

Investors keen to open luxury hotels in Kolkata: FBCCI chief

SUBRATA ACHARYA, Kolkata

Bangladeshi investors want to build five-star and three-star hotels in Kolkata, said Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Ahmad urged the West Bengal government to give permission to the Bangladeshi investors to set up luxury hotels during his visit to Kolkata to join the two-day Biswa Banga Banijhya Sammelon organised by West Bengal government.

The 53-member trade delegation from Bangladesh included Industries Minister Amir Hossain Amu and State Minister for Telecom Tarana Halim. Investment agreements worth around Tk 2.35 lakh crore have been signed at the event, West Bengal Chief Minister Mamata Banerjee said at the concluding ceremony of the event.

Bangladeshi entrepreneurs also want to invest in leather and garments industries in Kolkata, Ahmad said.

Prime Minister Sheikh Hasina has shown positive attitude towards opening a capital account, he said. At present the amount of Bangladesh's reserve is \$32 billion, which is enough to open a capital account, he said.

A capital account shows the net change in physical or financial asset ownership for a nation and, together with the current account, constitutes a nation's balance of payments. The capital account includes foreign direct investment, portfolio and other investments, plus changes in the reserve account.

The Bangladeshi businessmen held separate meetings with their Indian counterparts on the concluding day when Kolkata Merchant Chamber of Commerce and Industry signed a cooperation agreement with the FBCCI.

India's top bank SBI eyes up to \$1.5b capital raising next fiscal year

REUTERS, Davos, Switzerland

India's biggest lender by assets, State Bank of India, could tap capital markets next fiscal year to raise up to \$1.5 billion, its chief said on Friday, though it first needs to complete a planned merger with its subsidiary banks.

In an interview with Reuters on the sidelines of the World Economic Forum in Davos, Arundhati Bhattacharya also said the lender would look to raise funds from stake sales in its life insurance unit that could list in a year to 18 months, and by paring its holding in ULI Asset Management Co, which is also looking to go public. "We do plan to raise some capital. However, this is also dependent on the fact that there is a merger that we are planning to do," said Bhattacharya, 60, who has been at the helm of SBI as its chairman since late 2013.

SBI, which is merging its five subsidiary banks with itself and also taking over a small state-run lender for women, previously expected the merger to be completed by March.

The deals could now get delayed by a quarter, Bhattacharya said, as banks are still busy replacing withdrawn banknotes after India's sudden move in November to cancel 86 percent of its currency. India's fiscal year starts in April.

"As long as the merger is not over and done with, it could be difficult to approach the capital markets," Bhattacharya said, adding the lender could look to raise

between \$1 billion and \$1.5 billion from the markets.

SBI last sold shares in January 2014 to raise \$1.2 billion. Bhattacharya said activities were "slowly getting back to normal" as effects of the banknote ban subside, although it would still take until the end of February to fully gauge the impact.

Bhattacharya hoped recent lending rate cuts by banks including SBI, after they were flush with billions of dollars of deposits following the banknote ban, would help "kickstart" credit growth, which is hovering near two-decade lows.

"We feel that credit growth will pick up ... definitely by the second half of next (fiscal) year we should see substantial pickup," she said.

Ratings agency Fitch estimates India's banks will need about \$90 billion to meet global Basel III rules which are due to be fully implemented by March 2019.

Indian banks face a March deadline from the country's central bank to identify and make provisions for the troubled assets.

But Bhattacharya said: "It's unlikely now to be finished by March 2017, but probably in another quarter or two it should be at least many of the large ones would have found some kind of resolution."

BNP Paribas Cardiff, SBI's partner in its life insurance arm, was no longer interested in picking up 10 percent more in SBI Life at current valuations, Bhattacharya said.

The two sides had been in talks over the stake after India allowed higher foreign holdings in the insurance sector.



Gautam Chatterjee, country head of UltraTech Cement, attends an event in Dhaka yesterday when the company awarded the winners of the company's last Eid campaigns.

Govt plans hydropower deal with Nepal

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At present, the country imports 600 megawatt of electricity from India. The aim of the government is to import 10,000MW from neighbouring countries, Hamid said, adding that it takes five to seven years to produce electricity from a hydropower project.

On the continuation of the rental power plants, he said: "Although we have continued the plants so that we do not face any sudden deficit, we have halved the tariff for the electricity produced from these plants."

The government is buying electricity from these plants as major power plants could not be implemented for various reasons, he added.

He said although the government has initiated efforts to discover hydrocarbon resources in the Bay of Bengal, it would take five to six years to get the results.

Meanwhile, the government is in talks to be connected with the Turkmenistan-Afghanistan-Pakistan-India gas pipeline as part of its efforts to bring gas from international sources. The pipeline project has progressed a lot, Hamid said.

He also said the ministry has prepared a draft policy on liquefied petroleum gas (LPG) to ensure that the products are sold across the country at the same price.

The policy would be approved within a month.



Masaki Matsumae, president of the regional market development company of Sony South-East Asia, opens an outlet of Sony Rangs at Navana Obaid Eternia in Dhaka on Thursday. Beaus Hussain, director of Rangs Electronic Ltd, and Stanley Tan, head of the Bangladesh branch office of Sony International, were also present.

New CEO for Partex Star Group

STAR BUSINESS DESK

Chowdhury AHM Lutful Huda has recently joined Partex Star Group (complex-2) as CEO.

Prior to joining Partex, Huda has been serving DIIRA, Sharjah in UAE as general manager, the company said in a statement yesterday.

He has also served Reckitt Benckiser, Bangladesh as managing director, according to the statement.

He completed his graduation from University of North Texas, USA in marketing and strategic management, the company said in the statement.



Runner starts exporting motorbikes to Nepal

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But within a few years it began to assemble parts in its own plant in Bhaluka. In 2007, Runner went for manufacturing motorbikes, the first time by any local company.

In 2011, Runner secured government approval as a full-fledged motorcycle manufacturer, said Wahid Murad, assistant general manager for media relations of Runner Group.

US bankers tell Europeans to think positively on Trump

REUTERS, Davos, Switzerland

US bankers, buoyed by a resurgence in profits, are advising their counterparts in Europe to think positively about the new administration of US President-elect Donald Trump.

But many Europeans still need convincing.

At the annual gathering of the world's political and business elites in the Swiss resort of Davos, US financiers told investors and overseas rivals to focus less on Trump's anti-globalization rhetoric and more on his cabinet picks, comprising of Wall Street veterans and corporate bosses.

Many European bankers fear Trump, who campaigned on an "America first" platform and who has threatened to impose punitive tariffs on Chinese imports, could trigger a trade war with the world's second-largest economy.

Jose Vinals, chairman of Standard Chartered Bank and a former deputy governor of the Spanish central bank, said there was a lot of unease over whether the Republican's campaign rhetoric would translate into his policies as president.

"In Europe, there is concern and trepidation about Trump's administration and how his politics will affect global trade and finance," he told Reuters.

"Any form of protectionism will likely ultimately make the US economy less

competitive and be bad news for the world," said Vinals, who has previously built up an expertise on Asian markets, including China, while working as a senior official at the International Monetary Fund.

But Mary Callahan Erdoes, who runs the asset management arm of US bank JPMorgan, sought to assuage concerns about the incoming White House administration. She told the World Economic Forum that Trump's officials, including former Goldman Sachs bankers Steven Mnuchin and Gary Cohn, would push a pro-business agenda that would drive economic growth.

"We are going to have to get used to thinking very pro-actively and getting excited about growth," she said. "It is a pendulum swing and it is going to be positive for business. It just is."

Anthony Scaramucci, a hedge fund manager who has been appointed by Trump to liaise with the business community, was the only member of the new US administration to attend the Davos forum.

He spoke publicly about how Trump would be good for the global economy and, according to banking sources, followed this up with private discussions with European bankers. But the sources said industry players in Europe wanted more clarity on key US economic policies from Trump himself.

Tofail urges India to scrap jute duty

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India imposed 12.5 percent countervailing duty on exports of Bangladeshi goods to India and up to \$329 antidumping duty on exports of jute and jute goods to the neighbouring country.

Earlier, the Indian government allowed duty-free access to all but 25 alcoholic and beverage items from Bangladesh in 2011.

The minister suggested the Indian envoy in Dhaka highlight Bangladesh's troubles with the antidumping duty to the Indian government soon.

The issue of antidumping surfaced after the Directorate General of Anti-Dumping and Allied Duties or DGAD under India's commerce ministry concluded its probe into the matter in October last year.

Bangladesh's jute and jute goods used to enjoy zero-duty benefit on export to the Indian market under the South Asian Free Trade Area agreement.

Three years ago, the Indian Jute Mills Association had accused Bangladesh exporters -- for the first time in 40 years -- of selling jute products at prices lower than those in India's domestic market.

Then in October in 2015, the Indian anti-dumping authority started its investigation into the matter.

As part of the investigation, a team of DGAD visited some factories in Bangladesh and collected data, including the export prices of the shipped products to India and the sales prices in the domes-

tic market.

Usually, the antidumping duty on a product is the same amount by which it undercuts the domestically manufactured product. The prices of jute yarn in the Indian market tend to be comparatively low.

Bangladesh exports more than 1.1 lakh tonnes of jute yarn to India a year, according to data from Bangladesh Jute Spinners Association. Besides the jute yarn, Bangladesh also exports raw jute and other jute goods.

Jute yarn and twine account for 65 percent of the sector's annual export receipts of over \$850 million, according to data from the Export Promotion Bureau and Bangladesh Jute Spinners Association.

The number of trucks carrying jute and jute goods into India through the Benapole land port sharply declined after New Delhi imposed a high antidumping duty on the imports of the goods from Bangladesh.

India on January 5 slapped the antidumping duty on imports of jute and jute goods from Bangladesh and Nepal to "protect the domestic industry". For Bangladesh, the duty ranges between \$19 and \$352 per tonne.

Only 10 trucks of jute goods were exported through the port in five days after January 5, which was around 150 trucks a day prior to the imposition of the duty, according to a customs official at Benapole.

Telcos getting back customers

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Bangladesh's subscriber penetration stands at 53 percent though the market has more than 12 crore active SIMs, according to London-based GSMA.

In January 2016, Grameenphone, the market leader, had 5.74 crore active connections, which came down to 5.45 crore following re-registration.

Between August and October last year, they got back nine lakh customers.

"Customers have overcome their initial reservations regarding the biometric system, and as a result we have started to see increased SIM sales," said Sayed Talat Kamal, head of external communications at Grameenphone.

Sources said though the market leader got a setback in terms of subscribers last year their revenue was not affected. In fact, its income grew faster than ever before.

Robi got a big dent from the re-registration process as it had to block 15.88 percent of its active numbers: its customer base came down to 2.33 crore. The operator has retrieved 11 lakh customers since.

Airtel's active SIMs stood at 1.01 crore in January 2016, rising from 77.25 lakh in October.

Banglalink, which lost 32 lakh connections during biometric verification, regained 3.46 percent of its lost customers and hit the three-crore landmark again.

State-owned Teletalk has 28.6 lakh active SIMs as of October 2016, down from 41.42 lakh in January 2016.

The operator has won back six lakh active users, State Minister for Telecom Tarana Halim said last week.

Govt moves to cut ADP delays

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Apart from procedural constraints, there is a capacity problem in the planning cell of executive agencies and line ministries. The planning commission takes considerably long time to review project proposals, the Manila-based multilateral lender added.

Merkel vows compromise with US on trade, military spending

REUTERS, Berlin

German Chancellor Angela Merkel vowed on Saturday to seek compromises on issues like trade and military spending with US President Donald Trump, adding she would work on preserving the important relationship between Europe and the United States.

"He made his convictions clear in his inauguration speech," Merkel said in remarks broadcast live, a day after Trump vowed to put 'America first'.

Speaking at a news conference in the south-western town of Schoental, Merkel struck a more conciliatory tone

toward Trump than Vice Chancellor Sigmar Gabriel, who on Friday said Germany should prepare for a rough ride under the new US president.

Relations with the United States, Germany's biggest trading partner, are likely to be a hot topic in electioneering in coming months leading to a general election in September.

"I say two things with regards to this (speech): first, I believe firmly that it is best for all of us if we work together based on rules, common values and joint action in the international economic system, in the international trade system, and make our

contributions to the military alliances," Merkel said.

The conservative German leader, who is seeking a fourth term and enjoyed a close relationship with former president Barack Obama, is seen by liberals across the Atlantic as a voice of reason that counterbalances rising populist parties in Europe.

Trump has criticized Merkel's decision in 2015 to throw open Germany's borders to asylum seekers fleeing wars and conflicts, and has said he believes other countries will leave the EU after Britain and that the NATO military alliance was obsolete.



Shahidul Ahsan, chairman of Mercantile Bank, and Kazi Masihul Rahman, managing director, attend the annual business conference 2017 of the bank in the capital.