব খোলা হইবে। দরপত্র তফসীল এর মূল্য বাবদ ৭৫০/- (সাতশত পঞ্চাশ) টাকা (অফেরতযোগ্য) কোড নং- ১ ২৭১১ ০০০০ ২০২৩ স্বাস্থ্য ও পরিবার কল্যাণ সেবা বাতে ট্রেজারী চালানোর মাধ্যমে অত্র হাসপাতালের পরিচালকের অনুকূলে জমা দিয়ে চালানোর মূলকপিতে জেলা হিসাবরক্ষণ কর্মকর্তা কর্তৃক সিটিআর করতঃ অত্র হাসপাতালের ক্যাশিয়ারের নিকট চালান জমা দিয়া সিডিউল ক্রয় করা যাইবে।

ডাঃ মোঃ আবুল হাশেম খান

উপ-পরিচালক

পরিচালকের পক্ষে

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## 2,000 tonnes jute seeds yield planned

BSS, Dhaka

The government is planning to produce 2,000 tonnes of quality jute seeds from the next year to largely meet the present 4,000 tonnes of market demand.

The Integrated HYV Jute and Jute Production Programme under the Ministry of Jute and Textile has already sent a project proposal to the Ministry of Finance and Planning for fund allocation in this regard, Project Director M Abdul Khaleque told the news agency yesterday.

Presently, Bangladesh Agriculture Development Corporation (BADC) is supplying 1000 to 1200 tonnes of seeds to market, while the rest of the demand is met by importing substandard seeds from the neighbouring country, he said.

"The high yield of jute largely depends on quality seeds," he said, adding "this is the time to look for increasing jute production as the prices of raw jute and diversified jute products are experiencing an upswing in the international market," he said.



KM Rezaul Hasanat, chairman and chief executive officer of Viyellatex Group, speaks at a conference styled Sustainable Solution for Better Future in Hong Kong, organised by Cotton USA and Cotton Inc recently.