

Four-nation forum kicks off in Dhaka next week

Bangladesh, China, India and Myanmar to discuss ways to deepen cooperation

STAR BUSINESS REPORT

ABOUT 50 analysts from Bangladesh, China, India and Myanmar will gather in Dhaka next week to discuss ways and opportunities to deepen cooperation and integration in one of the fastest growing regions in the world. Centre for Policy Dialogue (CPD), a local think tank, will organise the meeting on 23-24 February in partnership with the High Commission of Canada and Germany's Friedrich-Ebert-Stiftung.

The theme of the upcoming 11th BCIM (Bangladesh, China, India and Myanmar) Forum is "Recent developments in BCIM countries: new opportunities and new challenges for BCIM cooperation."

The Dhaka forum will focus on cooperation in the areas of trade, investment and finance, multimodal connectivity, energy and institutional arrangements, said CPD Executive Director Prof Mustafizur Rahman.

"The forum seeks to be built on the achievements of the past ten gatherings," he told reporters at a briefing at the CPD office in Dhaka.

The economist said the BCIM region, with a market of 2.8 billion people and a GDP of \$9.3 trillion in 2011, is going through



Centre, Prof Mustafizur Rahman, executive director of the Centre for Policy Dialogue, speaks in a press briefing in Dhaka yesterday to announce that the local think-tank will organise the 11th BCIM Forum in partnership with the Canadian High Commission and Germany's Friedrich-Ebert-Stiftung.

critically important changes which have far-reaching consequences for the regional countries and also wider world.

"This is particularly so in view of the emergence of China and India as two key players in the global economic scenario, and also the new developments in Myanmar."

Rahman said Bangladesh's unique geographical location

offers new possibilities and opportunities of cooperation.

"In the context of these emerging trends and developments, the Dhaka event will be a unique opportunity to discuss bottlenecks and explore new avenues of deepening cooperation and integration."

The CPD analyst also said the Dhaka forum would be an opportunity to search for

institutionalisation of the cooperation among the four countries to strengthen and accelerate the process of economic integration of the region.

Rahman also said a distinctive feature of the forum is that it would coincide with a car rally from Kolkata to Kunming.

The rally with the theme -- Building Bonds, Fostering Friendship -- will start from

Kolkata of India on February 22 and reach Kunming of China on March 5.

About 80 people from the BCIM countries will participate in the rally, which will pass through Bangladesh on February 23-24.

The CPD will accord a reception to the participants at Bangabandhu International Conference Centre in Dhaka on February 23.

The forum aims to identify concrete projects in selected areas to promote economic cooperation, identify modalities of cooperation among key stakeholders, to foster and promote cooperation among private sector and explore ways to strengthen institutional architecture of cooperation.

Foreign Minister Dipu Moni will open the event.

About 48 delegates from China, India and Myanmar will take part in the event. The delegations from China will be led by Shen Peiping, vice governor of Yunnan province, India by Ambassador Eric Gonsalves, and Myanmar by Ambassador of the country to Bangladesh Myo Myint Than.

Anisatul Fatema Yousuf, director of the dialogue and communication division of the CPD, and Fahmida Khatun, a research director, were also present at the press briefing.

H&M aims to set up shop in India



REUTERS, Stockholm

EUROPEAN budget fashion retailer Hennes & Mauritz said it will apply to open stores in India, the third-biggest economy in Asia, as it seeks to expand into faster-growing markets.

The Indian government has been pushing through reforms to allow foreign retailers into the country to help stimulate the economy.

Like Swedish furniture maker IKEA, which is waiting for its own application to be approved, H&M hopes to cash in on a growing urban middle-class with a strong demand for western-lifestyle products.

H&M, the world's second-largest apparel retailer after Zara owner Inditex, has the bulk of its business in Europe where demand has been hit by the region's debt crisis.

A spokeswoman for Sweden-based H&M said Chief Executive Karl-Johan Persson would meet Trade Minister Anand Sharma in India on Tuesday.

"We will now present H&M and our plans for India. We are interested in opening stores there. What we are doing now is preparing to apply to start a wholly-owned subsidiary," spokeswoman Kristina Stenvinkel said.

India last year formally eliminated restrictions on foreign investment in its single-brand retail sector.

Foreign retailers that want to invest beyond the previous cap of 51 percent ownership will need to source 30 percent of their goods locally.

Sanford Bernstein analyst Jamie Merriman said it made sense for H&M to start the application process as the Indian market was attractive, albeit complicated, for retailers.

"Although, if you think about how long it takes H&M to build up scale in most markets it's probably going to be a while before that would happen in India," she said.

Singapore, Malaysia to build high-speed rail link

AFP, Singapore

SINGAPORE and Malaysia announced plans Tuesday to build a high-speed rail link, fuelling hopes that Southeast Asia could one day enjoy a rapid European-style train system connected to China.

Prime Minister Lee Hsien Loong and his Malaysian counterpart Najib Razak hailed the project, which would cut travel time between the city-state and Kuala Lumpur to 90 minutes. The target year for completion is 2020.

"This is a strategic development in bilateral relations that will dramatically improve the connectivity between Malaysia and Singapore," the leaders said in a joint statement issued after meeting in Singapore.

"It will facilitate seamless travel between Kuala Lumpur and Singapore, enhance business linkages and bring the peoples of Malaysia and Singapore closer together."

The existing rail link between the two countries dates back to the period of British colonial rule over both, with stops at several Malaysian towns. The current Singapore-Kuala Lumpur service takes more than seven hours.

No cost estimate was given for the construction of the new rail link.

"(We) have some very preliminary figures but I am not inclined to mention those figures because it will tend to stick in people's minds," Najib said at a joint news conference with Lee.

Lee quipped that Singaporeans would be able to have lunch with friends in Kuala Lumpur, which is about 350 kilometers (220 miles) away, and get back within the day.

"It's a strategic project for the two countries. It will change the way we see each other," said Lee, likening it to the heavily used London-Paris connection.

The 90-minute travel time for the new train compares with four hours by car, including clearing immigration, and five hours by bus.

And while a flight takes less than an hour that does not take into account the time taken to check in, pass immigration and pick up luggage.

Both countries belong to the 10-member Association of Southeast Asian Nations (ASEAN), which hopes to one day link most member states by rail and extend the connection to China and possibly India.

ASEAN is contemplating a link that will run from Singapore to Kunming in southwestern China, thereby tapping into the country's vast high-speed network -- the world's longest at more than 9,300 kilometres and rapidly expanding.

To link up with China, ASEAN estimates that there are 4,069 kilometres of missing links that need to be built, or existing railways that need to be upgraded, in several countries.

British PM offers to cooperate with India on graft probe

AFP, New Delhi

BRITISH Prime Minister David Cameron promised full cooperation on Tuesday with an Indian investigation into alleged corruption in a helicopter deal, an issue which has clouded his trip to New Delhi.

Cameron arrived in India on Monday with what he called the biggest-ever British overseas business delegation, pushing for better access to the booming market of 1.2 billion people and greater trade.

While keen to persuade India of the merits of the part-British Eurofighter jets, he has been dogged by another aviation deal involving the Anglo-Italian helicopter maker AgustaWestland.

Italian authorities arrested the boss of AgustaWestland's parent company Finmeccanica last week during an investigation into bribes allegedly paid to secure the \$750-million Indian government contract in 2010.

Press reports indicate one of the accused middlemen is based in London, while the helicopters are being made in southwest England.

"We will respond to any request for information. I am glad that the Italian authorities are looking into this issue in detail," Cameron told a press conference with Indian counterpart Manmohan Singh.

Singh, eager to show his graft-plagued government taking action ahead of national elections next year, said he had conveyed "our very serious concerns regarding allegations that unethical means were used" to secure the deal.

"I have sought the full assistance of the UK in this case," he added.

The scandal has been an unwanted distraction for Cameron who is eager to forge a new partnership with Britain's former colony, believing their historical links should provide a foundation for a closer partnership.

Like other Western leaders who arrive eyeing the country's enviable economic growth rates, he is keen for British companies to benefit from India's vast



Britain's Prime Minister David Cameron (L) shakes hands with his Indian counterpart Manmohan Singh during a photo opportunity before their meeting in New Delhi yesterday.

investment in infrastructure, health, energy and defence.

Executives in his delegation from the worlds of banking, insurance and retail have also been encouraged by the Indian government's moves late last

year to drop some barriers to foreign investors.

Cameron has targeted a doubling of annual bilateral trade with India, from 11.5 billion pounds (\$17.8 billion) in 2010 to 23 billion pounds by the time he

faces re-election in 2015.

"Britain wants to be your partner of choice," Cameron said during a factory visit in commercial capital Mumbai on Monday.

Harsh Pant, an expert on Indian foreign relations at King's College university in London, said that Britain and India were bound by their history and large British-Indian population, but that New Delhi was destined to remain aloof.

"India has never been about close relationships with any country," he said, referring to its embrace of the non-aligned movement. "They will never be the sort of partners that some countries expect them to be or want them to be."

In moves designed to appeal to his hosts, Cameron has announced a new same-day visa service for Indian business people and stressed that British universities remain welcoming places for Indian students.

He has played cricket to highlight the countries' common love of the game and joked and spoke with 400 students and Bollywood mega-star Aamir Khan on Tuesday at a New Delhi girls' college.

Singh thanked Cameron for his "strong personal commitment to India" -- this is his second visit since becoming prime minister in 2010 -- and said he had invited increased British investments in India.

"We expressed satisfaction with progress in our economic engagement, while stressing the need to do more to take the relationship to a new level," he added.

In 2010, Cameron had given heavy backing during talks with Indian leaders to the part-British Eurofighter consortium, which was competing for a \$12 billion contract to sell 126 fighter jets to the air force.

Last January, India chose France's Dassault Aviation for exclusive negotiations but the deal has still not been signed.

The first allegations of wrongdoing in the AgustaWestland deal emerged last year, but India's government has said it was unable to gain information from Italian or British governments about the investigation.