

Businessmen call for easy visa to India

STAR BUSINESS REPORT

Bangladeshi businessmen yesterday urged the Indian high commission in Dhaka to simplify the visa procedures and remove trade barriers to minimise the widening trade gap with the neighbour.

They also demanded to issue Indian visas for them within 24 hours of application, and good behaviour from the visa officers at the Indian high commission in Dhaka.

They spoke at a discussion with Acting Indian High Commissioner in Bangladesh Sanjay Bhattacharya at the office of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka.

Bangladesh imported goods worth \$4.58 billion from India in 2010-11 and exported goods worth \$512.50 million.

The trade gap is widening for having tough procedures in obtaining Indian visas, non-tariff and para-tariff barriers in trade, vehicle movement restriction, traditional technical standards and weak infrastructures at land customs stations, according to the businessmen.

Absence of banking facilities at the border areas also hampers the trade between the two countries, they observed.

While chairing the discussion, FBCCI President AK Azad said it is true that exports from Bangladesh cannot penetrate the Indian market because of some non-tariff barriers.

The existence of non-tariff and para-tariff barriers in the form of countervailing duties, surcharges, central and provincial sales taxes, luxury duties, certification and quality

approval requirement hamper exports to India, he said.

"The duty structure imposed by the Indian authority on Bangladeshi products is complex and difficult to interpret, as the duty may differ from not only category-wise but also to the products of a same category."

He said India imports a few items from Bangladesh, as Bangladesh does not have a large supply base to offer a wide variety of products to India.

The acting Indian high commissioner suggested Bangladeshi businessmen to apply for business visas while traveling to India, not tourist visas.

Bhattacharya said the number of business visas issued from the Indian high commission in Dhaka is still less than 2 percent although many businessmen do business with India using tourist visas.

He said a businessman can enter India several times with a business visa, as it is provided with a multiple entry facility.

Bhattacharya said the Indian authorities have already opened up a visa centre in Sylhet like Khulna visa centre to ease pressure for Indian visas on the commission's Dhaka office.

Regarding trade barriers, he said Bangladesh enjoys a tariff-free and quota-free trade facility with India after the visit of Indian Prime Minister Manmohan Singh to Dhaka in September last year.

India has opened up its market for Bangladeshi products, excluding tobacco and alcohol, after the visit of Indian prime minister, he said.

"The ball is now in the court of Bangladesh. Please increase export of goods from Bangladesh to India to minimise the trade

gap," he said.

He said India wants to see Bangladesh's trade with India crossing the mark of billions of dollars, surpassing its current level at millions of dollars.

He said a total of \$830 million, out of \$1 billion Indian line of credit to Bangladesh, is in the pipeline to improve the infrastructures, particularly the railway, to facilitate the easy movement of goods and services between the two countries.

The commissioner said eight more -- four along with common border of Tripura and four along with common border with Mizoram provinces -- will be opened up soon to facilitate the businesses at the border areas.

Currently, two border haats -- one at Kurigram and the other at Sunamganj border areas -- are in operations.

Senior StanChart official in town

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Venkat Anantharaman, managing director and co-head of wholesale banking for South Asia of Standard Chartered Bank, is now in Dhaka for a two-day official visit.

He is expected to meet regulators, clients and senior officials of the bank, Standard Chartered Bank said in a statement yesterday.

He has over 20 years of banking experience across investment banking, relationship management, credit, project and structured finance, according to the statement.



China, the world's largest trading country by 2016: HSBC

STAR BUSINESS DESK

China will overtake the USA as the world's leading trading country by 2016, according to the latest HSBC Global Trade Connections Report published yesterday.

Asia's trade volume will almost double by 2025. As a whole, Asia Pacific will drive the most part of global growth over the next 15 years at least, the report predicted.

According to the report, with China's growth, the sheer size of the trade base from which this growth is happening means that China will become the world's trade powerhouse. This means, by 2016, the USA will lose its place as the world's largest trader to China.

The HSBC report identified the region's top emerging trade partners in the next five years as Bangladesh and Vietnam in the trade of RMG-textiles and rice, and Peru, Norway and Brazil in the trade of iron ore, soya and oil.

The global economy is entering a new period of international trade growth, according to HSBC's forecast, with world trade growing at an annual rate of 3.78 percent over the next five years.

The report suggested that the world economy will slow in 2012, but then begin growing, picking up speed after the middle of 2014. This recovery is now predicted to appear sooner than the previous forecast of 2015.

The report also said that overall world trade would grow by \$1 trillion year-on-year to 2016.

Simon Constantinides, HSBC's Asia Pacific head of global trade and receivables finance, saw a lot of positives for Asia in this report saying, "Our research provides clear optimism for the region's trade prospects in a somewhat challenging environment. Over the next 15 years, trade in Asia and globally is expected to grow 120 percent and 86 percent, respectively."

Software exports on a roll

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BASIS has 503 members who develop software in the country, said Tamzid Siddiq Spondon, joint secretary general of BASIS. There are some other companies as well, he said.

According to the Software and IT Service Catalogue 2011 by BASIS, there are over 800 registered software and ITES companies in Bangladesh.

In addition, there are a few hundred unregistered small and home-based software and IT ventures that are carrying out business for both local and international markets, according to the catalogue.

The total size of the industry is estimated to be around \$250 million and it employs over 30,000 people.

Bangladeshi firms mainly develop software for developed countries, Spondon said. A large amount of graphic works are exported from the country, he added.

More than 10,000 Bangladeshi freelancers are also working and earning money from abroad, he said.

Referring to Matt Cooper, vice president of marketplace operations of oDesk, Spondon said Bangladeshi freelancers earned around \$50-\$60 million last year. oDesk is an online workplace that provides work for freelancers.

No market decision without SEC

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Statutory regulatory order (SRO) or policy by the National Board of Revenue; and any SRO or policy by the central bank on the capital market were also included.

Other areas include policies on market stakeholders or investment in the market by employees of government or semi-government or autonomous institutions; perception-based comments, instead of information-based, in the media; and any initiative on the capital market by an individual or institution.

"The government's instruction to empower the SEC is a sign of its seriousness in stabilising the market," said Prof Helal Uddin Nizami, senior member of SEC.



Mamoon Mahmood Shah, managing director of ICB Islamic Bank, and Ashraf Haque, managing director of Habib Intelligent Software, shake hands after signing a deal to make IPO related payments for listed companies, in Dhaka recently.



Md Nazrul Islam Mazumder, chief executive officer of Mututal Trust Bank Securities Ltd, and Anis A Khan, managing director of Mutual Trust Bank, attend an investor awareness programme organised by the bank in Dhaka on Monday.

Airtel offers services in Bangla

STAR BUSINESS DESK

Bharti Airtel introduced a special language application -- Airtel Bangla Keypad (Panini Keypad) -- that allows its users to type SMS and save phone numbers in Bangla, in a bid to celebrate International Mother Language Day.

With this, customers can also post blogs, social media updates and chat in Bangla, the mobile operator said in a statement yesterday.

"We at Airtel offer a host of capabilities for our mobile customers to enjoy Airtel products and services in Bangla - the proud traditional and cultural asset of the people of Bangladesh," said Chris Tobit, chief executive officer of Airtel Bangladesh.

To type in Bangla, Airtel users can download the Airtel Bangla Keypad (Panini keypad) by typing "Bangla" and send it to 4321.

Only Unicode supported handsets can use this software, according to the statement.

New law to ban dividends based on a year's profit

STAR BUSINESS REPORT

Companies will not be allowed to declare dividends on the profits of a single year following losses of preceding years under a new Companies Act, experts said yesterday.

"If a company is sitting on an accumulated loss for a few years, it will not be able to declare dividends for shareholders on the basis of a one-year profit," said barrister Tanjib-Ul Alam.

"The company will have to offset the loss first and then it can proceed to award dividend if it has any distributable profits. Otherwise it will be illegal," he said.

"Under the circumstances, the capital will trim down if any company declares dividends. Besides, the company will not be able to announce dividends based on reserves after reevaluation," the lawyer said.

He said the proposed law, which could be made into law by next year, would also exempt directors from buying shares in their own names. The current laws stipulate that directors must buy shares of the company.

The Supreme Court lawyer spoke at a discussion, "Benefits of Companies Act Reform in Bangladesh" at Ruposhi Bangla Hotel in the city.

Dhaka Chamber of Commerce

and Industry (DCCI) and Business Initiative Leading Development (BUILD) jointly organised the programme.

Alam is a member of a 17-member government committee, which is working on reforms in the century-old Companies Act to make the law more business-friendly.

Richard Shaw, an expert on Companies Act reform, said Bangladesh is at the forefront of the changes in corporate law in the world. It must have a platform for creating enterprise if the country wants to have a growing economy.

He said all stakeholders such as the government, the private sector, registrars and courts need to work together to make the effort successful.

"Bangladesh should adopt the world's best practices and have flexibility to change to meet market needs," said the Canadian expert.

The government team hopes to place the draft Companies Act before the Parliament by this year for further debate, said commerce secretary Ghulam Hossain, who is leading the team.

He said they are bringing changes to all policies and acts to have a comprehensive trade regime in the country to help businesses flourish.

Commerce Minister Ghulam

Mohammed Quader said the government is bringing changes to the laws as the current Companies Act, which was last amended in 1994, has become outdated.

"The businesses have become complex. Many countries are amending their Companies Act to cater to the changing needs," he said. "Our target is to make business processes easier and transparent."

DCCI president Asif Ibrahim said a number of laws and regulations covered in the existing Companies Act do not reflect the recent developments in the business community. As a result it impedes private sector growth to some extent.

"Simplified business processes will result in reduced time and costs of carrying out business. A new and modern Companies Act will create a conducive business environment by eliminating difficult compliances for businesses," he said.

"We should plan to formulate a Companies Act keeping the context of at least 25 years accommodating future changes in the country."

Alam said the amended laws would not allow mushrooming of companies in the country. He said the Act also includes insolvency clause to facilitate exit from the

market in case of any business failure.

The team is studying laws in the UK, USA, Malaysian, Australia and Singapore to make the Act effective and hassle-free.

"The Act will encourage the use of modern communication tools in conducting business activities such as teleconferencing for helping overseas shareholders take part in the meetings or exchanging letters."

Jisha Sarwar, private sector development officer of Bangladesh Investment Climate Fund, said a major reform of the Act is required, where new provisions are included in order to simplify business processes and make it easier for businesses to start, operate, and make exit.

"This can significantly improve Bangladesh's position in the internationally acclaimed Doing Business ranking. Bangladesh needs to have a strong and time befitting company act to compete with the fast growing commercial world, and to attract foreign direct investment and smooth economic development."

Ahmedur Rahim, registrar of Registrar of Joint Stock Companies and Firms, and Sajjad Zahir, a director of Economic Research Group, and Jisha Sarwar, also spoke.



Bashir Ahmed, managing editor of First News, and Tanvir Ahmed, director (development) of Platinum Suites, sign an agreement in Dhaka recently. Platinum Suites subscribes to First News Magazine.



Nahim Razzak, local Awami League leader, inaugurates a dealership showroom of Singer Bangladesh, at Damodya in Shariatpur recently. Kazi Rafiqul Islam, national sales manager of Singer, was also present.



MA Quader, chief executive officer of Bay Emporium, inaugurates the company's outlet at Mirpur in Dhaka yesterday.