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**Stocks**

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CSCX ▲ 1.36%  
12,619.04  
(Week-on-week)

**Asian Markets**

MUMBAI ▼ 0.16%  
18,143.99

TOKYO ▼ 0.12%  
9,642.12

SINGAPORE ▼ 0.39%  
2,995.06

SHANGHAI ▲ 1.44%  
2,658.39  
(Friday closings)

**Commodities**

**Gold** ▲  
\$1,207.75  
(per ounce)

**Oil** ▲  
\$82.17  
(per barrel)  
(As of Friday)

SOURCE: AFP

## India okays 0.5m tonnes grain export to Bangladesh

REUTERS, New Delhi

India has allowed the export of 300,000 tonnes of non-basmati rice and 200,000 tonnes of wheat to Bangladesh, a government statement said on Friday, as good rainfall and higher planting have boosted crop prospects.

India, which curbed grain exports in recent years to head off domestic price rises, made the announcement after two global suppliers cancelled deals to ship some 65,000 tonnes of Black Sea wheat to Bangladesh after Russia curbed grain exports.

Wheat prices surged to a two-year high after drought-stricken Russia barred shipments, but Chicago Wheat futures declined on Friday amid end-of-week profit-taking.

# India to let Nepal trucks use its territory for Bangladesh

## Finance ministers speak on bilateral relations



M Musharraf Hossain Bhuiyan, right, Economic Relations Division secretary, and TCA Ranganathan, chairman of Exim Bank of India, sign a one-billion dollar loan agreement at a ceremony in Dhaka yesterday. Standing from left: Muhammad Abdur Razzaque, food minister, Pranab Mukherjee, India's finance minister, AMA Muhith, finance minister, and Mashiur Rahman, the prime minister's economic affairs adviser, are also seen.

### DIPLOMATIC CORRESPONDENT

India has said it will soon allow trucks from Nepal to enter Bangladesh through the Indian territory.

"We will soon allow trucks from Nepal to enter the Bangladesh side of the land custom station at Banglabandha," Indian Finance Minister Pranab Mukherjee told a press conference following a loan signing ceremony yesterday.

Under a credit line agreement, Delhi will lend Dhaka \$1 billion for implementation of some projects, particularly in transport and communications sectors.

"The terms of this loan, the larg-

est one in amount India is giving to any country, are extremely favourable," said Pranab.

Pranab, who was in Dhaka for a brief period, assured Bangladesh of every possible Indian assistance to execute projects, including in the areas of railway infrastructure, supply of coaches, locomotives, buses and dredging.

In response to a query on the Dhaka-Delhi trade gap and tariff and non-tariff barriers, the Indian minister said his country has already decided to allow zero tariff benefits to a large number of items from the least developed countries, including Bangladesh.

"We constantly exercise trade liberalisation," said Pranab, adding that steps would be taken to remove the tariff barriers, when those are identified, to facilitate access of Bangladesh products to Indian market.

Finance Minister AMA Muhith described as 'utterly false' the opposition's contention that the rate of interest of the Indian \$1 billion loan is higher than the World Bank and ADB.

Muhith, who sat next to his Indian counterpart at the press conference, said they (opposition) have signed similar agreements with 5 percent interest and repayment period of 15 years.

Pranab said India is committed to assisting Bangladesh in addressing its priorities for development and in its immediate requirements. In this context, he said Delhi just agreed to export three lakh tonnes of rice and two lakh tonnes of wheat, despite a ban on exports of such commodities.

He said India will revive land customs stations along Tripura and Mizoram borders, build a bridge over river Feni at Sabroom-Ramgarh and strengthen other border infrastructure. Two border haats on Meghalaya border will be set up soon, the Indian minister added.

## Shipping ministry takes up 6 projects

### Three to be done with Indian loans

M ABUL KALAM AZAD

The shipping ministry has put forward six projects involving about Tk 7,900 crore, three of which would be implemented exclusively with Indian loans, the ministry officials said.

The three projects are construction of an inland container terminal at Ashuganj port with Tk 250 crore, dredging at different points of the 'protocol route' between Kolkata port and Ashuganj port with Tk 898 crore, and purchasing of six dredgers from India with Tk 549 crore.

All the three projects will help India transport its over dimensional cargoes (ODC) for construction of a power plant in Tripura state. The ODCs will be transported from Kolkata port to Ashuganj port using the protocol route and then be carried to Tripura through land route.

Designation of the Ashuganj port as a new port of call will also help India carry goods from Agartala to Kolkata.

While India will gain from saving in transport costs and travel time, Bangladesh will be benefited from trading in transport services.

"The entire money to be required for the implementation of the three projects will come from the Indian loans," Shipping Minister Shahjahan Khan told The Daily Star yesterday.

He said India would also invest in developing the required facilities in Ashuganj and the road to be used for carrying the ODCs.

Of the remaining projects, the ministry has sought Tk 4,356 crore for capital dredging of 53 river routes all over Bangladesh for increasing navigability.

The government has chalked out the projects under which more than 300 rivers would be dredged in the next eight years, as the length of navigable waterways in the country nearly halved in the last two decades.

The river routes to be dredged include Dhaka-Munshiganj-Gajaria-Chandpur-Chittagong route on Buriganga, Dhaleshwari, Meghna and Karnaphuli rivers.

Shipping ministry officials said they proposed that the government allocate fund for the mega project also from the Indian \$1 billion line of credit, agreement of which was signed in Dhaka yesterday.

Purchasing of 17 dredgers from different countries with Tk 1,401 crore and dredging of 12 important river routes for smooth plying of passenger vessels with Tk 495 crore are the two other projects.

Dhaka-Barisal, Dhaka-Khunla, Dhaka-Chandpur, Bhoirab-Kishoreganj, Barisal-Patuakhali and Barisal-Bhola are some of the routes used for ferrying passengers.

The shipping minister also sought fund for the two projects.

"We need a number of dredgers to carry out massive dredging operation all over the country. Buying 6 dredgers from India will not be enough. The government should allocate fund to purchase more dredgers from other countries," said a joint secretary of the shipping ministry.

## KL firm eyes Dhaka school furniture market

SUMAN SAHA

A Malaysian furniture maker plans to enter Bangladesh market to make a footprint in the untapped school furniture business of the country.

"We want to enter Bangladesh's school furniture business, as no company here has so far signed in for the segment," says Hamdan B Selaman, sales and marketing manager of Furniture Industry Technology Centre (Fitec), a subsidiary of Kuala Lumpur-based furniture maker Majlis Amanah Rakyat.

Selaman is now in Dhaka to participate in the third Asian International Trade Fair that ends today.

"We'll provide a complete solution, including layout design, for the school furniture segment," he said.

The furniture maker said it set a target for \$1 billion sales of its products for Bangladesh schools, but did not mention the time period.

Fitec's Chief Operating Officer Sarimah Mohamad Sabudin said: "We're now working with partners here."

Inspired by the Bangladesh market potential, the company has opened a display centre in Chittagong.

According to Selaman, Malaysia will provide school furniture for Bangladesh's 1,000 educational institutions in line with a memorandum of understanding signed with the Bangladesh government.

Kid-friendly layout, matching colour and attractive design are the salient features of the school furniture.

Fitec posted an 18 percent rise in exports in June compared to the same month a year ago, as there are signs of economic recovery.

Malaysian Rural and Regional Minister Mohd Shafie Apdal says his country is among the nine largest furniture exporters in the world, the market size of which is more than \$100 billion.

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