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### Okada upbeat on Bangladesh

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DHAKA FRIDAY MAY 4, 2012, e-mail:business@thedailystar.net

Bangladesh is a country of potential and will go a long way if its potential can be properly utilised, Japan's Deputy Prime Minister Katsuya Okada said yesterday.

The visiting Japanese leader made the remark during a meeting with Prime Minister Sheikh Hasina at her office in Dhaka. Okada said the Japanese

investment in Bangladesh is increasing, but the problems of electricity, gas and administrative procedure are creating impediments to the investment.

In response, the prime minister said the government has been working to resolve the problems and sought investment from Japan in Bangladesh's power sector.

About corruption, Hasina said her government will show zero tolerance to corruption and it has strengthened the Anticorruption Commission.

PM's Press Secretary Abdul Kalam Azad briefed reporters after the meeting.

Hasina sought Japanese investment in special economic zones saying her government is trying to overcome the power and energy crises.



Japan's Deputy Prime Minister Katsuya Okada meets Prime Minister Sheikh Hasina at her office in Dhaka yesterday.

## Remittance inflow slows a bit

STAR BUSINESS REPORT

Inward remittances fell 2.43 percent to \$1.08 billion in March compared to a month ago, but the overall growth in the first ten months of the current fiscal year reached near 11 percent.

During the period, more than \$1 billion was remitted from abroad by Bangladeshi migrant workers every month, except September and November, according to data from the central bank.

In March, remittances stood at \$1.1 billion.

However, remittances increased by 10.41 percent to \$10.61 billion in the first ten months of the current fiscal year.

The banking regulator projected that remittance earnings will be worth around \$13 billion in the current fiscal year, which will have a positive impact on the country's

REMITTANCE INFLOW IN BILLION DOLLAR 0.908 Jul Aug Sept Oct Nov

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balance of payments, a Bangladesh Bank official said.

The official said a good flow of remittances has already made the foreign currency reserve and exchange rate stable in recent times.

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SOURCE: BANGLADESH BANK

# Freight forwarders pick up steam

SAJJADUR RAHMAN

The freight forwarding business is booming in Bangladesh, riding on a significant increase in international trade.

Nearly 1,500 freight forwarding companies, including foreign and joint ventures, are operating in the market that has been growing steadily for the past one decade.

"The sector began flourishing in 2000. Now, around 50 new companies enter the sector every year," said AMZ Karim, in-charge of Cross Freight Lines. Recession hit the sector in fiscal

2008-09, but now it has bounced back and going strong, according to Karim, who had worked for Maersk Line, a shipping company and ExpoLanka, a leading freight forwarder.

To start as a freight forwarder, he said a person needs a government licence issued by the Customs Department of National Board of Revenue (NBR). Obtaining a licence costs Tk 2-3 lakh, he added.

A freight forwarder is a 'travel agent' for the cargo industry, or a third-party logistics provider through different types of carriers, including ships, airplanes, trucks, and railroads.

In line with the pace of international trade, demand for logistics services, including freight forwarding services, has increased simultaneously. To cash in on the market, foreign companies are also coming into Bangladesh to

make money easily. Bangladesh's imports and exports

past decade. Imports grew nearly 42 percent to \$33.66 billion in 2010-11 from \$23.79 billion in 2009-10. Imports stood at \$22 billion in 2008-09. The country exported goods and services worth nearly \$23 billion in

have been growing significantly for the

2010-11 and \$18 billion in 2009-10. In 2008-09, Bangladesh's exports were \$15.56 billion. Businesses spend a large chunk of money on transporting the export and import goods, either by road, air, rail or

waterways, or on storing the goods in warehouses. Threats also exist for domestic freight forwarders, according to indus-

try insiders. "The sector has been growing rapidly with the pace of international trade

and local entrepreneurs have been developed to provide logistics services," said Belal E Baki, managing director of Solidan Marine. But foreigners are doing the busi-

ness here so easily that many of them cannot do it in their own countries.

"Many of them (foreigners) work in this sector without proper permits," he said.

Abdur Rahim, director of Transmarine Logistics, said the guideline for Shipping Agent Licence 2009 said shipping agent licences are not allowed for 100 percent foreign owned companies.

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## Mobile operators rearranging frequencies

ABDULLAH MAMUN

Four mobile operators last night started rearranging their frequencies in 1,800 band, which will improve their services, reducing call drops and making their networks more efficient.

The telecom regulator is leading the countrywide frequency rearrangement activities of Grameenphone, Banglalink, Robi and Airtel.

Zia Ahmed, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), the regulator, said the allocation of valuable frequency in 1,800 band was done in a scattered manner in the past.

But after the rearrangement, a total of 15.6 Mhz frequency worth more than Tk 2,000 crore will be saved, which will will be more disciplined, he said. be sold during 3G auction, he said.

The rearrangement process has been initiated with the consent of all the operators, Ahmed added.

The operators now will be able to use their frequency more efficiently and economically, he said.

After the rearrangement process, the quality of services of the mobile operators will be better than before with reduced call drops and more efficient network, said Abu Saeed Khan, secretary general of Association of Mobile Telecom Operators of Bangladesh (AMTOB).

Explaining the matter, Khan said, if you have three pieces of land in different places, you will have to make more in accessing networks, said a BTRC boundaries to separate your lands from statement.

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others. But when all the lands become a single piece, you will need fewer boundaries, leading to an increased area of your land.

Different operators use frequencies using different boundary lines called guard bands, Khan said. But after the rearrangement, the operators will need lesser guard bands that are unused parts of spectrum between bands for preventing interference.

Another analyst said, if the frequency has more guard bands (or boundary lines), the operators will have to use more filters to prevent interference, leading to a fall in quality of services.

Besides, frequency allocation was done in a scattered manner in the past. But now the frequency arrangement

Tanveer Mohammad, chief technology officer of Grameenphone, said the operators still have the same frequency, but now it has been reallocated in a single place.

Their services will be better now, he

said. An official of the spectrum division of the BTRC said, responding to the operators' plea, the regulator initiated the arrangement with the help of the

operators and the AMTOB. It took more than six months to start the process, he said.

During the rearrangement process, customers may face problems

#### Ministry mulls Kafco's plan for second plant

SOHEL PARVEZ

The industries ministry may approve a plan by Karnaphuli Fertiliser Company (Kafco) to invest \$1 billion to set up its second plant to produce 12 lakh tonnes of urea a year.

The second plant, as proposed by Kafco, will be built under publicprivate partnership and the company seeks to supply all its produce in Bangladesh to meet its growing domestic demand for urea for farming, Salahuddin Ahmad, the company's chief executive officer, told The

Daily Staryesterday. "We are positively considering Kafco's proposal to build an energyefficient plant," Dilip Barua, industries minister, told The Daily Star by phone after a meeting with a Kafco board of directors at his office.

The Kafco board met with Barua to hand over a cheque for dividends for government shareholding with the joint venture. The government owns 43.51 percent of the company.

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industry, top executives of Bharti Airtel, Vodafone, Idea Cellular, and other leading mobile companies joined

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Indian phone company chiefs Thursday slammed

AFP, New Delhi

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড Mutual Trust Bank Ltd.

proposals for a sharp hike in the price of mobile spectrum, saying it would raise calling tariffs and potentially destroy the fast-growing sector.

of auction 'disaster'

In a rare show of unity in the fiercely competitive forces to denounce the proposed price increase.

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