

# Fast industrialisation advocated

## Unemployment rising, says PPRC seminar

STAR BUSINESS REPORT

A seminar has advocated accelerated industrialisation, not agriculture, for Bangladesh's economic development.

The pace of industrialisation should be expedited so that the country becomes a mid-income one, said AB Mirza Azizul Islam, a former finance adviser to caretaker government.

"We have to increase investment in the public sector like infrastructure and power, expedite implementation of the projects under the public-private partnership (PPP) and resolve the energy crisis, for the economic growth," Islam told the seminar where economists, businessmen, trade body leaders, government high-ups and experts participated to share their experiences.

Power and Participation Research Centre (PPRC) organised the seminar on 'Resilience amidst uncertainty: Poverty and growth perspectives' at Sonargaon Hotel.

Islam also suggested export market diversification and human resources development.

The former adviser pointed to the

Tk30,000 crore idle, which manifests a lack of fresh investments.

Mahabub Hossain, executive director of Brac, a nongovernmental organisation, said a higher lending rate leads to a halt to micro-finance expansion over the last one year.

"We should exploit the potentiality of the foreign markets through acceleration of industrialisation," Hossain said.

Annisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry, said still agriculture is the major sector, but investment in industrial sector is required.

"We have to have investment in industries as the rate of unemployment marks a rapid rise," he said.

"We're not too much afraid of hartal as we have experienced it earlier. We're not afraid of global financial crisis, we need energy, infrastructure, industrial land and foreign direct investment," Huq said.

While presenting the findings of a World Bank-funded study on 'global recession, growth realities and middle income aspiration', Hossain Zillur Rahman, executive chairman of PPRC, said Bangladesh has weathered the first round of the recession fallout quite well.

However, the longer-run growth scenario presents major challenges, he added.

"Looking at the situation now, two broad developments deserve our priority. One is the investment outlook, which is critical to the quality and magnitude of the growth process. The other immediate concern is an inflationary pressure," he said.

On the resilience from the global financial meltdown, Rahman said the country maintained a steady average economic growth rate at five percent during 2007-10, robust agricultural production, which marked rice output of 27.3 million tonnes in 2007, 30 million tonnes in 2008 and 32.2 million tonnes in 2009.

Moreover, fiscal deficit was only 3.7 percent of the 2009 GDP, which testifies the macro prudence and improved efficiency and performance of the banking sector, said Rahman, also a former adviser to a caretaker government.

He also pointed to the below 5 percent public investment.

Dr Salehuddin Ahmed, a former governor of the central bank, moderated the seminar.



Ali Reza Iftekhhar, managing director and chief executive officer of Eastern Bank Ltd, inaugurates the bank's sixth Priority Centre at Dhanmondi in Dhaka on Sunday.

## Seminar points to scope for more trade with Australia

STAR BUSINESS REPORT

A seminar in Dhaka yesterday pointed out that the potential for trade between Bangladesh and Australia remains largely untapped mainly because of the lack of awareness of businesspeople of the two countries.

Bangladesh's energy crunch and relatively high tariff on some Australian goods also affect the prospect of enhanced bilateral trade, the speakers at the programme said.

"The biggest barrier to the trade between Australia and Bangladesh is lack of awareness," said Peter Linford, senior trade and investment commissioner, Australian Trade Commission, South Asia.

Australian High Commission in Bangladesh and Australia-Bangladesh Chamber of Commerce and Industry organised the seminar at Lake Shore Hotel to discuss ways for strengthening the bilateral trade.

Data shows the Dhaka-Canberra trade rose 76 percent to AU\$495 million (AUD1 = USD 0.845688) in fiscal 2008-09 from AU\$281 million a year ago.

During the period, Bangladesh's exports and imports grew 174 percent and 58 percent respectively with Australia enjoying a trade balance.

The discussants also pointed to the fact that Australia awarded duty- and quota-free benefit to Bangladeshi products since 2003 but exports from Dhaka have not increased to that extent until the year 2007-08.

Australian High Commissioner in Bangladesh Justin Lee said, "Further efforts are needed to increase bilateral trade."

He said Australian buyers are showing interests in Bangladeshi products like garments.

"But the question is whether Bangladesh can increase and sustain supply in a new market like Australia," he said, pointing to Bangladesh's problems in electricity and energy.

He expected that a solution to infrastructure lacking and expansion of manufacturing base in Bangladesh would attract more buyers from Australia.

Citing high tariffs on Australian

items such as milk products, he said high tariff acts as disincentives to Australian goods. He also said various non-tariff barriers on food items also affect trade.

Annisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry, invited Australian entrepreneurs to come to invest in improving infrastructure in Bangladesh.

He said Australia generates 77 percent of its electricity through coal-based power plants.

Huq also called on Bangladeshi manufacturers to explore trade potentials with Australia, which imports US\$ 192 billion a year.

"There is big cake and you have to go across the table with buyers," he said, stressing a business-to-business connection to enhance exports.

Mizanur Rahman Shelley, a former minister and chairman of the Centre for Development Research Bangladesh, also spoke on the occasion.



Prime Bank Vice Chairman Quazi Sirazul Islam opens the bank's 85th branch in Pabna on Sunday. Deputy Managing Director M Reazul Karim was also present.

## Ice cream festival starts tomorrow

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An ice cream festival starts in Dhaka tomorrow. IGLOO Ice Cream will come up with seven new flavours at the four-day event at Dhaka Sheraton Hotel.

Visitors can cool themselves off with flavours such as Florida Fantasy, Chocolate Fudge Brownie and Strawberries n Cream, which are not yet available in the market.

"I hope people will love the new flavours," said MA Bayes, head of sales for IGLOO, at a press meet yesterday at the hotel, co-organiser of the event.

"The previous two festivals had received warm responses from people," said Mahafuzul Rahman, acting general manager of Dhaka Sheraton.

With a Tk 500 ticket, a person can taste the "cold delights" from 10am to 8pm as much as they want, he added.

At the end of the show, the visitors can win different attractive prizes through a raffle draw.

Abdul Monem Ltd manufactures the IGLOO ice cream of 21 flavours.

## G'FIVE handsets hit market

STAR BUSINESS REPORT

Easy World Bangladesh Ltd yesterday launched eight handsets of G'FIVE Mobile, a subsidiary of Zerone Group of China.

Yeafesh Osman, state minister for science and ICT, and Sunil Kanti Bose, post and telecommunications secretary, were present at the launching ceremony at Bangabandhu International Conference Centre in Dhaka.

Easy World Bangladesh is also the sole distributor of another Chinese brand -- VIRTUE.

More than five million G'FIVE handsets have already been sold worldwide, said Mohammad Tariquul Islam, chief executive officer of Easy World Bangladesh, at a press meet organised ahead of the launch.

The brand has received a huge response

from the users in South America, UAE, Africa, Pakistan and India, he added.

Ehsan Uddin Ahmed, chairman, and Mohammad Zahedul Haque, managing director of EasyWorld, were also present.

All the handsets come up with double SIM (subscriber identity module) card slots, colour display, audio and video players, GPRS (general packet radio service)/WAP (wireless application protocol), camera and bluetooth.

The brand's D-series sets offer dual standby and double battery slots to help the users attach two batteries at a time for a long-lasting backup.

U-series sets have metal casing and torchlight, while E71Y is a business phone with a high-definition camera, and V60 has a built-in compass.

## Hitachi outlines \$11b spend on key businesses

REUTERS, Tokyo

Hitachi Ltd, Japan's largest electronics maker, will focus investments on infrastructure-related businesses such as power plants as it seeks to more than double its profit over the next three years.

Hitachi, a sprawling conglomerate of 900 group firms, has been trying to narrow its focus to give it a better chance of competing globally with more profitable rivals such as Germany's Siemens and General Electric Co.

Over the next three years, Hitachi will allocate about 70 percent of its 1.4 trillion yen (\$15.4 billion) budget for capital spending and strategic investments to a group of businesses such as power plants, smart grids, cloud computing, batteries and railway systems.

Hitachi will look to mergers and acquisitions to bolster these operations, President Hiroaki Nakanishi said, in a sign the company is becoming more aggressive toward expansion after years of cost-cutting.

## New director for FBCCI



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The Federation of Bangladesh Chambers of Commerce and Industry has elected Nizam Uddin Ahmed as its director for 2010-12, according to a statement released yesterday.

Ahmed, a postgraduate in journalism from Dhaka University, is the vice chairman of Bangladesh Insurance Association.

He is also chairman of Nizam-Hasina Welfare Foundation, Nizam-Hasina Foundation Hospital and the editor of weekly The Muktibani.

## American Express 29th on Fortune list

STAR BUSINESS DESK

Fortune, a global business magazine, has ranked American Express 29th in its most admired companies list, City Bank said in a statement yesterday.

The magazine, published by Time's Fortune Money Group, also ranked the bank second in consumer credit card and related services in its survey.


In November last year, City Bank introduced American Express credit cards in Bangladesh.

For the 14th year in a row, American Express has made its mark on the most admired companies list.

Apart from Fortune, Ponemon Institute, a research institute for data protection and information technology, also ranked the bank as the most trusted companies for privacy for a third year.



Prof Muhammad Nurullah, pro vice-chancellor of Rajshahi University, inaugurates the Rajshahi branch of MTB Securities, stock brokerage arm of Mutual Trust Bank yesterday. Anis A Khan, the bank's managing director and chief executive officer, is also seen.



**বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড**

Memo No Pur-128/CZPDP/Package-4/2010/2825

**Invitation for Bids**

Dated: 25/05/2010

Loan No: BD P 59

“বিদ্যুৎ সশ্রবী বাতি ব্যবহার করুন”

- The Govt of the People's Republic of Bangladesh has received an ODA Loan from Japan International Cooperation Agency (hereinafter referred to as the JICA), in the amount of 9,715 million Japanese Yen toward the cost of Central Zone Power Distribution Project, Mymensingh, BPDB, Loan agreement No BD-P 59 signed on March 01, 2009, and intends to apply a portion of the proceeds of the loan to payments under the contract for Procurement of SPC Pole (the "goods"). Disbursement of an ODA Loan by JICA will be subject, in all respects, to the terms and conditions of the Loan Agreement, including the disbursement procedures and the "Guidelines for Procurement under JICA ODA Loans". No party other than Govt of the People's Republic of Bangladesh shall derive any rights from the Loan Agreement or have any claim to loan proceeds. The above Loan Agreement will cover only a part of the project cost. As for the remaining portion, Govt of the People's Republic of Bangladesh will take appropriate measures for finance.
- JICA requires that bidders and contractors, as well as the Govt of the People's Republic of Bangladesh, under contracts funded with JICA ODA Loans and other Japanese ODA, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, JICA;
  - Will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
  - Will recognize a contractor as ineligible, for a period determined by JICA, to be awarded a contract funded with JICA ODA Loans if it at any times determines that the contractor has engaged in corrupt or fraudulent practices in competing for, or in executing, another contract funded with JICA ODA Loans or other Japanese ODA.
- The Bangladesh Power Development Board, hereinafter "the Employer", now invites sealed local bids from eligible bidders from eligible source countries for the supply of the goods for the purpose of the project.
- Interested eligible bidders may obtain further information on the bid form and inspect the bidding documents at the office of Director, Purchase, Bangladesh Power Development Board, WAPDA Building (9th Floor), Motijheel C/A, Dhaka Fax: +880 2 955 0532, Phone: + 880 2 726 6151.
- A completed set of bidding documents may be purchased by any interested eligible bidder on the submission of a written application to the above address and upon payment of a no-refundable fee of Tk 20,000.00 (BDT twenty thousand) in the form of Pay Order/Demand Draft favour of the Director, Purchase, Bangladesh Power Development Board from June 01, 2010 to July 18, 2010 during office hour. The estimated date of award is 19.09.2010.
- All bids must be accompanied by a bid security of Taka 1,22,00,000.00 (one crore twenty two lac) and must be delivered in accordance with the instructions to bidders on or before 11.00 on 19.07.2010, and will be publicly opened immediately thereafter.
- The Bangladesh Power Development Board will not be responsible for any costs or expenses incurred by bidders in connection with the preparation or delivery of bids.
- The procuring entity reserves the right to accept or reject any or all tender(s) without assigning any reason thereof.

**Abu Reza Md Salahuddin**  
Director  
Directorate of Purchase  
BPDB, Dhaka

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