

Thai businesses keen to invest in Bangladesh

STAR BUSINESS REPORT

Thai entrepreneurs are in dialogues with some Bangladeshi businessmen to invest in the country and exploit its immense business potential, senior Thai government officials said yesterday.

As part of the efforts, they held a discussion with the leaders of the Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka.

"Bangladesh has numerous promising sectors for investment thanks to its cost competitiveness, strategic location and the incentive packages offered by the government," said Chokede Kaewang, deputy secretary general of Thailand Board of Investment.

Thailand has been maintaining good relations with Bangladesh over the years, he said, adding that more collaboration between the private companies of the two countries will obviously boost bilateral trade.

The 17-member Thai business

delegation that is now visiting Bangladesh expressed their interest to invest in a number of sectors, including textiles and garments, agri-machinery, pharmaceutical and cold storage, to grab local and global markets.

Bangladesh needs to take more promotional activities to lure foreign investment, said Phasit Chudabuddhi, counsellor of the Thai embassy in Dhaka.

Many Thai companies will set up businesses in the country if Bangladesh can present it as an attractive investment destination, he said.

Syed Nasim Manzur, president of MCCI, urged the Thai companies to establish factories in Bangladesh to make most use of the duty- and quota-free market access that the country now enjoys as a least-developed country.

Bangladesh has the potential to become an investment destination for Thai investors, especially in the textile, agro-processing, leather,

energy and tourism sectors, said Anis A Khan, vice president of the chamber.

Thai investors can utilise the low infrastructure cost and cheap labour in Bangladesh, Khan said.

Thailand is also benefiting greatly from the large number of Bangladeshis who travel to the country for various purposes, including trade, health, education and tourism, he said.

Bilateral trade amounted to \$780.61 million in 2013-14 with only \$39.61 million of exports to Thailand from Bangladesh. During July-September period of the current fiscal year, Bangladesh's exports were amounted to \$7.74 million.

Bangladesh mainly imports vegetables, mineral, plastic, rubber, textile, paper board from Thailand and exports jute goods, woven and knit garments, frozen foods and agro-products.

MCCI also urged the Thai government to offer duty- and quota-free market access for

Bangladeshi products.

"Currently, the Bangladeshi exporters have to pay on an average 30 percent to 45 percent duty on export of woven and knitwear products to Thailand and export duties for other products are also high, ranging from 5 percent to 45 percent," the chamber said in a statement.

"If the country allows duty- and quota-free facility for the products to its market, Bangladesh's exports to the country will increase significantly," said Khan, who is also the managing director of Mutual Trust Bank.

Dhaka has recently sought duty- and quota-free market access for 24 products, mainly garments, to Bangkok in a bid to boost exports to Thailand and increase bilateral trade.

It is expected that the preferential access will also facilitate the two countries to reach the target to double the bilateral trade by 2016, set by the prime ministers of the two countries, Khan said.



Md Mujibul Haque, deputy minister of labour and employment, launches Grameenphone's day care centre 'Happy Hearts' during a visit to the operator's corporate head office in Dhaka recently. Mikail Shipar, labour secretary, was also present.

Shell revises down annual net profit after error

AFP, London

Oil giant Shell revised down Friday its 2014 net profit, after uncovering an error in the value of its downstream operations one day after posting annual results.

Shell announced in a new statement that annual net profits fell nine percent to \$14.874 billion (13.17 billion euros) last year compared with 2013, hit by collapsing global oil prices.

The Anglo-Dutch oil group on Thursday had stated its 2014 net earnings as \$15.052

billion.

Profits after taxation meanwhile tumbled by 67 percent to \$595 million in the fourth quarter of last year, compared with the final three months of 2013.

That also marked a downward revision from the fourth-quarter figure of \$773 million that was given in Thursday's annual results statement.

"Subsequent to making that announcement, a stock valuation error in its downstream operations was discovered," Shell said on Friday.



Shiro Sadoshima, Japanese ambassador, poses with winners of the 1st Business Excellence Award of Japan Bangladesh Chamber of Commerce and Industry at Kurmitola Golf Club in Dhaka on Saturday.



Farzana Chowdhury, managing director of Green Delta Insurance, speaks as a panelist at a discussion on meeting reinsurance needs as part of the 8th India Rendezvous, an insurers and reinsurers' conference, held in Mumbai, India recently.

Govt plans to trim growth target as blockade bites

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"Everything has been affected -- people are not being able to run their normal economic activities. How can the economy advance in this situation?" Muhith said.

Nonstop blockades mixed with local and nationwide hartals have badly hit farm incomes, disrupted inter-district road and rail transport, weakened buyer confidence on the exporters' ability to deliver on time and halted the rebuilding of investor and consumer confidence.

Bangladesh is counting about Tk 2,277.86 crore in economic losses a day, due to the blockade and strikes ongoing since January 6. However, it would stand at Tk 2,500 crore if the daily loss is calculated taking into account the 25 percent of the total industrial production, according to the Dhaka Chamber of Commerce and Industry (DCCI).

The garment sector suffered losses worth Tk 695 crore a day, followed by transport and communication sector at Tk 300 crore, agriculture sector Tk 288 crore, tourism sector Tk 210 crore, poultry industry Tk 18.28 crore as a result of the violence, said the chamber.

Some sectors have also come up with their own analysis.

Garment exporters, whose contribution accounts for 81 percent of the country's total exports and 15 percent of the GDP, said the first 12 days of the blockade cost the industry Tk 450 crore. Realtors, who account for 7 percent of the GDP, are incurring losses of Tk 36 crore every day, said the Real Estate and Housing Association of Bangladesh.

The services sector, which makes up half of the GDP, has been particularly affected, as people have been avoiding unnecessary outings fearing petrol bomb attacks, which have so far killed at least 35 and severely burnt many others.

Foreign and local tourists have cancelled their tour plans in groves, hitting the tourism sector.

The industrial sector, which accounts for 29 percent of the GDP, has been affected as raw materials, goods and products could not move smoothly in the last one month.

Farmers could not sell their produce. Furthermore, the supply of agriculture inputs such as diesel and fertiliser has been affected ahead of the boro season, when the country produces more than half of its rice.

The poultry industry, which is part of the broader agriculture sector, incurred losses of around Tk 256 crore in the first two weeks of the blockade, as farmers were unable to sell around crores of eggs, hundreds of tonnes of meat and day-old chicks, according to the Bangladesh Poultry Industries Coordination Committee. Renewed political tensions and violence may negatively affect foreign investor confidence, raising risks to growth over the long-term, Fitch Ratings said.

NBR to relax rules to import cars to be used as taxicabs

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Sometimes, engine capacities become 1,485cc or 1510 cc, he added. The NBR move comes in line with guidelines for taxicab services framed by the road transport ministry that says cars with 1,485cc engine capacity should be treated as 1500cc.

The revenue administration is expected to issue a notification in this regard soon, the NBR official said.

Kamal of Toma Group said the spike in paid-up capital requirement might bar small investors from importing cars for the cab business.

Currently, two firms -- Toma and Trust Transport Services of Army Welfare Trust -- are engaged in providing taxicab services in major cities like Dhaka and Chittagong. The number of cars providing taxi services would be nearly 300, he added.

Businesspeople to rally on Feb 8 for political stability

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On January 28, the textile and garment makers organised a rally in front of the BGMEA office in Dhaka for bringing political stability.

Hundreds of apparel and textile makers took part in the event led by Bangladesh Garment Manufacturers and Exporters Association and handed over separate memoranda to Prime Minister Sheikh Hasina and BNP Chairperson Khaleda Zia. The country suffered a loss of Tk 36,445.76 crore in the first 16 days of the countrywide blockade in January, according to Dhaka Chamber of Commerce and Industry, another leading trade body.

Muhith criticises Islamic banking

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"Riba is forbidden in Islam. It is a compound interest. But the interest rate in the conventional banking system is fixed taking into account the cost of fund," Muhith said.

He also said he has nothing to do in this regard. "The Muslims and those who think about Islam can do something." Replying to another query, Muhith said no specific allegation has been received so far against any bank capitalising on religion.

Finnish phoenix: The start-ups rising from Nokia's ashes

BBC NEWS

For many, Finland and Nokia were synonymous.

And when in 2012 and 2013, Nokia shed 24,500 employees and sold Nokia House (and its mobile phone division to Microsoft), they called it the "Elopocalypse" after then-chief executive Stephen Elop.

But the sinking of Nokia has led to an explosion of start-ups, as a skilled workforce jumps ship and begin businesses.

And the coolest pitching in the world now takes place in a cut-out size hole in the northern city of Oulu in February, where you can speak about your company as you long as you like - so long as you remain standing in freezing water.

"I am willing to say that the Elopocalypse was the best thing to happen to Finnish ICT," says Mika Bostrom, vice president of peer-to-peer betting market Smarkets.

NOKIA ERA FINISHED

The first two years post-Elopocalypse in Finland involved painful readjustment.

But profitable exits and eye-watering funding infusions have drawn attention to the sparkling northern lights of the tech sector.

This shopping spree included Google's purchase of Helsinki-based mobile 3D graphics venture drawElements last July for an eight-figure sum.

Facebook bought Pryte last summer, a Finnish start-up developing passes to let mobile cus-

tomers in the developing world use mobile apps without a data plan.

Japan's SoftBank paid \$1.5bn (£990m; €1.3bn) for a 51% stake in mobile game developer Supercell, after its Clash of Clans and Hay Day attracted 8.5 million daily plays and revenues of \$892m.

And in three years, Helsinki's Slush tech start-up conference has grown from 300 participants to more than 10,000.

"Slush 2012 was a small venue. Slush 2013 was larger. Slush 2014 was huge by anything outside US or UK standards," says Bostrom.

NORSE CODE

Not surprisingly, many of these start-ups have involved mobile phone technology. Jolla is one lifeboat which launched from Nokia, with Sailfish, an open-source operating system created from a spiked Nokia project, Meego.

Sailfish debuted at Slush 2012, with all the company's then-60 employees taking the stage.

Co-founder Marc Dillon, who spent 11 years at Nokia, says it offers easier multitasking than existing mobile operating systems.

"You have the ability to see all your applications at once, and interact with them at the same time without going deeply into one, then taking several steps back to go into another," he says.

A second key aspect of Sailfish, says Dylan, is it is open source.

"If 80% of the world is running Android phones, then all the companies and ecosystems and

devices are basically tied to one company strategy."

He says the operating system has native apps "in the thousands" but can also run Android ones.

Dylan sees Sailfish's next steps as working with chiefly Asian original design manufacturers, who make the modules mobile companies use.

"You create devices now with modules and other companies do the integration," he says.

THE SAUNA SIDE

Jolla is a poster boy for the Nokia Bridge programme, the company's start-up seed funding for departing employees.

Public funding of research and development is another part of Finland's tech start-up success.

It is third in equity financing in Europe, after the UK and France. Tekes, a public R&D funding body, has a €550m (£423m; \$637m) annual budget.

There are tech incubators such as Aalto University's Startup Sauna in Helsinki, modelled on Google labs with, yes, saunas. Some 126 start-ups have graduated since 2010.

And the well-reviewed Vigo accelerator, launched by Finland's Ministry of Employment and the Economy, follows an Israeli and Singaporean model by giving mentors financial stakes in the companies.

One beneficiary from Tekes was Helsinki wallpaper start-up Feathr.com, started by husband and wife duo Anne and Tom

Puukko. She is Finnish and ex-Nokia, he English.

"The investment gives you a stamp of approval. If you start a business with your own money, even if you're going well, people say no-one else has looked at you and said it's a good idea," says Puukko.

The couple have gathered wallpaper designs from roughly 300 artists, "everything from tattooists, surfware designers, photographers, fine artists," says Puukko, and will focus initially on the UK market.

She says wallpaper still largely uses Victorian printing techniques, and digital printing in the sector has not yet been explored.

"We're going back to William Morris," she says.

"He saw wallpaper as a way of bringing beauty into people's lives. Everyone has this amazing canvas in the wall - you've got four of them surrounding you."

ROBOT WASTELAND

Another bright spark in the wintry Finnish night is robotics.

ZenRobotics' Recycler robot sorts bits from a conveyor belt of rubbish, and uses artificial intelligence technology to learn to identify different waste objects.

Timo Taalas, the company's chief executive, says the capital's two universities, University of Helsinki and Aalto University, are quite strong in artificial intelligence and machine learning.

"The background of the founders was in artificial intelligence and robotics. We had to find a complex enough problem that



Md Zakiullah Shahid, chairman of Prime Insurance, hands over a cheque to Mostafizur Rahman, managing director of Popular Group, to settle the latter's marine insurance claim, at a programme on Wednesday.



Mesbah Uddin, director of operations at Quartel Infotech, and Karim Iqbal Bhuiyan, general manager for sales, opens a smartshop of Maximus Mobile at Bashunhara City market in Dhaka on Saturday.