

# Trade deficit with South Asian nations crosses \$2b

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Bangladesh's trade deficit with other South Asian countries crossed \$2 billion in the six months through December.

Bangladesh imported \$2.68 billion and exported \$313.7 million to the countries under the South Asian Association for Regional Cooperation in the first six months of the current fiscal year, according to data from the Export Promotion Bureau (EPB).

Saarc countries accounted for 17 percent of Bangladesh's total international trade in the last fiscal year.

Bangladesh has two trading platforms -- multilateral trade under the South Asian Free Trade Area (SAFTA) agreement and bilateral trade, said Annisul Huq, presi-

dent of Saarc Chamber of Commerce and Industry.

The exports of Bangladesh are rather low in multilateral trade with Saarc countries as Nepal and Bhutan enjoy duty-free access to the Indian market, while Sri Lanka has free trade, Huq said.

Bangladesh had a trade deficit of \$4.7 billion with Saarc countries in fiscal 2010-11, which was 47.08 percent higher than in fiscal 2009-10, data shows.

Bangladesh has the biggest trade gap with India among the Saarc countries -- \$2.11 billion -- in the first half of the current fiscal year.

Bangladesh has competitive products compared to India as Bangladesh and India export the same products to Europe and other counties, said Huq, also former president of Federation of Bangladesh Chambers

of Commerce and Industry.

The range of Bangladeshi products is small and the garment industry, the nation's largest export-earning sector, also depends on Indian yarn and fabric, he said.

A three-day 11th Saarc Trade Fair and Tourism Mart will kick off on March 31 in Dhaka to strengthen the bilateral economic and trade relations for deeper integration of South Asia and promotion of inter-regional trade among Saarc countries.

A total of 300 stalls will be set up at the fair. Of them, 50 will be allocated for the tourism sector and 100 stalls for the trade sector from the Saarc countries, other than Bangladesh and Saarc observer countries.

Huq said the trade and tourism fair will be helpful in attracting foreign buyers to Bangladesh.

## Online stores get more hits

FROM PAGE B1

"We offer products that are highly discounted," he said, adding that already 10,000 people have bought products through akhoni.com since its launch in June last year.

Ahsan said the portal has the option to pay online by card or in cash for home delivery. It also provides discount coupons if clients visit the stores physically.

Some 150 merchants are linked with akhoni.com that promotes clothes, electronic gadgets, mobile phones, travel packages and restaurants.

"We receive many orders from different parts of the country," he said.

However, some bottlenecks hinder the fast growth of e-commerce. Many banks, fearing fraud, still keep debit and credit cards inactive for online transactions for security reasons.

Mashroor said the central bank should prepare guidelines for banks and other service providers to prevent fraud in online transactions. For companies, there should be scope for insurance against frauds, he said.

At the same, the number of debit or credit card users is also lower than the current internet users, said Mashroor.

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DORP

AHM Nouman, secretary general of DORP, a non-governmental organisation, meets Luis Tejada, Spanish ambassador to Bangladesh, at a programme recently where they discussed progress of Nouman's gender-based social assistance programme funded by Spain's international development authority AECID.

## Higher duties thwart P&G's expansion

FROM PAGE B1

Kim said the company does not flaunt its country-based sales figure. But P&G's business in the country is still 'quite modest', he said.

"It's modest in that it's one of the smaller businesses in our portfolio with a lot of growth potential," he said, adding that the market is rapidly changing.

"I need to offer more of P&G products and we will continue to grow with the growth of Bangladesh economy."

But much of the prospects of increasing sales lies in the hands of the government, for which the company is awaiting a reduction in duty, particularly supplementary duty.

A cut in duty will lead to wider emergence of the P&G products in the market, enabling higher number of consumers to get more choices within their purchasing capacity.

The company will thus create a more competitive environment in consumer goods segment, creating competitive pressure on marketers to improve qualities of their products.

"It's not so much important about winning against competitors. It's about winning for consumers. Consumers will only win when they have choices," Kim said.

"Think about anything in life -- if there are more choices, then through competition there will be more improvements. If retailers have more products to sell, you will be creating a more competitive environment where everybody will win."

P&G presses for reduced duty in shipments of its products from its base to Bangladesh at a time when rising per capita income fuels consumer spending for personal and household care products here.

An around 6 percent annual economic growth now leads to a gradual change in lifestyle and tastes of consumers living in urban and semi-urban areas.

According to the official, common consumer goods market that includes hair care, skin care, feminine care, baby care and male grooming stuff is growing by 5-10 percent annually in Bangladesh.

"This is a vastly growing market and we look forward to seeing continued and faster growth and providing more brands to the consumers. I am particularly impressed with the economic development here," said Kim, who has been visiting the country from time to time in the last two years.

Bangladesh, one of the most populous countries in the world, offers a good market potential, he said.

"It means that we have to be here. And frankly, keeping the development and current economic progress in view, we believe we can do good jobs in improving the lives of people here."

The P&G official said the company having operation in 80 countries also looks to reach all consumers, including those with low incomes.

But providing products to poor people at prices within their capacity is a challenge, he said.

"It's a constant challenge to figure out how we reduce the costs that can enable us to provide products of benefits, that can meet most consumers' needs and improve their lives. That is an ongoing challenge and ongoing journey."

Now P&G market experts travel the outskirts of the cities of developing markets to see how most people live to better understand their needs.

Kim said Bangladesh economy is growing fast and there are different levels of needs and consumers in the country.

P&G wants to do business here by creating a long lasting relationship with all segments, he said.

"We are just at the beginning phase here. We want to create a long term relationship, trust and connection with the Bangladeshi consumers."

"Our purpose is to touch and improve people's lives. And when we do better jobs of touching and improving people's lives, we can generate sales and



GWM

Civil Aviation and Tourism Minister GM Quader launches an SUV -- Haval H-5 -- at the seventh Dhaka Motor Show 2012, at Bangabandhu International Conference Centre in Dhaka recently. Ace Autos, exclusive distributor of Great Wall Motors in Bangladesh, brought the vehicle.



FSIBL

Bashir Ahmed, managing editor of First News, a weekly magazine, and Azam Khan, head of marketing and development of First Security Islami Bank, sign a deal at the bank's head office in Dhaka recently. The bank will subscribe to the magazine.

## Indians jewellers' strike enters tenth day

REUTERS, Mumbai

A strike by jewellers to protest against a government levy entered its tenth day in most parts of India, bringing imports to a near standstill from the world's biggest buyer of bullion in the peak wedding season.

"We have called for an indefinite strike... we have sent our demand back to the government," said SL Jain, president of Chandni Chowk Jewellers' Association. "This has hampered our business."

The government has not yet acceded to the rollback demand.

Some jewellers called for an indefinite strike, which started from March 17. Jewellers in Mumbai and Gujarat, which contribute to about 70 percent of India's bullion trade, were striking on Monday, but yet to decide on going on an indefinite strike.

## The Sony Schism

REUTERS, Tokyo

The Bellagio casino-hotel in Las Vegas hosted a shotgun wedding in January. The bride and groom had met just wars since Sony has produced a new mega-hit device. Its TV business is an albatross that has accumulated losses of \$10 billion. The company is on course for a fourth straight annual net loss for the year ending March 31. Efforts to connect its vast entertainment and games content with its huge menu of gadgets began way back in the 1990s - but are still a work in progress.

What has flourished at Sony, after a bumpy start, is its PlayStation business, which Hirai ran for five years. His plan is to apply the PlayStation model company wide: extend its network to the rest of the Sony gadget family to create a unified content-delivery platform. Even if not by intent, it is a model close to Apple Inc and its iTunes.

The Sony Computer Entertainment model "is a bigger concept we can grow into a bigger space," Hirai, 51, said in a group interview at the company's Tokyo headquarters last month. "Hardware drives software and software drives hardware."

Interviews with former Sony



Kazuo Hirai

bosses and executives, as well as current managers who will be working with Hirai, paint a picture of an executive who may have the managerial and personal skills to reach a prize that eluded his two predecessors.

But they warn he faces a daunting task in marrying hardware and software in the Sony family, which remains hobbled by a schism that undid his predecessors: a rift between old-guard gadget engineers and a new guard of executives that see the future of Sony in online networks and the entertainment content they deliver.

If he succeeds, he could be the man who saved Japan's most famous company. Failure means presiding over the fall of an electronics empire that once held sway over the world's consumers. A stock slide from an already depressed price, analysts say, could make it an acquisition target or, more likely, lure in private-equity investors who could sell off packaged units of the company bit by bit.

Hints are emerging that Hirai may begin his comeback attempt by kicking his newlywed TV bride out of the Sony home.

"I think we have issues to

address around the TV business," said Andy House, the head of Sony Computer Entertainment, which he took over last year when Hirai moved on to a wider role in the company.

An option being mulled, another executive told Reuters, is to divorce TV from the rest of Sony and try and merge it with the battered TV businesses of Japan's other struggling set makers. Both Panasonic and Sharp are in trouble. It would be a marriage of convenience that a Japanese government anxious to safeguard jobs and spawn national champions could help forge, the executive added.

A framework for such a grand compact exists already. Last year, Sony agreed to bundle its small operations for making liquid-crystal display screens with those of Toshiba Corp and Hitachi Ltd. The merged company, Japan Display, is two-thirds owned by the taxpayer-funded Innovation Network Corp of Japan.

Hirai has geek cred. As head of the videogame business, he once got hold of a specialist train-driver control to play a train simulator game, "which gave me endless fodder for geek jokes", House recalled in an interview.



RFL

Mahatabuddin Ahmed, chairman of PRAN RFL Group, inaugurates an RFL Best Buy Outlet at Khilgaon in Dhaka recently. RN Paul, director of RFL, was also present.



BAY EMPORIUM

Shamsur Rahman, chairman of Bay Group, opens a new shop of the company at Kakrail in Dhaka recently. MA Quader, chief executive officer, was also present.



FAREAST ISLAMI LIFE INSURANCE

Sultan-ul-Abedin Molla, deputy managing director of Fareast Islami Life Insurance Company, speaks at an orientation training course for the company's desk officers at Topkhana in the capital recently.