

Brighten country image to attract FDI: Gowher Rizvi

STAR BUSINESS REPORT

Prime Minister's International Affairs Adviser Gowher Rizvi yesterday urged the businesspeople to uphold the country's image positively by changing the "narratives" on Bangladesh.

"There is a mismatch between what we are and how the outsiders perceive us. We need to change our narratives," he said.

By objective criteria such as the country's size, labour force and investment friendly environment, Bangladesh should undoubtedly be a destination for foreign investors, he said.

"But we must ask ourselves why that is not happening," he added.

"We have a huge demand side, for dense population, but we want to be ahead of the demand," he said, requesting the private sector to invest more in infrastructure development.

Rizvi spoke at a seminar on "investment climate in Bangladesh: looking ahead", organised by the Dhaka Chamber of Commerce and Industry (DCCI) at its auditorium in the capital.

He said the government plans to set up a new "investment authority" that will have the power to allocate land, and look after environmental issues.

Bangladesh should increase its business with China and India by utilising its strength in connectivity and proximity, to reduce trade gap, he said.

Bangladesh did well in achieving the millennium development goals and will do so in attaining sustainable development goals (SDGs), but without investment it would be hard to achieve those or even the targets of the 7th five-year plan, he said.

To achieve the SDGs, Bangladesh will have to ensure an investment-friendly environment and create entrepreneurship, said SK Sur Chowdhury, deputy governor of Bangladesh Bank.

Bangladesh enjoys duty and quota free access to many countries, including the European markets, and foreign investors can utilise this access, he said.

Also, the regulatory environment needs to be simplified to encourage more inward flow of FDI, he added.

Standard Chartered's assets in Bangladesh are worth \$5 billion and the bank is looking to expand investment, said Abrar Anwar, its country chief executive.

Bangladesh is situated in the middle of South and Southeast Asia, and is best placed to reap benefits of regional trade, he said.

The rule of law, political stability, and an enabling environment for business are the prerequisites for attracting FDI, said Masrur Reaz, programme manager of International Finance Corporation Bangladesh.

"The government should also focus on other potential manufacturing sectors like shipbuilding and agro-based products besides garments," he said.

Bangladesh's investment climate is friendly enough as the country has maintained more than 6 percent GDP growth over the last decade, Nabhash Chandra Mandal, executive member of the Board of Investment, said in his keynote.

"Bangladesh maintains a vibrant and open economy with a strong local market. Bangladesh in next 15 years will develop 100 economic zones, create 10 million employment opportunities and foster additional export target of about \$40 billion," he said.

Bangladesh holds only 0.12 percent share in global FDI, 3.71 percent in South Asia and 4 percent in the local investment, said DCCI President Hossain Khaled. "It is lower than emerging economies such as India, Indonesia, the Philippines and Vietnam," he said.



Simeen Hossain, managing director of Eskayef Bangladesh, shakes hands with Muhammad A (Rumee) Ali, chief executive officer of Bangladesh International Arbitration Centre, after signing a memorandum at Eskayef's head office in Dhaka to resolve any commercial dispute through the alternative dispute resolution method.

Eskayef, BIAC sign deal to resolve any commercial dispute

STAR BUSINESS DESK

Bangladesh International Arbitration Centre (BIAC) and Eskayef Bangladesh have recently entered an agreement for alternate dispute resolution services.

The memorandum will provide a framework to facilitate resolution of any contractual and commercial disputes of Eskayef Bangladesh and its affiliated companies through specialised alternate dispute resolution ser-

vices of BIAC.

Muhammad A (Rumee) Ali, chief executive officer of BIAC, and Simeen Hossain, managing director of Eskayef Bangladesh, signed the memorandum at the latter's head office in Dhaka.

French trade fair begins in Dhaka on Friday

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France Bangladesh Chamber of Commerce and Industry (CCIFB) will organise a two-day trade fair to showcase French products and technologies available in Bangladesh.

Commerce Minister Tofail Ahmed is scheduled to open the show to be held at Le Meridien Dhaka hotel on Friday in presence of French Ambassador Sophie Aubert, patron of the chamber, and Manzurul Islam, president.

A workshop on sustainable architecture and energy efficiency will be arranged on the opening day.

Bangladeshi and French companies from different sectors, including telecom, textile, aviation, energy and cosmetics, will join the show.

Bangladesh's exports to France have gone up from 650 million euro in 2008-09 to 1.7 billion euro in 2014-15, while import from France also increased from 86 million euro in 2008-09 to 151.3 million euro in 2014-15.

Karnaphuli tunnel project gets go-ahead

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Apart from these, 62.82 hectares of land would be acquired for the project.

As per the condition of the Chinese loan, a firm—China Communication Construction Company—nominated by the Chinese government will construct the tunnel.

The tunnel, which will be the first of its kind in Bangladesh, would improve the Dhaka-Chittagong-Cox's Bazar road network.

The Ecneec also gave nod to a revised project—Bangladesh economic zones development project (first phase)—at a cost of Tk 122.34 crore, of which Tk 119.74 crore will be provided by the World Bank and DFID.

Under the project, four economic zones -- in Mongla, Moulvibazar in Sherpur, and Mirshorai and Anwara in Chittagong -- will be developed to attract investors.

The Ecneec yesterday approved a total of 12 projects worth Tk 16,978 crore.

Boost confidence in capital market to drive economy

India's stockmarket regulator says in Dhaka

STAR BUSINESS REPORT

The Securities and Exchange Board of India (SEBI) has suggested the Bangladeshi counterpart work for the restoration of confidence in the capital market, which can act as a catalyst for economic growth in Bangladesh.

About 77 percent of the investment should come from the private sector to achieve the targets set in the seventh five-year plan of Bangladesh, said UK Sinha, chairman of the SEBI.

Around 90 percent of the private investment must be generated from domestic sources, Sinha said.

Referring to the amount of Tk 30 trillion that needs to be invested to implement the latest development roadmap, he said the banking sector cannot mobilise all the funds.

The primary task of Bangladesh Securities and Exchange Commission or BSEC would be to bring back investor confidence to the capital market, as it witnessed "misconduct" in early 2011, he said.

Fair and effective regulations, financial literacy and reliable and accurate disclosures by listed firms are the ways to boost confidence in the market, he said.

Sinha also recommended the introduction of new products such as derivatives, hedge funds and pension funds, and ensuring the best practices of corporate governance.

He spoke at a meeting with the stakeholders of Bangladesh capital market,

organised by the BSEC, at the Radisson hotel in Dhaka on Monday.

Sinha came to Dhaka to sign a memorandum of understanding with the BSEC to deepen bilateral cooperation for the development of the capital market.

Sinha and BSEC Chairman M Khairul Hossain signed the MoU at Gono Bhaban in Dhaka on Sunday in the presence of Prime Minister Sheikh Hasina.

Under the deal, the two regulators will exchange experiences and views, especially for the development of Bangladesh's capital market.

This is the first time the stockmarket regulator of Bangladesh has signed a deal with another securities regulator.

Earlier in 2013, the BSEC signed a multilateral deal with the International Organisation of Securities Commissions—the association of national securities regulatory agencies—which allowed Bangladesh to get international cooperation on securities markets worldwide.

"We can assist the BSEC to introduce new platforms for start-up business and small and medium enterprises and to launch new products especially derivatives and mutual funds," Sinha said.

The SEBI can help the BSEC develop human resource through training and exchange of officials and operating financial literacy and awareness programmes for investors, he said.

Sinha said the size of the Indian

economy is about \$2 trillion and it is the ninth largest economy in the world on a nominal basis.

It is forecast that India will emerge as the third largest economy in the world on a nominal basis by 2030, he said.

The market capitalisation of Bombay Stock Exchange (BSE) is around \$1.44 trillion, while the market capitalisation to GDP ratio is 79 percent.

Since its inception in 1980, Sensex, the benchmark index of BSE, has given a return of 15.7 percent on investment in the capital market.

"The market can give negative returns in short term and it shows that the investment should be made for long term. It's the case not only in India or Bangladesh, it is applicable anywhere in the world," he said.

Referring to the record level of foreign investment in India's capital market that was \$42.1 billion in 2014-15, he said: "We made the system simple for their investment. That's why we got the record amount of foreign investment."

Over the decades, the SEBI has been engaged in making reforms to develop its capital market, bringing accountability and transparency and ensuring corporate governance among the listed companies, Sinha said.

"People did not like the reforms and many had protested these in the earlier stages. But now they are saying that if the SEBI had not done these, the Indian markets would not have come to this level."

Tazreen survivors still seek answers

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Ali, who hails from Rangpur, came to the National Press Club yesterday with many other survivors and the family members of the deceased to demand compensation.

Another survivor Rowshan Ara, 36, said she jumped from the third floor and received injuries on both legs.

"I cannot sit for 20 minutes at a stretch. I cannot walk properly either."

Prior to the fire, her son Kaiser, 15, used to go to school. But his education came to a halt as he had to take up a job at a factory to support the family. However, he could not continue as he was under-age. He is now learning electrical work, she said.

"My son had to leave school. I now want my nine-year daughter to continue her education, but I cannot bear the expenses," said Rowshan Ara, who receives Tk 4,000 a month and free medicine, thanks to support from Dutch retailer C&A.

The arrangement is brokered by Caritas Bangladesh, a charity.

The survivors who came to join the human-chain yesterday were among the 114 workers injured after jumping out of the windows on the third and fourth floors, as the exits were locked when the fire broke out.

Meaningful compensation has so far been provided by BGMEA, the government, C&A, and Li & Fung of Hong Kong.

But for the injured workers who received Tk 1 lakh each, the money was insufficient and ran out in the first few months.

A number of survivors said they need long-term financial security, as they have been unable to work for a living.

At the human chain, leaders of a number of labour rights groups, including the local chapter of IndustriALL Global Union, urged garment retailers and brands that sourced apparel items from Tazreen Fashions to clear the funds for the victims.

They demanded full and fair compensation for all the injured and the families of the dead.

"By compensating the victims of Rana Plaza, we have already set a standard," said Roy Ramesh Chandra, a leading rights activist, terming the Tk 1 lakh compensa-

tion under the labour law inadequate.

One year ago, IndustriALL, together with the Clean Clothes Campaign, a rights group, C&A and the C&A Foundation signed an agreement, brokered by the International Labour Organisation. They are to set up the Tazreen Claims Administration Trust to compensate the victims from a dedicated fund.

The trust will make payments to cover for the loss in income and medical treatments.

Brands and retailers with revenue more than \$1 million had been asked to pay a minimum of \$100,000 to the fund. Only C&A, Li & Fung and German retailer KiK have contributed to the fund so far.

Tazreen's biggest customer -- Wal-Mart -- still has not provided any funds.

In the months leading up to the fire, Tazreen workers also produced clothing for brands such as El Corte Ingles, Edinburgh Woollen Mill, Piazza Italia, Disney, Sears, Dickies, Delta Apparel and Sean John.

Yesterday, the Clean Clothes Campaign and International Labour Rights Forum urged international brands to contribute to the fund.

Sam Maher, who represents the Clean Clothes Campaign in the Tazreen Claim Administration Trust, said, "These workers have been waiting for three years to get the financial payments which they need for daily survival, to pay for rent, education and health care. They should not be forced to wait any longer."

"There is no justification for refusing to pay -- Tazreen workers deserve to be treated the same as those at Rana Plaza. We urge all those brands that were buying from Tazreen to contribute now, without further delay."

Judy Gearhart, executive director of the International Labour Rights Forum, said, "It is unconscionable that after three years, the Tazreen victims and families still have not received meaningful compensation and Wal-Mart hasn't paid or pledged anything at all."

Amsterdam-based Clean Clothes Campaign has calculated that the amount of long-term compensation for the injured and deceased should be at least \$5.7 million.

Five-day banking fair opens

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The fair will make customers aware of these services, according to Alam.

Nojibur Rahman, chairman of National Board of Revenue, described the banking fair as a good cycle: when the economy progresses, government revenue increases and the Finance Division can spend more.

When spending increases, deposits in banks surge, which will push up investment, which will in turn increase revenue, he explained.

Biru Paksha Paul, chief economist of BB, spoke at the inaugural ceremony presided over by SK Sur Chowdhury, deputy governor.

SIM registration hits a snag

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Repeated attempts increase the cost of the operators, as they have to pay Tk 2 for every single access to the national database, officials said.

Mobile operators said they will have to spend around Tk 500 crore on the project.

"We are facing some problems, but we are working on identifying them. We should have the verification process up and running by December 16," said Ekram Kabir, a vice president of Robi. As of September, there are some 13.14 crore active SIMs in Bangladesh.

However, Brigadier General Sultanuzzaman Md Saleh Uddin, director general of the national identity registration wing of the EC, said there is no problem with the national database's server. "Maybe there is a misunderstanding about the process somewhere," he said.

The operators can send scans of each customer's four fingers to the EC for verification at a time to reduce the costs, Saleh Uddin said. "It will cost them more if they send scans of four fingers separately."

Saleh Uddin said he will talk to the mobile operators at his office today.

Pilot programmes may yield different results, but these will certainly help in taking corrective measures after the official launch of the biometric registration process, he said.



Shamim Ahmed Chaudhury, managing director of AB Bank, opens the 96th branch of the bank at Bhulta, Narayanganj on Monday.

AB BANK

Banks get warm responses

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Prime Bank has attended the fair with a wide array of its products. Some are innovative ones, an official said, citing an example of a deposit product named 'Monarch'.

If a customer opens an account with Tk 20 lakh, he or she can be a monarch account holder. Their family members will also get complimentary premium banking membership, access to premium banking lounges and reduced pricing on banking services.

Mutual Trust Bank has been exhibiting a loan product named 'MTB Light Engineering'. It is a revolving loan, meaning that the fund can be withdrawn, repaid, and redrawn again in any manner and as many times as the borrower wants, until the arrangement expires. MTB also offers revolving loans for other SMEs to help them meet their working capital requirements.

MTB also offers separate loans for women entrepreneurs for SMEs with a single-digit interest rate. The loan is pre-financed by SME Foundation.

"Most people want to know about loan products and its interest rates. Also, there are some

visitors, mostly elderly, who want to know about deposit rates," said an official of Prime Bank at the fair.

bKash, the leading mobile banking service provider, has been displaying its services, including educating visitors on opening a bKash account and anti-money laundering measures.

bKash also brought along two of their mobile banking users -- a rickshaw puller and a garment worker -- to share their experiences.

Delwar Hossain, 35, who pulls a rickshaw in Dhaka, has been sending money through bKash for the last year and a half. "It is easier and cheaper to send money through bKash. It costs only Tk 18.5 to send Tk 1,000."

Similarly, Mukta, 24, a garment worker in Banani, has been using bKash to send money to her mother and in-laws for the last six months.

Biru Paksha Paul, chief economist of Bangladesh Bank and the fair coordinator, said: "It's a huge success. Responses are overwhelming."

The move will strengthen financial inclusion and educate people on financial products and services, according to Paul.

Duty on rice import to double soon

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To reduce stocks, Islam said prices of rice and wheat have been slashed to Tk 20 and to Tk 19 a kilogram respectively for open market sales (OMS); previously, it was Tk 24 and Tk 22 respectively.

The government aims to increase its storage capacity to 25 lakh tonnes by the year 2021, from 20 lakh tonnes at present.

He asked rice millers to comply with rules on using jute sacks to help the jute growers and jute mills.

Md Abdur Rashid, president of the Auto Major and Husking Mills Owners Association, urged the government to increase its aman rice purchase target to five lakh tonnes.

"The current buying target is meagre."