

BBIN economic zone will be in Panchagarh

STAR BUSINESS REPORT

The proposed BBIN economic zone would be set up at Panchagarh district to promote trade and economic development in the bordering areas of four neighbouring countries, under the new sub-regional cooperation, said FBCCI President Abdul Matlub Ahmad.

The Panchagarh district in Bangladesh is the right place to establish the proposed BBIN economic zone for its proximity to the four BBIN (Bangladesh, Bhutan, India and Nepal) nations, said Ahmad at a press meet held at the Federation of Bangladesh Chambers of Commerce and Industry headquarters in Dhaka yesterday. "Three other nations might have their own choice for other places. But Panchagarh is the right place for the zone."

The entrepreneurs of all four countries will be allowed to invest in the BBIN economic zone, while the people of the participating countries would be eligible for the jobs in the zone, he said.

The agreement, which was signed by Bangladesh, Bhutan, India and Nepal in June last year, allows the free movement of people under the sub-regional arrangement.

The BBIN would come into effect once Bhutan ratifies the agreement in its parliament; the other three nations have already done so.

Before 1947, Bangladesh and its northern districts, especially Panchagarh, was the business corridor among the current BBIN nations.

"We want to revive the business corridor again for the development of the four nations," said Ahmad.

With the revival of the corridor, the agro product business, tourism and other trade will flourish, he added.

Nepal has already proposed Bangladesh to allow local entrepreneurs to set up garment factories in the Himalayan nation under the BBIN, he said.

As a least-developed country, Nepal also enjoys duty privileges on its exports. "So, the garment entrepreneurs can set up their units in Nepal."

Ahmad also urged the Indian government to withdraw the visa restrictions for Bangladeshi nationals.

In case of journey by road, India stipulates that visitors enter and leave the country through the same land port. He suggests withdrawing this clause.

Regarding the transit fee between Bangladesh and India, Ahmad said Tk

192 for a tonne of goods as the transit fee has been fixed after negotiations between the two governments.

"So, the fee amount is fair. However, it is the starting fee, meaning the amount would be increased in future."

A business delegation from Bangladesh is due to attend a seminar and expo of BBIN nations in Kolkata and Siliguri between July 14 and 17 to discuss removal of non-tariff trade barriers among members of the sub-regional group.

Companies from four nations will display their products and services at 60 stalls in the expo in Siliguri in India between July 15 and 17, he said.

Textiles, dairy, leather and leather goods, automobiles, chemicals, and electrical companies will participate in the expo, he added.

The FBCCI chief also urged the central bank to instruct different private and public commercial banks to keep their branches open on July 2, 3 and 4 to facilitate the transaction of money ahead of Eid.

"If the banks are not open during such an important time for businesses, when billions of taka are transacted, there is a chance of looting," he added.



Shalini Rajan, head of sales of Air Arabia, and Arijit Ganguly, regional general manager for the subcontinent, pose with the top 10 travel agents of the Sharjah-based carrier in Bangladesh, at Pan Pacific Sonargaon Hotel in Dhaka on Sunday.

AIR ARABIA

Investors rush for UK and German bonds after Brexit vote

AFP, Paris

UK bond yields hit an all-time low on Monday while rates on German debt pushed further into negative territory as investors sought safe haven following a vote to leave the EU.

"Markets are in unknown terrain, creating exaggerated reactions," analysts at BNP Paribas wrote as UK 10-year bond yields fell to 0.963 percent and their German equivalents stood at -0.099 percent. British finance minister George Osborne sought to reassure

markets in a statement early on Monday, saying that the UK economy was "as strong as could be".

Leading Brexit campaigner Boris Johnson insisted that "the negative consequences are being wildly overdone" in a Monday column for the Telegraph newspaper.

He added that markets and the currency were "stable" in comments to journalists outside his London home.

But with the pound hitting its lowest point against the dollar in more than 30 years and stocks in British

banks, airlines and property firms plunging, investors have sought out the perceived security of government bonds across Europe. Yields on French, Italian and Spanish 10-year-bonds also fell, although none was in such high demand as German debt.

Markets are keenly awaiting any sign from European leaders on the next stages in the Brexit drama.

The UK has yet to submit formal notification of its intent to leave -- and European partners cannot force it out until it does so.

China steel giants plan merger in face of global glut

AFP, Shanghai

Two of China's biggest steelmakers are planning to merge, they said, as the industry faces a global glut that has hammered producers worldwide.

Baosteel Group, China's second-largest steelmaker, is "planning a strategic restructuring with Wuhan Iron and Steel Group", another giant, both companies' listed units said in separate statements to the Shanghai stock exchange late Sunday.

But the restructuring plan had not yet been confirmed, the statements said, without giving further details.

The two firms rank fifth and 11th

respectively in the world.

Baosteel produced 36.1 million tonnes of steel last year, its website says -- more than Brazil and three times more than Britain, according to the World Steel Association, whose ranking shows that if it was a country it would be eighth in the world.

But Chinese steel demand has slumped as its economic growth has slowed and the global steel industry is assailed by huge overcapacity, which has plunged manufacturers into losses from Asia to Europe to the US, and seen political rows and accusations of dumping.

Shanghai-based Baosteel's net

profit plummeted 83 percent to 1.0 billion yuan (\$150 million) last year, while Wuhan Steel lost 7.5 billion yuan, compared with a 1.3 billion yuan net profit in 2014.

Beijing has vowed to eliminate 100-150 million tonnes of capacity -- out of a total of 1.2 billion tonnes -- by 2020.

"The merger of Baosteel and Wuhan Steel fits with the government strategy of improving efficiency and reducing competition and overcapacity," Xu Xiangchun, chief analyst at consultancy Myster Research, told Bloomberg News.

"With these two leading the effort there might be more mergers ahead."



Syed M Altaf Hussain, chairman of Pragati Insurance Ltd, presides over the company's 30th annual general meeting, at the Biam Foundation in Dhaka yesterday. The company declared 10 percent cash dividends for 2015.

New telecom policy finally gets nod

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However, there is scope for revision from time to time to keep up with the changing scenarios, he added.

"There is a significant vision to provide affordable and universally accessible quality telecom services to support the nation's sustainable development goals and to integrate the country with the global knowledge economy," said Tarana Halim, state minister for telecom.

There was no mention of topical cybersecurity and the social obligation fund under which the telecom regulator has already collected upwards of Tk 800 crore from the operators.

When asked by reporters, Tarana said the two issues will be addressed in a short while.

In its reaction, the Association of Mobile Telecom Operators of Bangladesh said although belated, the new policy will have a positive impact on the industry.

"The government now needs to move fast and implement the policy immediately," said TIM Nurul Kabir, secretary general of AMTOB, adding that he hopes the government will collaborate with the industry operators to make the policy a unanimous success.

The policy has laid out short-term, mid-term and long-term goals. The short-term is 2018, mid-term 2021 and

long-term 2025.

The telecom division has set the short-term target to achieve 90 percent teledensity. The teledensity stands at 80 percent at present.

Similarly, the division is working to achieve 45 percent internet penetration over the next three years and 65 percent by 2021 -- from the current 27 percent.

The long-term target is to achieve 90 percent internet penetration.

There are also plans to raise the fixed broadband internet usage from existing 7 percent to 20 percent in the short-term and to 40 percent by 2021.

By 2025, the policy aims to raise the fixed broadband internet use to 60 percent.

The government also aims to ensure wireless broadband connection at the upazila level by 2018.

By 2021, it wants to establish 20 percent fibre optic cable connectivity and 50 percent by 2025.

The policy stresses that state-run mobile operator Teletalk and Bangladesh Telecommunications Company Ltd will have to increase their capacities to compete with other business entities in the market.

It also says the service providers must comply with the performance standards and the quality of service parameters.

Starbucks to debut small-lot Indian coffee in US this year

REUTERS

Starbucks Corp for the first time will sell single-origin, premium coffee from India in the United States as part of its effort to support coffee production in the country better known for its tea.

Starbucks for a limited time later this year will sell a small-lot arabica coffee from the Tata Nullore Estates in India's Coorg coffee growing area. The coffee will be roasted and sold at Starbucks' Reserve Roastery and Tasting Room in Seattle. The price was not disclosed.

John Culver, group president for Starbucks Coffee China/Asia Pacific, told Reuters that the aim is for this to be the "first step in what we hope will be many reserve coffees coming out of India."

India, which produces both robusta and arabica, is the world's sixth-largest coffee producer. Its coffee output has increased 16 pct over the past 5 years, according to International Coffee Organization (ICO) data.

India's estimated 2015/16 harvest is expected to be 5.83 million 60-kg bags of coffee, according to ICO.

The country is one of the coffee chain's fastest-growing markets. Starbucks' India, an equal joint venture between Starbucks and Tata Global Beverages Limited, has grown to 84 stores across six cities in India since its start in 2012.

Starbucks India, which so far has served only 100 percent arabica coffee grown and roasted in India, will also begin offering Kenyan and Sumatran coffee soon, Culver said.

Banking sector thriving on strong economy: Hasina

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The prime minister thanked them for donating the money as they always do. She mentioned that this money will not only be distributed among the poor and needy people but also among students to help them continue their education and among poets and artists during their bad time.

Talking about the thriving banking sector in the country, the prime minister said that people are now very much interested to take banking services.

She also said the Tk 10 bank accounts for farmers helped the government distribute subsidy among them.

She hoped that trade and business of the country will go up as the government has taken numerous steps for the convenience of businesspeople.

Local e-commerce site gets over Tk 10cr from Japanese firm

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Shameem Ahsan, global general partner of Fenox Venture Capital, said riding on Fenox's extensive worldwide network, ajkerdeal.com would establish itself in the global arena and expand its presence outside Bangladesh.

Launched in 2011, ajkerdeal.com has now 2,000 merchants selling their products and services through the platform. It has 10 lakh users.

At present, there are three lakh products on ajkerdeal.com which receives 1,500 to 2,000 orders a day.

Abul Nuruzzaman, partner of Fenox Venture Capital, was also present.

Teletalk signs \$39m deal with Huawei to expand network

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Teletalk had floated a tender last year and Huawei won the contract being the lowest bidder, said Ahmed.

Tarana said nearly 8,000 base transceiver stations are required for Teletalk to expand its network, but the operator is offering services through only 3,750 BTSs now.

Last week, the Executive Committee of the National Economic Council approved a project worth Tk 676 crore to expand the 3G network of Teletalk at all the upazilas, growth centres and educational institutions, and 2.5G network in all the villages.

Under the project, Teletalk will build around 1,200 BTSs and set up High Speed Packet Access to improve existing 3G capacity and some 500 BTSs to improve the 2.5G network in rural areas. Telecom Secretary Md Faizur Rahman Chowdhury and Bangladesh Telecommunication Regulatory Commission Chairman Shahjahan Mahmood were present.

Reserves hit \$30b mark

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Bangladesh received \$1.21 billion in remittance in May, while it stood at \$1.13 billion in the first 24 days of June.

Income from exports stood at \$3.03 billion in May, up 6.69 percent year-on-year, according to data from Export Promotion Bureau.

The reserves have been hitting new highs every month or two due to a lack of demand for investment, according to experts.

When the present government took power in 2009, the reserves were hovering at around \$6 billion.

The growing foreign currency reserve has helped the central bank maintain a stable exchange rate over the last couple of years and provided a more favourable economic environment.



Syed Waseque Md Ali, managing director of First Security Islami Bank Ltd (FSIBL), and Safiul Alam Khan Chowdhury, additional managing director of Pubali Bank, attend a programme at the head office of FSIBL, when Pubali Bank signed a remittance drawing agreement with First Security Islami Exchange Italy, a subsidiary of FSIBL.

PUBALI BANK

Daraz, Kaymu merge for greater market access

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Benjamin de Fouchier, managing director of Daraz Bangladesh, said, "We are very excited to start building an integrated platform with our colleagues from Kaymu. There are numerous synergies we can exploit to take the business to the next level."

Quazi Zulquarnain Islam, managing director of Kaymu Bangladesh, said, "By uniting Kaymu's expertise in C2C (customer-to-customer) and the best-in-class B2C operations of Daraz, we will be able to achieve more together than we could ever imagine individually." There are around 160 e-commerce companies in Bangladesh. The merger of Daraz and Kaymu is the second instance after OLX and Cellbazar.

According to industry insiders, the business turnover of e-commerce companies would be around Tk 100 crore a year. But Light Castle Partners, a market research organisation, estimates the size to be around Tk 400 crore.