

Bangladesh: Next destination for investment

Indian business delegation meets FBCCI team in Dhaka

STAR BUSINESS REPORT
Bangladesh could be the next ideal destination for investment as its markets are opening up amid industrial resurgence, the head of an Indian business delegation said yesterday.

"Bangladesh is ready to launch and march forward, and we are convinced that Bangladesh could be the next destination for investment," said Aniruddha Lahiri, vice chairman of AmCham India.

"Its markets are opening and industrial resurgence is taking place. We have got indication that we are very much welcome here," he said.

Lahiri said the two countries should work together to explore

common interests in trade and business across the border and in and beyond the region.

The comments came at a meeting between the 18-member team of AmCham India led by Lahiri and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at the conference room of FBCCI in the city.

FBCCI Vice-President Mostofa Azad Chowdhury Babu chaired the meeting.

FBCCI Director Abdul Haque said Bangladesh offers tremendous opportunities for the Indian business community; the two countries also explore opportunities in the region together.

FBCCI Director Md Harunur-Rashid said the killing of Bangladeshi citizens by Indian

Border Security Force in the border area is unprecedented given the historic and existing friendly relationship between the two countries.

He urged the business delegation to discuss the issue with Indian policymakers aiming to stop killing of innocent people. "The security force could use rubber bullets, which will spare innocent lives."

He was referring to the killing of a 15-year-old girl, Felani, on Phulbari border in Kurigram by the BSF on January 7. The incident provoked huge outrage from the people in Bangladesh, leading New Delhi to regret the incident two weeks later.

FBCCI Secretary General Mir Shahabuddin Mohammad said

getting Indian visa is a major hurdle the country's business community faces.

"Getting visa is a very complicated matter. We have to wait for visas no matter what one's purpose is--business or healthcare," he said. "This is painful when our prime minister has provided various facilities to India to improve connectivity with Bhutan and Nepal."

He said India should be more open in removing tariff and non-tariff barriers to take economic relations to a new height. "There are some minor problems that hamper trade."

Bangladesh imports products worth \$5 billion, which is an official figure, but imports by informal means are just as big, Shahabuddin

said. "So, India should help promote trade and investment."

Rajiv Pujara, managing director of Kolkata-based Atlas Healthcare Software, said people getting killed across the border is very unfortunate and shocking. "It's a sensitive issue."

He said the visa related problems are not one-sided. "The two countries should work together to find solutions."

Later, the business delegation had another meeting with the Dhaka Chamber of Commerce and Industry (DCCI) in its office.

DCCI President Asif Ibrahim, senior vice president TIM Nurul Kabir and vice-president Nasir Hossain were also present among others.

Bangladesh exports rice-bran oil to India

OUR CORRESPONDENT, Benapole

Bangladesh has recently started to export rice-bran produced oil to India through Benapole port.

Rice millers in Northern districts of Bangladesh have been exporting rice-bran to India for many years. This is the first time they are supplying the oil to the neighbour, on a move to capture the product's Indian market to the full.

Export of the oil to India is increasing by the day as the oil has huge demand there, said Abdul Mannan Sikder, Benapole customs commissioner. "In last one month, 215 tonnes of such oil worth of Tk 1.35 crore was exported to India," Sikder added.

KBC Agro Ltd exported the oil to two Indian companies -- Bengal Oil India Ltd and Phoenix Overseas Ltd in Kolkata through the Benapole port, said an official of the customs cargo department.

A tonne of rice-bran oil was priced at \$900 or around Tk 65,000 in Benapole customs house, said Abdul Aziz, Benapole customs export section joint commissioner.

There is huge demand for rice-bran oil in India, said Profulla Kumar, a representative of Phoenix Overseas.

New DMD for Trust Bank

STAR BUSINESS DESK

MM Haikal Hashmi has joined Trust Bank as deputy managing director, the bank said in a statement yesterday.

Prior to the appointment, he was the senior executive vice president and head of credit risk management of Dhaka Bank. Hashmi also served Credit Agricole Indosuez, ANZ Grindlays Bank, Standard Chartered Bank, American Express Bank and Mashreq Bank in Dubai in his career of 26 years.

He is a postgraduate of management from Dhaka University and a master in banking and finance from University Bocconi, Milan, Italy.

The certified credit analyst has also worked with



MIDAS FINANCING
Midas Financing has recently signed a participation agreement with Bangladesh Bank under small and medium sized refinancing scheme of ADB. Sukamal Sinha Choudhury, general manager for SME and special programmes department of Bangladesh Bank, and Shafique-ul-Azam, managing director of Midas Financing, inked the deal at a programme in Dhaka.



BANK ASIA
A Rouf Chowdhury, chairman of Bank Asia, attends the concluding ceremony of a three-week foundation training course at the bank's training institute at Panthapath in Dhaka on Tuesday. Chowdhury handed over certificates to the 25 participants of the training course at the ceremony.

Reforms in export-import policy soon: Faruk

STAR BUSINESS REPORT
The government will update the country's export and import policies through mid-term review for the first time in a bid to create a further congenial business environment, the commerce minister said yesterday.

"We will also formulate competition law to make the business environment friendlier. The existing companies' laws will also be revised," Faruk Khan said.

The minister made the comments when the newly elected board of directors of Dhaka Chamber of Commerce and Industry (DCCI) led by its President Asif Ibrahim called on him at his office in the secretariat.

Ibrahim said the country should analyse the micro-level policies, considering the purchasing capacity of people, who are under tremendous pressure due to soaring prices of basic commodities.

"The Trading Corporation of Bangladesh (TCB) should be reformed to control unwarranted price hike. There should also be a comprehensive food security policy under the public-private partnership (PPP) framework," the new president of the chamber said.

He said immediate short-term measures are needed to find the best way to use the country's limited gas resource, which is depleting fast, and the national coal policy should also be finalised.

The chamber leader said Bangladesh also needs to chalk out a fresh policy to face emerging challenges in the global trade arena. "Research and development and capacity building of Export Promotion Bureau should get priority," Ibrahim said.

The commerce minister said they have already sought fund from the finance ministry to strengthen the TCB, the state-run supplier of basic commodities.

"We have also decided to introduce distributorship system, as the existing delivery order system offered scope to create middlemen who inflate the prices of basic commodities without valid reasons."

On edible oil crisis, the minister said the government is actively planning to reduce tax on imports to keep the prices at a tolerable level, according to a DCCI statement.

Commerce Secretary Md Ghulam Hussain and DCCI Senior Vice President TIM Nurul Kabir and Vice President Nasir Hossain were also present.

India to cut export transaction cost

PALLAB BHATTACHARYA, New Delhi

India has announced a slew of measures to cut transaction cost for its exporters in a bid to make those more competitive on the global market.

Commerce and Industry Minister Anand Sharma on Tuesday unveiled a set of 21 measures that suggest, among other things, round-the-clock customs clearance at eight major ports of the country, including Kolkata.

India's Finance Minister Pranab Mukherjee and junior commerce minister Jyotiraditya Scindia said transaction cost is about 7-10 percent of the total value of India's total exports, amounting to \$15 billion.

Mukherjee said the government has already announced 24/7 customs clearance at eight ports, including Kolkata, Visakhapatnam, Jamnagar, Mangalore, Mumbai, Chennai and Bhubaneswar.

Banks have been asked to ensure that post-shipment credit is available at prescribed interest rates for a maximum 180 days in case of overdue bills and to extend pre-shipment credit in foreign currency at global benchmark of London International Bank Offer Rate (LIBOR) plus two percent interest rates.

Charges by the Delhi International

Airport for screening express cargo and courier shipments have been reduced per kg for export courier and booking charges for foreign currency.

Sharma said the average cost to an Indian exporter on account of transaction cost has been estimated at \$945 per container as compared to \$460 in China, \$450 in Malaysia and \$625 in Vietnam.

Scindia admitted there were bigger unaddressed issues for Indian exporters like higher freight and port charges as Sharma pointed out that a cut in those has revenue implications for the government.

This is the first time that the government has released a report along with steps initiated by it to address the concerns. Of the 44 issues identified by the Task Force set up under Scindia in October last year, 21 have been addressed through inter-ministerial consultations while action on two more is expected over the next two months.

The other measures announced on Tuesday included giving speedier clearances to farm and health products.

"We are committed to help the exporters. We recognise that it is essential to first of all reduce the total time taken for exports -- the time cargo is ready in the factory till it leaves the Indian shore. Second, we need to take measures that will reduce the financial cost of export transactions," Mukherjee said.

World Bank says Indonesia to grow 6.2pc

AFP, Jakarta

The World Bank said Wednesday that Indonesia's gross domestic product would grow 6.2 percent in 2011, a slight increase from last year, when the country was one of the best performing emerging economies.

The Bank maintained its 2011 growth forecast made in September last year, saying the recent strength of investment in Southeast Asia's largest economy was expected to continue.

"Indonesia is emerging as a self-confident, rising and dynamic middle-income country," World Bank country director for Indonesia Stefan Koeberle said.

Indonesia posted 6.1 percent growth in 2010 compared to 4.5 percent in 2009, paving the way for the country to achieve its target of 6.0 to 6.5 percent this year.

Koeberle said that in order to achieve the target Indonesia needed to deliver a favourable investment climate, improve infrastructure and find ways

Nissan quarterly profit jumps 78pc

AP, Tokyo

Nissan reported a 78 percent jump in quarterly profit and raised its full-year forecasts Wednesday as vehicle sales grew in North America, Europe and Asia, offsetting a weak performance in Japan.

Nissan's October-December net profit totaled 80.07 billion yen (\$976.4 million), up from 44.97 billion yen a year earlier. Helping the Japanese automaker's bottom line was a better performance at Renault, in which Nissan owns a 15 percent stake. Cost cuts and improved model offerings were additional pluses.

Sales for Nissan's fiscal third quarter rose 5.3 percent to 2.103 trillion yen (\$25.6 billion).

Nissan Motor Co., which became Japan's No. 2 automaker last year, overtaking Honda Motor Co., was upbeat after the better-than-expected performance.

The maker of the Leaf electric car, March subcompact and Infiniti luxury models now expects 315 billion yen (\$3.8 billion) in profit for the year through March. That would be a more than seven-fold surge from the previous fiscal year.



MTB
Yasmeen Haque, director of Mutual Trust Bank, poses with Nazia Andaleeb Preema, the first customer of the bank's new product, an exclusive savings account, MTB Ruby, at MTB Centre in Dhaka recently. Syed Manzur Elahi, the founding chairman, and Anis A Khan, managing director, were also present.



APOLLO HOSPITALS
Khondoker Monir Uddin Ahmed, centre, managing director of Apollo Hospitals, and Michael Potter, second from left, chief executive officer, attend the 14th annual general meeting of the hospital in Dhaka yesterday.



BRAND MARKS
Fair Distribution Ltd organised a press conference for its new promotional campaign, Buy Olitalia, Fly Italia, at the Westin Dhaka yesterday. Roberto Carini, export sales director of Olitalia; Matteo Montoschi, export manager, and Md Ruhul Alam Al-Mahbub, managing director of Fair Distribution, were present on the occasion.