

Bangladesh, India must redesign policy

Analysts speak at roundtable on bilateral relations

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Both India and Bangladesh should redesign their foreign policies to reflect the changing scenario and take Indo-Bangla relations to a new height, analysts said yesterday.

The call came at the roundtable, Japan and South Asia: Focus on Indo-Bangladesh Relations, at Bangladesh Enterprise Institute (BEI) in Dhaka.

Mayami Murayama, deputy director general of Inter-Disciplinary Studies Centre, Institute of Developing Economies in Japan, said Bangladesh and India have remained distant neighbours despite closest geographical proximity, ethnicity, cultural commonness and shared history.

"Mistrust is the main hindrance in improving bilateral relationship. Misplaced expectation is also the main cause of mistrust against each other."

She said mutual mistrust

between two sides started soon after Bangladesh won independence in 1971, which has been strengthened by subsequent issue and political manipulation of these issues.

"Now we can see change. The stance of Tripura is also appreciating among the all northeastern Indian states," said Murayama.

Murayama also said there is also a dramatic change in how Japan look at Bangladesh. "In the eye of Japan, Bangladesh is now a symbol of growing economy from the stagnant economy."

Prof Takenori Horimoto of Shobi University in Japan said India seems to realise the significance of its eastern neighbour Bangladesh to establish its firm foothold in South Asia as well as its global emergence.

"India is transforming into a major power. On the other hand, Bangladesh will be able to maximise its geopolitical advantage with its

huge population."

BEI Vice President Ambassador M Humayun Kabir, who moderated the event, said India should develop a new model for its foreign policy.

"Bangladesh has given them an opportunity to redesign their policies in South Asia. It is up to New Delhi whether they would utilise it or not."

The former ambassador also called upon Bangladesh to do the same. "We do not have consistent policy to India. Does our policy towards India cover all view points? Does it represent participation of all stakeholders?"

"The world is changing, so is India. We have to think about whether our existing foreign policies are keeping pace with the changing scenario."

Kabir said nowadays state and other stakeholders are playing an important role. "We need to redesign our diplomacy."

Dhaka bourse to brief govt on stockmarket

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Dhaka Stock Exchange will place a set of observations to the government that the premier bourse gathered from a discussion with 30 brokerage firms on the current situation in the stockmarket.

Before submitting the findings to the government, the DSE board will give some additional observations on the present market situation and request the government to take measures to rejuvenate the market, which is now facing volatility.

"The turnover is declining abnormally and it made us concerned. We sat with the top brokerage houses to identify why the turnover is sliding," DSE President Shakil Rizvi said after a meeting with the brokers yesterday.

"We will first submit the findings to the Securities and Exchange Commission and the central bank, and then to the finance ministry," he said.

Rizvi said all who attended the discussion acknowledged that liquidity dearth is the major problem for the declining trend both in turnover and share price indices.

"The brokerage houses owned by financial institutions told us that they are facing a liquidity dearth, while their cost of doing business is increasing due to high interest rate and tax on brokerage commission," he said.

Quoting some brokers, Rizvi said single party exposure to the stockmarket investment and the shorter period of time to adjust the overexposure created a sell pressure in the market.

"A fear also created among the institutional investors that what will have in the new Bank Company Act," he said, adding that almost all the institutional investors take a go-slow policy.

The role of mutual funds in a bearish market was also discussed in the meeting.

"Mutual funds are launched especially to invest in the secondary market. But, we don't know whether their managers are utilising the funds in a bearish market like now. We will request the SEC to see the issue," Rizvi said.

DSE Senior Vice-president Ahsanul Islam said the market lost its momentum that it witnessed after the January-February debacle in share prices. "We sat and discussed how we can overcome the situation and get back the momentum," he said.

The existing price level and price-earnings ratio of shares showed that the market is now attractive for investment, he said, adding that there is nothing to be worried.



M Shahjahan Bhuiyan, managing director of United Commercial Bank Ltd (UCB), exchanges documents with Syed Sajid Husain, chief executive officer (current charge) of Chittagong Stock Exchange (CSE), after signing a contract to provide services for the port city bourse under the Bangladesh Electronic Fund Transfer Network at the Bangladesh Bank premises recently. UCB will work as the originating bank for CSE in the collection and distribution of funds. Atiur Rahman, governor of Bangladesh Bank, is also seen.

Govt signs \$25m loan deal with ADB

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The government and the Asian Development Bank (ADB) yesterday signed an agreement for \$25 million in soft loan to improve governance and service delivery in tax collection and land record management.

Musharraf Hossain Bhuiyan, secretary to the Economic Relations Division (ERD), and Thevakumar Kandiah, country director of ADB's Bangladesh Resident Mission, signed the deal at ERD conference room in Dhaka, according to a statement by ADB.

The press release also said a technical assistance grant of \$800,000 is associated with the loan supporting implementation of the Strengthening Governance Management Project (SGMP), and capacity development of its executing agencies.

The project will help two government agencies -- National Board of Revenue (NBR) and Department of Land Records and Survey (DLRS) -- to introduce online filing of tax returns, and digitised land records management system respectively.

The ADB said the government revenues, at just 12.1 percent of the gross domestic product, are still far too low to meet the growing demand for infrastructure improvement and social services.

Along with other measures, filing of tax returns online is expected to raise the tax collection.

The SGMP will design, procure and install IT system at NBR for enabling tax payers (for direct taxes) to submit online tax returns, the press release added.

For DLRS, the project will procure software and hardware to digitise land records in 45 upazilas in five districts, and develop a web-based database of land records including digitising text data, digitised cadastral paper maps, and all spatial and text files.

The project will also help in establishing selected specialised tax and land information and service centres for easy access to information. Digitising the land record management system is expected to significantly reduce the land-related litigations, and increase people's access to land records data.



Md Hashem Chowdhury, deputy managing director of Mutual Trust Bank, inaugurates one of its three new ATM booths at the branches at Laksham in Comilla and Dhorkara Bazar, Chaudhagram, recently.

Obama foes may take jobs push piece by piece

AFP, Washington

US President Barack Obama, having challenged his Republican foes to pass his \$447 billion jobs plan, finds himself fighting their efforts to break up the package and approve just the parts they like.

Republican House Speaker John Boehner and his top lieutenants wrote Obama on Friday to ask him to submit legislation to enact his American Jobs Act but warned "not all your ideas should be packaged in a single legislative vehicle."

"We share your desire for bipartisan cooperation, and assume that your ideas were not presented as an all-or-nothing proposition, but rather in anticipation that the Congress may also have equally as effective proposals to offer for consideration," they said in their letter.

Boehner, Majority Leader Eric Cantor, Majority Whip Kevin McCarthy, and Republican Conference Chairman Jeb Hensarling also said they were eager to find "common ground" with Obama on bolstering the sagging US economy.

The White House, expected to send congress the legislation early next week, stuck to its guns that lawmakers should approve the entire package -- which Obama described as the best way to battle 9.1 percent unemployment.

Asked whether the president assumed Republicans would aim to break up the package, White House communications director Dan Pfeiffer told MSNBC television: "no, we're not assuming that."

Obama "wants them to pass the American Jobs Act. That's the piece of legislation he's sending up. It's a simple thing. It puts Americans back to work and puts more money in the pockets of working families," said Pfeiffer.

"Our belief is that everything in this bill is reasonable," he added, stressing "there's nothing in this bill that should draw opposition for anything other than politics."

But Republicans, who control the House of Representatives and have the votes to block legislation in the Senate, seem little inclined to hand the president a big victory he could

trumpet as he prepares to face the voters in November 2012.

And Obama's decision to include wide-ranging tax cuts in his \$800 billion dollar "stimulus" package in 2009, water down some provisions of his landmark health care law, and heed some business concerns in his rewrite of Wall Street rules last year, did little to rally Republican support.

"We don't expect suddenly for harmony and happiness to break out on Capitol Hill," said White House spokesman Jay Carney, adding that he hoped Republicans would back the plan because American voters "demand that they do it."

And the president himself made clear in his speech late Thursday to roll out the plan that he would try to maximize political pressure on Republicans.

"You should pass it. And I intend to take that message to every corner of this country," said Obama, who cited plans for infrastructure projects in the home states of Boehner and Republican Senate Minority Leader Mitch McConnell.

Exporters want delay in launching container management software

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Garment exporters yesterday urged the Chittagong Port Authority (CPA) to further delay the launch of container terminal management software as the country's weak transport system will need some more time to be ready for such an upgrade.

They said, once the system is launched, they will have to ensure loading of goods 72 hours before departure of ships from the port.

But, now the garment exporters have to load goods even minutes before departure of the ships, due to delay in transporting goods for severe traffic jam, the exporters said.

Also, production is delayed often due to inadequate supply of gas and power, they said at a meeting on the introduction of Container Terminal Management System (CTMS) at Chittagong Port for efficient cargo handling.

"We want the CPA to delay the implementation of the CTMS by one year so that we can prepare ourselves for it with the improvement of roads and river transportation system," said Shafiul Islam Mohiuddin, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at the meeting at BGMEA auditorium in Dhaka.

He also urged the government to upgrade the Dhaka-Chittagong highway to four lanes from the existing two.

The government should also introduce the Pangaon and Khanpur river ports in

Narayanganj to help the exporters send goods through river routes, Mohiuddin said.

CPA Chairman Commodore M Anwarul Islam said the trial-run of the CTMS software was scheduled for last month to bring global standards in the operations of the port.

But, the launch was deferred on request of the garment exporters. "We have a plan to introduce the CTMS on October 9 on a trial basis for three months," he said.

The implementation of the CTMS is an obligation for the CPA as per the rules of the United Nations Conference on Trade and Development, Islam said.

He said the implementation of the CTMS will ensure proper planning of berth application, vessel, yard and equipment, stripping, rail module, gate control and billing.

The CTMS also promises easy tracking of containers in real time and execution of plans, he said.

The port handled around 1.5 million TEUs (twenty-foot equivalent unit) containers in fiscal 2010-11, up from 1.21 million TEUs containers in 2009-10, he said.

AKM Salim Osman, president of Bangladesh Knitwear Manufacturers and Exporters Association, and AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry, also spoke.

The government installed the CTMS at \$5.7 million financed by Asian Development Bank and the CPA itself.



Md Moyjuddin Ahmed, member (investment promotion) of BEPZA, and Md MH Mahatab, managing director of Rajfulbaria Fashions Ltd, sign an agreement at the BEPZA Complex in Dhaka yesterday to set up a factory at Ishwardi EPZ. Rajfulbaria Fashions, a Bangladeshi company, will invest about \$3.62 million in the EPZ.

Britain's banks await shake-up plans

AFP, London

Plans for a major shake-up of Britain's banks are revealed on Monday when a government-appointed commission publishes final recommendations aimed at avoiding further state bailouts of lenders.

However following intense lobbying by major British banks such as HSBC and Barclays, reports suggest that any reforms may not occur until after the country's next general election in 2015. The Inde-

pendent Commission on Banking (ICB) is expected to confirm its initial proposals published in April that called for a "refencing" of lenders' retail businesses, thus avoiding banks being sunk by investment division losses.

It is also likely to repeat calls for banks to set aside more capital to prevent future state bailouts and could again recommend that state-rescued Lloyds Banking Group (LBG) sells more assets to boost competition.



Ashek Alam, executive director of Paragon Ceramic, shows its new products to foreign diplomats, distributors and other guests at the company's factory in Gazipur recently. Bilal Mamoon, chairman of Paragon Ceramic, was also present.