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star BUSINESS

DHAKA FRIDAY APRIL 1, 2011, e-mail: business@thedailystar.net

Muhith woos French investors

INAM AHMED, from Paris

In a bid to woo flagging French private sector investment, Finance Minister AMA Muhith yesterday met top executives of some important French companies in Paris and asked them to explore business opportunities in Bangladesh.

"Bangladesh has potentials and B2B meetings are important," said M Francois Perigot, honorary president of MEDEF International, a top platform of business professionals. "We are yet to know your business facilities. The image we have of Bangladesh is of natural calamities. We are interested to know about your reforms that your government promised."

The businessmen wanted to know development in five areas -- corruption, governance, poverty reduction, macroeconomic stability and the five-year plan on energy.

In response, the finance minister said Bangladesh has come out of its lower level of growth and has been able to face the global financial crisis comfortably. He outlined the strategy that the government took to keep the economy up.

Bangladesh is now more focused on trade than foreign aid, which has declined to 2 percent of the GDP (gross domestic product) from as high as 12 percent, the minister said at the meeting with MEDEF International.

Muhith said inflation has been under check, foreign exchange reserve is steadily high, and growth and employment are on the rise.

"By 2021, we hope to be among the top 10 economies in Asia," Muhith said. "There are indications

that governance has improved and movement towards corruption is less. We have a clever labour force which is cheap and efficient."

The minister said the energy situation is improving and there would be no crisis shortly.

New opportunities for investment are opening up in the digitisation of the economy in the form of e-commerce and e-governance, Muhith added.

He highlighted that energy and infrastructure are two areas where the French can invest.

"We have problems in governance and our political divide is sharp. But when it comes to economic development, there is unity," he said.

He also praised the microcredit operations in Bangladesh, saying that it is one of the ways to get out of poverty and that Bangladesh is a pioneer in it.

Louis Bedoucha, senior business development officer of Multilateral Investment Guarantee Agency of the World Bank Group, said Bangladesh has made impressive improvement in economic and social development. But, he said, business climate is important.

Yannick Gardin, scientific director (biological) of Ceva Sante Animale, a veterinary product and pharma company, said his company has been doing good business in Bangladesh.

Renzo Bee, vice president of TotalGaz, said his company's LPG (liquefied petroleum gas) business projection in Bangladesh went haywire because of the policy regarding the supply of piped gas. He sought

support for LPG business, while the minister said it is a political decision to supply piped gas. But the government is looking to increase LPG use and has sought suggestion about how to give incentives to keep the LPG price low, the minister said.

Technip France, an engineering company, showed interest to get involved in fertiliser plants, while Alcatel, a telecom company, said it wants to lay another submarine cable for Bangladesh.

CMA CGM, a maritime shipping company, expressed its interest to invest in logistics, and Oberthur Technologies Division Identite, a French company dealing in secure identity solutions, said it is interested in e-governance and e-business projects. In this connection, the minister said the government is going to launch ID cards for under-18s.

Citilog, an intelligent real time video monitoring and surveillance solutions company, said it is interested to invest in Bangladesh, while Arianspace, a space transport company, expressed its interest in space technology cooperation.

Other French companies that attended the meeting are Airbus, Alstom Grid, Bureau Veritas, Lafarge, Matiere Sas and Renault Trucks.

The Bangladesh side was also represented by a business delegation. The members included Salman F Rahman, vice chairman of Beximco Group; Tapan Chowdhury, managing director of Square Group; Mohammad Jashim Uddin, DMD of Meghna Group of Industries; Shahab Sattar of GMG; and M Anis Ud Dowla, chairman of ACI.



STAR
 Industries Minister Dilip Barua, German Ambassador Holger Michael, Naval Chief Vice Admiral Zahir Uddin Ahmed and Western Marine Managing Director Sakhawat Hossain tour the Western Marine dockyard in Chittagong yesterday after the local shipbuilder handed over two ships to a German buyer.



Shipbuilders to get separate zones

Barua says at Western Marine ship handover ceremony

STAFF CORRESPONDENT, Ctg

The government will set up separate zones for the shipbuilding sector and formulate policy to support the promising sector, Industries Minister Dilip Barua said yesterday.

The zones will be created on the south bank of river Karnaphuli in Chittagong and in Barisal, the minister said.

He also said the government will form a coordination cell comprising experts in the shipbuilding sector to ensure safety and operational efficiency of Bangladesh-built ships.

Barua was addressing a function of Western Marine Shipyard to deliver two vessels of the shipbuilder to a German owner yesterday, four months after it handed two same-size ships to the same company.

The two 100-metre ice-class vessels -- EMS Lake and EMS Dollart -- each having a capacity of 5,200 dead-weight tonnage and a speed of 12 nautical miles per hour was handed

to Marku Veder, representative of Grona Shipping GmbH, at the function at Chittagong Dry Dock Ltd.

Each of the vessels was built at Tk 80 crore under a Tk 960 crore project to deliver 12 ships to the same German company within 2012.

The industries minister said Western Marine has made Bangladesh proud by creating a new image of the country in the international shipbuilding market.

Barua said: "It is indeed a matter of great honour to see buyers from Germany, Denmark, the Netherlands and Finland coming here for building their vessels."

He said, if the shipbuilding industry continues its current upward trend, the sector will help Bangladesh become a middle income country by 2021.

The sector will also give Bangladesh a new name as a shipbuilding nation through securing bilateral trade with friendly European partners, the minister said.

Bangladesh is the 15th most

favourite destination among the developing countries for foreign direct investment, he said, adding that the country has enjoyed high growth in manufacturing and service sectors during the past decade because of the increasing contribution of the private sector.

German Ambassador to Bangladesh Holger Michael said the bilateral trade between Bangladesh and Germany increased to a remarkable amount of \$3.8 billion last year.

He said the shipbuilding sector would help Bangladesh reduce the bilateral trade gap between the two countries.

Western Marine Managing Director Sakhawat Hossain urged the government to formulate proper policy to support the sector.

Chief of Naval Staff Vice Admiral Zahir Uddin Ahmed, Principal Surveyor of Germanischer Lloyd Choudhury Fakhriz Zaman, Editor of the daily Kaler Kontho Abed Khan and Western Marine Technical Director Arifur Rahman Khan also spoke.

Bank Asia chairman re-elected



STAR BUSINESS DESK

A Rouf Chowdhury was re-elected as chairman of Bank Asia on Wednesday.

Chowdhury is also the chairman of Rangs and Sea Resources Groups, and a director of The Daily Star. Graduating in business management from Sloan School of Business, Massachusetts, he started his career with a pharmaceutical company. He was the resident manager of two American pharmaceutical firms for years and served Jamuna Oil for 15 years.

Poverty declines at faster rate

REJAUL KARIM BYRON

Poverty has declined at a faster 2 percent rate a year on average since 2005, according to the latest household expenditure survey by Bangladesh Bureau of Statistics (BBS). From 2000 to 2005, the poverty reduction rate was 1.78 percent.

The percentage of the population living under the poverty line came down to 30 in 2010 from 40 in 2005, said Bangladesh Bank Governor Atiur Rahman yesterday, quoting government data, at a function organised by Dutch-Bangla Bank Ltd.

BBS officials said they have completed data compilation for the 2010 household expenditure survey and will be able to finish the preliminary report in the next two months.

High economic growth, increased inward remittance and the government's larger safety net programmes

helped cut the poverty rate, officials said.

From 2005-06 to 2009-10 onward, the GDP growth per year was more than 6 percent on average, which was more than 5 percent in the preceding five years.

In 2005, inward remittance was only \$3 billion, which grew to \$10 billion over the years, most of which went to the poor families across the country.

The governments invested larger amounts of money in various safety net programmes. According to Bangladesh Economic Review (BER) the government spent about Tk 13,000 crore through budgetary allocation in fiscal 2009-10.

But economists express concern that the rich-poor gap widened although the poverty rate in percentage of population came down.

But a BB official said the new survey would show whether the rich-poor disparity narrowed.

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