

Doubt over 7pc GDP growth

Ficci highlights risks in economy, at a luncheon meeting

STAR BUSINESS REPORT

The Foreign Investor's Chamber yesterday doubted the government's possibility of achieving the targeted 7 percent GDP growth in current fiscal year under the existing economic scenario.

The chamber mentioned a number of bottlenecks the economy is facing now, including double-digit inflation, falling foreign direct investment, delay in releasing soft loans by donors and the nagging power crisis in industries.

"There is no hope that the 7 percent GDP growth will be achieved," said Syed Ershad Ahmed, president of Foreign Investors' Chamber of Commerce and Industry (Ficci), at the body's monthly luncheon at The Westin Dhaka Hotel.

According to Bangladesh Bureau of Statistics, the country's non-food inflation rose by 1.19 percentage points to 11.38 percent in December, compared to the previous month.

While food inflation fell by 2.07 percentage points to 10.40 percent in December from November.

The country attracted \$913.32 million in foreign direct investment (FDI) in 2010, up by 30 percent in 2009, according to a recent World Investment Report of the United Nations.

According to Bangladesh Bank,



GM Quader, second from left, commerce minister, and Syed Ershad Ahmed, second from right, president of Foreign Investors' Chamber of Commerce and Industry, attend the monthly luncheon meeting of the chamber at The Westin Dhaka yesterday.

the country attracted \$377 million net FDI during July-November period in this fiscal year, up by 32.28 percent compared to the same period of last fiscal year.

But the FDI inflow has been stagnant at below \$1 billion for a long time due largely to inadequate supply of gas and power and scarcity of land.

"We are concerned over the FDI inflow as it is much below the expectation," said Ahmed. He said FDI inflows will not increase unless the energy situation does not improve.

He said the government should

modernise the laws related to intellectual property rights (IPR) to attract more FDI to the country. "There is a direct relationship between the increase of FDI and IPR protection."

Ahmed said the government should take initiatives for better governance, avoiding confrontational politics, removing corruption and maintaining better law and order situation to more FDI.

He said the country's export largely depends on readymade garment. "Such dependency is very much risky. We have to diversify the

export baskets to boost exports."

The chamber leader said the government should formulate a comprehensive trade policy in consultation with business community to address this problem.

The whole world is suffering from a recession due to the recent European debt crisis and stagnations in US economy, said Commerce Minister GM Quader.

On Bangladesh economy, he said: "The situation is not as bad as statistics show. We are hopeful that we should overcome the crisis as our people know how to survive in crisis."

Hasina seeks more Chinese investment

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday sought massive Chinese investment in Bangladesh, especially in textiles, agro-processing, energy and power, pharmaceuticals, communications and infrastructure development.

Hasina made the call when Chinese Ambassador to Bangladesh Zhang Xianyi paid a farewell call on her at her office in Dhaka.

After the meeting, the PM's Press Secretary Abul Kalam Azad said Hasina thanked China for its continued assistance and support for various key development projects in power, agriculture, infrastructure and telecoms.

Hasina said both countries may work together to make Bangladesh-China-Myanmar road link or Kunming initiative a success.

Hasina expressed satisfaction over the steady growth of trade volume.

Xianyi presented a book written by him on Bangladesh-China relations to



SAM Yousuf, managing director of Apex Adelchi Footwear, inaugurates an outlet of Gallerie Apex at Gulshan in Dhaka recently.

Inflation to simmer down in Q4: BB

BSS, Dhaka

The Bangladesh Bank (BB) expects the soaring inflation will be stable in the coming months and come down to single-digit in the last quarter (Q4) of current financial year.

The central bank in a working paper, submitted to the parliamentary standing committee on the finance on Monday, said the inflation would start declining in the last quarter of 2011-12 fiscal year unless any domestic or external causes outclass the prospect.

"The stable and downtrend in global commodity prices will have similar impact on domestic market," BB said, hoping the trend would simmer off the rising inflation.

The central bank said the inflation had been on the rise since 2009 and hovering over 10 percent in recent months, making days uncomfortable for "fixed income group" people.

The money market regulator, however, said it would continue its efforts to bring down the inflation in line with the government's steps to control the spiralling prices of commodities.

The BB said it would continue using various tools, including repo and reverse repo rates, bank rates and buying or selling dollars, to maintain comfortable money supply to the market, which would eventually stabilise the inflation.

The banking regulator is following a monetary policy to help increase money supply to the productive sector to create more avenues for maintaining the steady supply of goods and services, which will stabilise the domestic demands and thus the inflation.

Referring to the reducing subsidy to fuel oil, power and fertilisers to ease financial burden on the government, the BB said non-food inflation would not come down "until the government completes the necessary process to lower the burden of subsidy".

The non-food inflation was 11.38 percent in December.

"The depreciation of taka against dollar also created pressure on consumer price inflation by making import costlier," the central bank said, but it observed that the depreciation also paved the way for bringing balance in exchange rate by encouraging more remittances and accelerating export growth.

The central bank said it had already withdrawn the ceiling on bank rates, which would reduce fund flow to the market by making credit costlier for many sectors.

"The high interest and limited access to liquidity will soon stabilise the exchange rate and the



Anisur Rahman Sinha, chairman of Sinha and Opex group, and Tanzia Tahsin Sinha, director, launch the company's new project -- Shikharaa COVENTINA -- at a programme in Dhaka recently.



The newly elected office-bearers of Metropolitan Chamber of Commerce and Industry, Dhaka, led by its president Amjad Khan Chowdhury hand a bouquet to Commerce Minister GM Quader in a meeting at the latter's office in Dhaka on Monday.

HeidelbergCement Group chairman due today

STAR BUSINESS DESK

Bernard Scheifele, chairman of the managing board of HeidelbergCement Group, is scheduled to arrive in Bangladesh today.

During his visit, he will inaugurate the third ball mill in the Chittagong plant of HeidelbergCement Bangladesh Ltd.

He has been serving as the chairman of the company since February 2005, the company said in a statement yesterday.

Albert Scheuer, in-charge of the Asia-Pacific Group area and world-wide coordination of Heidelberg Tech-

Myanmar keen to increase trade: envoy

STAFF CORRESPONDENT, Chittagong

Myanmar Ambassador to Bangladesh U Min L Win yesterday expressed hopes for increasing bilateral trade and business between the two countries.

A discussion meeting was held at the Chittagong Metropolitan Chamber of Commerce and Industry (CMCCI) while the chamber leaders were present.

U Min said he will take steps to ease the visa procedure for travellers to Myanmar in a short time.

A visa for any business trip will be issued within a day, he said. "Visa will be no longer an issue."

U Min said direct shipping links from Bangladesh to Myanmar would be introduced soon. A joint shipping committee consisting of members from both countries has already been formed, he said.

He also stressed direct road-links from Bangladesh to Myanmar to ease the activities of bilateral business.

U Min also spoke about the "Rohingya refugee" issue. He said it's a political issue and will be solved through bilateral political discussions and understanding.

Earlier, AM Mahbub Chowdhury, president-in-charge of the CMCCI, said Bangladesh can enter the markets in Myanmar if it allows duty concession to exporters.

Tourism info on fingertips

STAR BUSINESS DESK

The Bangladesh Parjatan Corporation (BPC) yesterday signed a contract with SSL Wireless to provide tourism related services via mobile phones aiming at promoting tourism in the country.

Asmaul Hossain, general manager for public relations and admin of BPC, and Anisul Islam, general manager of SSL, inked the deal at Hotel Obokash, BPC said in a statement.

People will be able to know the updated details of necessary information while in a tour like hotel reservation through cellphones provided with the technical support and know-how of SSL.

All mobile phone subscribers will be able to receive the service after registration.

Hemayet Uddin Talukdar, BPC chairman, was also present.

Advertisement

Mohammad Abu Abdullah has joined United Commercial Bank as DMD

Mr. M. A. Abdullah, has joined United Commercial Bank Limited as the Deputy Managing Director (HR & Organization). He is a well known personality in HR profession in Bangladesh with track record of about 38 years of working experience in HRM & IR both at home & abroad.

He spent prime period of his professional career with Unilever of which last 10 years, he served as a member of the Board of Directors in Unilever Bangladesh with HR & OD portfolios.

Prior to joining UCBL, he worked for Prime Bank Limited, AB Bank Limited and Abul Khair Group in Senior Managerial role Heading HR, Organization Development & Change Management.



Md Nurun Newaz Salim, chairman of NCC Bank, inaugurates an ATM booth of the bank in Rangpur recently. Mohammad Nurul Amin, managing director, was also present.

New chief for IPDC

STAR BUSINESS DESK

Mominul Islam has recently been appointed as the new managing director of Industrial Promotion and Development of Bangladesh (IPDC), the organisation said in a statement yesterday.

Islam joined IPDC in 2006 as the head of operations.

He also worked with American Express Bank and Standard Chartered Bank for seven years in



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