

Business



NCC BANK
Where Credit and Commerce Integrates
www.nccb.com.bd

Small Business Loan

DHAKA THURSDAY SEPTEMBER 8, 2011, e-mail:business@thedailystar.net

Indian PM spurs economic hopes

STAR BUSINESS REPORT

Indian Prime Minister Manmohan Singh yesterday said economic cooperation between the two countries is growing but is well below its potential.

"We recognise the sensitivity of our Bangladeshi friends over the large bilateral trade deficit. We will work sincerely to address this issue," he said in a speech to a gathering at Dhaka University.

"I commit the government of India to providing greater market access to Bangladeshi products in India by removing both tariff and non-tariff barriers to trade," Singh said.

The visiting prime minister spoke on 'India, Bangladesh and South Asia' on the concluding day of his two-day visit before a large audience of politicians, scholars, bureaucrats, diplomats and journalists.

Two-way trade is heavily tilted in favour of India. The trade deficit between India and Bangladesh more than doubled in just five years, reflecting a galloping economic imbalance between the two close neighbours.

The gap, which was \$1,998.58 million in fiscal 2006-07, reached \$4,057 million in 2010-11, according to Bangladesh Bank and Export Promotion Bureau data.

Bangladesh imported Indian goods worth \$4,570 million in fiscal 2010-11, while exported goods worth \$512 million.

Bangladesh's export to India is also gradually improving and reached half a billion dollars in 2010-11 from \$358 million in 2007-08 and \$289 million in 2006-07.

On Tuesday, India issued a notification removing all 46 textile tariff lines of greatest sensitivity to Bangladesh from the negative list for least developed countries under Safta.

"There will be zero duty on Bangladeshi exports of these items to India with immediate effect. There will be no quota restrictions on these items," Singh said.



Indian Prime Minister Dr Manmohan Singh speaks on "India, Bangladesh and South Asia" at Senate Hall at Dhaka University yesterday.

The politician said he thinks increased Indian investment in Bangladesh is more important. "This will not only lead to greater economic activity but also increase Bangladeshi exports to India and other countries. We should work on both fronts not only to reduce the trade deficit but increase and even multiply total trade."

New Delhi and Dhaka signed a framework agreement for cooperation on development on Tuesday. "This agreement commits the two governments to work together in areas such as agriculture, health, education and culture," Singh said.

"We have identified other areas where cooperation will provide direct

benefit to our people. These include power transmission, management of common rivers, road, rail and water transportation and protection of the environment."

"We have mutually agreed on projects worth over 750 million US dollars under the 1 billion US dollar credit line India has provided to Bangladesh. These projects, I sincerely believe, will help in strengthening Bangladesh's transport infrastructure, especially the railway sector."

The Indian premier said they are making serious efforts to improve border infrastructure, particularly the land customs stations. "New Integrated Check Posts are coming up at Petrapole in West Bengal, Agartala in Tripura and Dawki in

Meghalaya. The border haat at Kalaichar-Baliyari in Meghalaya has been inaugurated, and procedures for movement of trucks from Bhutan and Nepal to Bangladesh have been finalised."

He said power connectivity and energy cooperation are emerging as major pillars of the economic relationship between the two nations. "Work on a transmission line which will evacuate up to 500 megawatt of power to Bangladesh from India has begun. A feasibility study for the establishment of a 1320 megawatt power plant in Khulna has been completed."

"We have set up a Joint Empowered Group to reduce travel time for passengers on the Maitree Express between Dhaka and Kolkata," he said.

Meghalaya chief minister stresses connectivity

REFAYET ULLAH MIRDHA

Bangladesh should increase connectivity with the northeastern states of India for the development of the entire region, the chief minister of Meghalaya said yesterday.



Mukul Sangma

Bangladesh should also come up with massive investment in those states as they have vast resources, said Mukul Sangma.

Sangma spoke to The Daily Star in an interview on the sidelines of a luncheon meeting of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at Sonargaon Hotel in the city.

He along with three other chief ministers of India came to Bangladesh as the entourage of Indian Prime Minister Manmohan Singh.

Sangma refused to comment on Paschim Bangla (West Bengal) Chief Minister Mamata Banerjee's cancellation of her visit to Bangladesh with Indian Prime Minister Manmohan Singh.

He also asked Bangladesh to look at the entire region, not at any particular state. He expected that the future bilateral relations between Bangladesh and India will be good.

Both the countries have the opportunities to resolve any problem through discussion, said Sangma.

"The north-eastern part of India is a 'virgin area' with a lot of resources. We can explore the opportunities together for the future generation," he said.

He also stressed the need for increasing economic, social and people-to-people connectivity of this region.

The Bangladeshi businessmen have also big investment opportunities in the north-eastern region of India, Sangma said.

Increasing the connectivity will create opportunities for both the countries. In his brief interview, he said the businessmen of Bangladesh can invest in tourism, health and education sectors of north-east India.

reefat@thedailystar.net

From right, Manik Sarkar, chief minister of Tripura; Lal Thanhawla, chief minister of Mizoram; Faruk Khan, commerce minister of Bangladesh; AMA Muhith, finance minister; AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry; and Tarun Gogoi, chief minister of Assam, are seen at a luncheon meeting hosted by the FBCCI at Sonargaon Hotel in Dhaka yesterday. Story on page 1



Barua takes over SME Foundation as chief

MD FAZLUR RAHMAN

Industries Minister Dilip Barua has taken over the post of chairperson of the SME Foundation, ending Aftab ul Islam's two-year tenure.

In an order on Monday, the industries ministry informed Islam, the outgoing chairperson, about its decision not to renew his service.

This is the second time the minister has been acting as the chairperson of the foundation. Two years ago, he held the position for eight months.

Islam, president and chief executive of International Office Equipment, Bangladesh, could not say why his service was not renewed. He however said: "When I was appointed as the chairperson the minister was very unhappy."

"The minister did not cooperate with me at all in the last two years," he told The Daily Star. "During my tenure, I had tried my best to keep the SME sector always in focus."

Islam was chosen by the Prime Minister's Office to make the foundation more dynamic and give a boost to the country's small and medium enterprises through private sector engagement and leadership.

He also said the ministry issued the notice three days before he completes his full tenure.

Islam said the PMO can still take decision and appoint chairperson from the private sector to help the foundation contribute more to the development of SMEs in the country.

Barua could not be reached for comment.

Drama of BTCL reshuffle

ABDULLAH MAMUN

A drama of appointing a managing director at 12noon and cancelling it three hours later played out at state-owned Bangladesh Telecommunication Company Ltd (BTCL) yesterday.

The company's member (administration) Azizul Islam said he received a letter from the telecommunication ministry that appointed him as acting managing director to BTCL.

The ministry sent another letter to BTCL at 3pm, cancelling his appointment and reinstating the previous managing director to the post.

Azizul Islam said he was unaware of why the ministry appointed him suddenly and changed it later.

The current managing director (acting), Abu Sayed Khan, who holds the position of a member (finance), said he was not aware of any dispute over his appointment.

Khan said he got to know about the change in incumbency when he was heading to the office in the morning.

A BTCL official said some other officials were promoted yesterday. Bahadur Ali, a member (planning and development), was appointed as member (commercial), a position that does not exist in BTCL's organogram.

SEC to seek investment info from fund managers

STAR BUSINESS REPORT

The stockmarket regulator will seek investment information from the mutual fund managers in the backdrop of a bearish trend in the market.

The Securities and Exchange Commission wants to see whether the managers are utilising the funds properly in the market, which is now facing a liquidity dearth, an SEC official said yesterday.

"The commission will issue letters to the fund managers seeking their investment information," the official said, adding that it is a responsibility of the regulator to see how the managers are using funds that were raised from public.

The SEC has also informally requested some mutual fund managers to be active in daily transactions so that the trade volume increases.

ers have also taken a wait-and-see policy and remained on the sidelines of the market.

Presently, there are 36 mutual funds with their combined amount of around Tk 3,500 crore.

A mutual fund is a professionally managed collective investment scheme that pools money from many investors and invests it in stocks, bonds and short-term money market instruments.

Although stocks witnessed a rise in their prices yesterday, a bearish trend continued in the market in the last one month and so investors lost confidence and turnover declined drastically.

The market lost over 600 points in the last one and a half months, while the daily turnover came down to Tk 300 crore.

The month-long chronic bearish trend in the market was intensified by a number of factors. Firstly, a confidence loss triggered by the finance minister's comments on the index

hike and his dissatisfaction over the consecutive rises in the market prompted the investors to book accumulated gains, said market analysts.

Secondly, the regulator's pre announced action of filing cases against some individual investors allegedly involved in the stockmarket manipulation kept the investors in anxiety and contributed to a selling spree.

Also the liquidity dearth due to a high demand of money ahead of Eid-ul-Fitr almost kept the institutional investors inactive in the market, while retail investors remained on the sidelines, seeing the continuous volatility, they said.

Though in the past, participation used to improve on the eve of and after the festivity, both institutions and retail investors acted differently this year due to those factors.

The investors who have been waiting to participate are now very skeptical of taking fresh exposure in the market.

NOTICE
We bring out today four pages instead of our regular eight, as business activities are yet to pick up after the Eid-ul-Fitr holidays.



Comilla, Laksham & Dhorkara Bazar

www.mutualtrustbank.com
www.facebook.com/Mutual.Trust.Bank

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us