

Let Chittagong Port run independently

Bangladesh Shipping Agents Association high official talks to The Daily Star

ARUN BIKASH DEY, Ctg

CHITTAGONG is the business hub of Bangladesh but businessmen often have to rush to Dhaka for various works with different government offices, which one of the main impediments to doing business in the port city, said Kamal Hayat, senior vice-chairman of Bangladesh Shipping Agent's Association (BSAA).

Just like Mumbai in India or Karachi in Pakistan, Chittagong has the ability to become the financial capital of Bangladesh, Kamal said.

Capital-centric activities for all sorts of work, including business, hinder decentralisation and are an obstacle to development in every part of the country.

Even in Australia, most economic activities are centred on Sydney and Brisbane, instead of the capital Canberra, he said.

"We want the offices of decision making organisations to be in the port city to make it a commercial capital in the true sense," he said. "We do not want to rush to the ministry for decisions."

The senior vice-president of BSAA said business activities of the country are centred around Chittagong Port. About ninety percent cargo (both export and import) pass through Chittagong Port, he said, adding that that the port is a service institution that should provide services to stakeholders without any hassle.

Authorities should let the port function independently, Kamal said. "If the chairman of Chittagong Port Authority (CPA) has to rush to the ministry in Dhaka throughout the month, how will he make time for the port and stakeholders?"

The present chairman of CPA is sincere about his profession, he said, but he has to face bottlenecks in decision making.

Everyone related to the port knows about these bottlenecks, he said. If these bottlenecks are removed, the port could be of international standards, he added.

"We are yet to utilise the full capacity of our port but we want to provide



Kamal Hayat

transit to the neighbouring country. I do not have any objection but, before that, it is important for all necessary infrastructural developments works to be completed."

He said the volume of small lighters and coasters should be increased as the volume of ships in the port has increased by three times in the last two to three years.

The vessels have to wait in the outer anchorage due to the lack of lighters and coasters and importers have to compensate for the delay, wasting a huge amount of foreign currency, he said.

Kamal also feels it is important to increase the port area to avoid accidents. "The port area has already increased to 7 nautical miles from 5 nautical miles," he said.

To avoid accidents, the port area for anchorage should be further increased, he added.

Sincere efforts from our politicians

are needed to make the port more functional, Kamal said.

"In most cases, we see unnecessary interference from the ministry and political motives are involved in certain decisions. If these problems can be avoided, Chittagong Port will be more lucrative to the stakeholders and ultimately the country will be benefited."

Ship-owners will also feel more comfortable to come to the port, he said.

To make a commercial city in the true sense, private entrepreneurship is needed; 100 percent privatisation is not necessary but public-private partnership is needed for big projects, he added.

The government should be more liberal and effective in making policies to provide facilities to the business sector, he said.

A lack of logistics support hinders entrepreneurship development, he

said. If entrepreneurs see they are not getting facilities like power and gas after investing a lot of capital, they become frustrated, he added.

Chittagong Chamber of Commerce and Industry (CCCI) can play a vital role in removing the business constraints by negotiating with the government, Kamal said.

"For example, one thing that I would like to mention here is in Chittagong Port, shipping agents are directly affected as Bangladesh Master Stevedores Association (BMSA) engages ship handling operators to work at the outer anchorage on rotation, at inflated rates, which exists nowhere in the world. This is a serious financial burden on the consignees."

In order to solve this vital issue of the illegal engagement of ship handling operators by BMSA, the role of CCCI is important, Kamal said.

Kamal, also the executive director of Sanmar Group, a real estate devel-

oper, said, "We try our best to provide all sort of possible facilities and a congenial atmosphere to our staffs, so that they are satisfied working for the company."

We have also recently launched a shipping business with City Group in a joint-venture, he said.

"I first began my business with Rainbow Shipping Lines and now I have construction work, project design and developing business, rubber plantation, agro business, international shipping agency, capital management and port related businesses," he said.

"As we support our staffs, they do not even think about forming any trade unions," he said.

The BSAA leader said trade unions have now become a centre for showing power by some vested quarters. The labourers are used as a means to fulfil the interest of political parties, he said.

"I do not support trade unionism as it causes unrest in the industrial sector."

The owners to some extent are liable for labourer unrest in different industrial zones in the country, he said. "But I think labourers are instigated by vested quarters at home and abroad."

"We want the labourers to live a standard life, we also want that they get a good salary, but there is communication-gap between the owners and labourers," he said, adding that they should sit together to address the problems by discussion.

On the importance of environment friendly businesses, Kamal said environment and climate issues are of great concern in today's world.

These should be addressed at micro-levels, when setting up new factories or in running existing ones, for the sake of building a safer world, he said.

"The port city is still a clean city. It is a peaceful city to live in."

"So we should not lose this status by allowing industries to discharge effluents or greenhouse gases that pollute the environment in the port city," he said.

"In most cases, we see unnecessary interference from the ministry and political motives are involved in certain decisions. If these problems can be avoided, Chittagong Port will be more lucrative to the stakeholders and ultimately the country will be benefited"

India opens stock market to foreign investors

AFP, New Delhi

INDIA announced on Sunday that it would open up its stock market to individual foreign investors for the first time, in a major economic reform designed to boost overseas investment.

The Indian economy has grown strongly over the last 15 years and many foreign investors have been keen to enter the market in a fast-developing country of 1.2 billion people.

However recent financial data has been disappointing, with the main Sensex index for the Mumbai market recording a 25 percent plunge in 2011 and many analysts predicting more falls in 2012.

The government in Delhi said in a statement that it had taken the move "in order to widen the class of investors, attract more foreign funds, and reduce market volatility and to deepen the Indian capital market."

It said the reforms would be put into operation by January 15.

Previously, foreign investors were only allowed to invest in the stock market via mutual funds or institutional schemes.

A long series of interest rate hikes, stubbornly high inflation and the rupee's slide to a record low against the US dollar have all hit growth in India over the last year.

Sentiment also took a beating when key reforms allowing foreign supermarkets into India were rapidly reversed, while the Congress-led government has battled against accusations of policy drift amid several corruption scandals.

Finance Minister Pranab Mukherjee blamed the fall in equities during 2011 on selling by foreign

institutional investors and the rupee's woes, coupled with concerns over eurozone debt and slowing domestic growth.

Annual growth in India slipped to a two-year-low of 6.9 percent in the latest quarter, hit by a series of interest rate hikes that have had little effect on inflation now at 9.11 percent.

Rising prices have been a major headache for the government, which has cut its growth forecast for the fiscal year to March 2012 to 7.5 percent from an original blistering nine percent.

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Seven percent growth is a pace that any developed economy would envy but is far below the 10 percent target set to tackle grinding poverty levels in Asia's third-largest economy.

Overseas funds were net sellers of \$358 million-worth of Indian stocks in 2011, having been net buyers of \$29 billion-worth the previous year, according to market regulator the Securities and Exchange Board of India.

The Reserve Bank of India has hiked rates 13 times since March 2010.



A view of Mumbai Stock Exchange. A long series of interest rate hikes, stubbornly high inflation and the rupee's slide to a record low against the US dollar have all hit growth in India over the last year.