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From the President's Desk



It is needless to say that enhancing regional connectivity in the South Asian in general and that between Bangladesh and India in particular is vital for furthering trade and investment between the two countries.

Keeping this in mind, IBCCI organised a daylong seminar on "Enhancing Indo-Bangla Waterways Connectivity" in Dhaka on November 2nd.

Speakers at the seminar stressed the need for strengthening waterways connectivity between Bangladesh and India through the joint rivers to boost trade, tourism and economy of the two neighbours.

According to experts, transportation of goods between Bangladesh and India using waterways of joint rivers is 10 times more cost-effective than roadways and five times more than railways for any trade between the two countries.

Bangladesh and India have already taken several initiatives to improve the waterways connectivity, but no mentionable progress has yet been made. It was observed.

We are confident that both the governments would do the needful at the earliest for improvement of necessary infrastructure to facilitate waterways transportation between the two.

Bangladesh Economy grows 7.11 percent

Per-capita income reaches \$1,465 in FY16

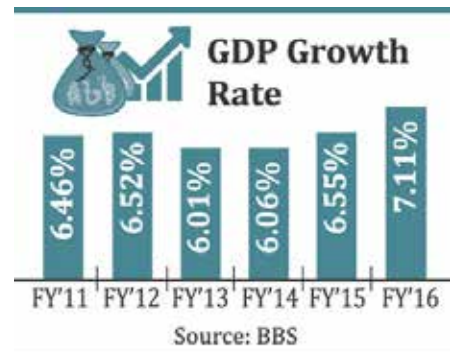
The latest official statistics put the economic growth rate of Bangladesh at 7.11 per cent in the last fiscal.

The government count revealed Tuesday that the economy broke out of a 6.0 per cent 'growth trap' rolling over the past decade.

Besides, the country's per-capita income (Gross National Income-GNI) also increased to US\$1,465 in the financial year (FY) 2015-16 from \$1,316 in the previous fiscal, FY2015, the government statistics showed.

The Bangladesh Bureau of Statistics (BBS) released the final statistics on the Gross Domestic Product (GDP) and its related data.

Earlier, the BBS in the last quarter of the past FY2016 had released a preliminary GDP growth estimation at 7.05 per cent. In the last national budget for FY16, the government had set a target of GDP growth at 7.0 per cent.



Former finance and planning adviser of caretaker government and development analyst Dr Mirza Azizul Islam took the latest calculations with a grain of salt.

"I have analysed the growth-related indirect indicators which do not match with the 7.11 per cent growth rate of GDP. I think the real picture of the country's GDP is not reflected at the



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final calculation," he said.

Planning Minister AHM Mustafa Kamal unveiled the statistics at the Planning Commission (PC) in the city after Tuesday's meeting of the Executive Committee of the National Economic Council (ECNEC).

According to BBS's final calculations, the country's GDP growth was led by the industrial sector as it expanded at 11.09 per cent rate in the last fiscal.

In the previous FY2015, the growth of the industrial sector was recorded at 9.67 per cent.

Besides, the growth in the agriculture section was recorded at 2.79 per cent, a 0.54 percentage point lower than the previous FY.

The growth in the service sector was recorded at 6.25 per cent, a 0.45 percentage point lower than 5.80 per cent in the FY2015, the planning minister told the media.

Bangladesh's economy had fallen into a '6.0 per cent growth trap' since FY2004 as it could not cross the six-per cent trajectory in last one decade.

In FY2004, the country's GDP expanded at 6.2 per cent from 5.26 per cent in the previous FY2003. Thereafter, it had maintained over 6.0 per cent growth, but below 7.0 per cent, almost every year over the last one decade.

In the previous FY2015, the country's GDP grew at a rate of 6.55 per cent, while 6.06 per cent in FY2014, and 6.01 per cent in FY2013, BBS data showed.

At the press briefing, Planning Minister Mr Kamal said Tuesday Bangladesh's total GDP size increased to Tk 173.3 trillion in the last FY2016 from Tk 151.58 trillion in FY2015.

"Bangladesh as per the purchasing power parity (PPP) has now stood at 33rd position among the world economies," he told the media.

"Under the leadership of Prime Minister Sheikh Hasina, Bangladesh economy is expanding at an impressive pace. I hope poverty will be eliminated within a shorter period of time from the country," he said. The government in the current FY2017 has set a target of 7.5 per cent GDP growth. *(Courtesy: The Financial Express; Dated: 26th October, 2016)*

Bangladesh advances two steps in bettering business climate

Stands 176th in WB 'Doing Business Report 2017' rankings

Bangladesh has advanced two steps into 176th position in doing-business environment, according to World Bank ratings carried in its 'Doing Business Report 2017'.

The report says the country performed better in 'property registration' and 'resolving insolvency' categories in the business environments.

In the last 2016 report, Bangladesh was ranked 178th among the 189 countries in the world.

Bangladesh, however, secured the worst ratings among the South Asian nations, excepting the standing of Afghanistan, as the rest six scored higher points on a total of 10 indicators on conducting business.

BD advances two steps in bettering business climate

Bhutan stands on top of the list, securing 73rd position among the global rankings, while Nepal ranked 107th, Sri Lanka 110th, the Maldives 135th, India 130th, Pakistan 144th, and Afghanistan 183rd.

The Washington-based lender released the prestigious annual flagship report Wednesday (Bangladesh time) from its headquarters under the title 'Doing Business 2017: equal opportunity for all' for exposing the business environments in 190 countries across the globe.

Meanwhile, the World Bank changed its methodology and included one more country (Somalia) in its Report this year, which changed Bangladesh's rank in

the last Doing Business Report 2016, too.

In the Doing Business Report 2016, Bangladesh was ranked 174th which now got positioned 178th for the changing methodology and inclusion of one more country in its flagship report.

According to the report this year, Bangladesh showed worse performance in four indicators out of the total 10 that facilitate business-friendly environment in Bangladesh.

Indicators in four categories remain unchanged in the Doing Business Report 2017.

On the "Starting of business" indicator, the latest report 2017 said, the rank of the South Asian country has fallen by seven positions to 122 from 115 a year back.

"Bangladesh made paying taxes more complicated for companies by increasing the time it takes to prepare VAT and corporate income tax returns. This reform applies to both Chittagong and Dhaka," the WB report said.

On the "getting credit" indicator, Bangladesh has stepped forward by five positions to 152 from 157 of last year.

The WB flagship report said Bangladesh has also lost one position from its earlier 69th rank in "Protecting Minority Investors" indicators.

The country has lost three positions to 151st in the current year from 148th as regards registering

property.

Besides, last year's position remained unchanged on "dealing with construction permit (138th)", "getting electricity (187th)", "trading across borders (173rd)", and "enforcing contracts (189th)".

According to the Doing Business Report 2017, it takes 19.5 days to start a business in Bangladesh while it takes only 15.4 days (on average) in South Asian countries and only 8.3 days in OECD countries.

The report said Bangladesh's only 0.9 per cent adult population has credit-registry coverage, while the coverage in South Asian countries is 4.2 per cent and in OECD countries is 12.1 per cent.

WB Lead Economist in Dhaka office Dr Zahid Hussain

said only two-position improvement does not mean a significant change in improving business environment in Bangladesh.

"Bangladesh needs to improve more in the flagship report to give signal of a remarkable improvement in business environment among the international community," he told the FE.

New Zealand secured first position in the ranking in doing-business report 2017 with its highest number of reforms to ensure business-friendly climate.

African country Somalia became last (190th) in the ranking for its lack of necessary reforms in improving the business climate in that country. (Courtesy: The Financial Express dated October 27, 2016)

FDI rises 9.27percent

Foreign investment in Bangladesh increased 9.27 percent year-on-year in fiscal 2015-16 due to an improvement in reinvestment in existing companies.

Last fiscal year, net foreign direct investment stood at \$2 billion in contrast to \$1.83 billion a year earlier, according to data from the central bank.

Foreign investment is split into three categories: equity, reinvestment of earnings and intra-company loan.

Last fiscal year, equity capital or new investment declined 4.35 percent from a year earlier to \$505 million. However, reinvestment of earnings edged up 1 percent to \$1.15 billion.

Intra-company loans more than doubled year-on-year to \$344 million during the period.

More than 50 percent of the recent FDI are actually reinvestment by existing companies.

This is a positive sign since it indicates that the foreign companies are earning sufficient revenue to run their business and their confidence is growing, said a World Bank report released early this month.

On the other hand, a deceleration in the contribution of equity capital to the total share of FDI inflows is indicative of the continuing lack of enthusiasm on the part of new investors to invest in Bangladesh, the report, Bangladesh Development Update, added.

The WB comment comes at a time when fresh foreign investment dropped about 10 percent.

Private investors are discouraged from investing in Bangladesh because of infrastructure deficits, scarcity and high prices of land, corruption, political uncertainty and, of late, concerns about security, the WB report said.

Severe scarcity of gas and electricity is making the process of getting utility connections for new businesses difficult.

Currently, about 2,000 new businesses are waiting to

get electricity connections.

The demonstration effect of such delays on new investment is bound to be negative, said the Washington-based multilateral lender.

The cost of investment has increased as a result of scarce and high priced land for industrial purposes. "This is preventing many large companies from investing."

The WB said the most recent evidence from Doing Business indicators provides very little comfort.

Bangladesh remains well behind countries such as India, Sri Lanka, Pakistan, Nepal, Thailand and South Korea on getting electricity, dealing with construction permits, registering property and enforcing contracts.

The political turmoil of fiscal 2013-14 and fiscal 2014-15 in the country adversely affected investor confidence and recent terrorist attacks have delayed the restoration of investor confidence back to normal levels.

Bangladesh runs the risk of losing both domestic and foreign investor interest if the fear of more such attacks in the future is not assuaged, the WB said.

In fiscal 2015-16, Bangladesh's gross FDI receipt was \$2.5 billion but after disinvestment of about \$499 million the net FDI stood at \$2 billion, according to data from Bangladesh Bank.

However, in comparison to fiscal 2014-15, disinvestment was lesser last fiscal year. In fiscal 2014-15 the amount of disinvestment was \$691 million.

Last fiscal year, \$450 million flew in from the US as FDI, \$307 million from the UK, \$138 million from South Korea, \$132 million from Singapore, \$126 million from Hong Kong, \$113 million from Norway, \$112 million from Malaysia and \$88 million from India. Textile, telecom, banking, gas and petroleum and power sectors saw 73 percent of the FDI inflows. (Courtesy: The Daily Star dated October 10, 2016)

Bangladesh on track to join top 30 economies club: US

With two decades of six per cent growth per year, Bangladesh is on track to become a top-30 economy by 2030 despite 'serious' security challenges, says the United States, reports UNB.

"Bangladesh, while facing serious security challenges, has gone from a food importer to a food exporter," said US Deputy Assistant Secretary Angela Aggeler while addressing the East-West Center International Media Conference in New Delhi on Friday.

Aggeler also said Bangladesh lifted tens of millions out of extreme poverty, and met several of its Millennium Development Goals (MDGS), sharply reducing child mortality and improving maternal health.

"USAID played an important role in those achievements, and it's another great example of what can be accomplished with US partnership," said the US Deputy Assistant Secretary.

She mentioned that US Secretary John Kerry noted two weeks ago in Dhaka, "We're not sure that anyone

would have predicted a decade ago that the US and Bangladesh would be consulting so closely on regional security, that Bangladesh would be using American cutters to patrol the Bay of Bengal, and that our shared agenda would include everything from counterterrorism to environmental health and sustainability of our oceans." (Courtesy: The Financial Express dated November 09, 2016)

IBCCI seminar on Enhancing Indo-Bangla waterways Connectivity

November 02: India-Bangladesh Chamber and Commerce Industry (IBCCI) organised the seminar on 'Enhancing Indo-Bangla waterways connectivity' at the Pan Pacific Sonargaon hotel on the day. Commerce Minister Tofail Ahmed was the chief guest on the occasion while the High Commissioner of India in Bangladesh Harsh Vardhan Shringla was special guest.

Speakers at the seminar stressed the need for strengthening waterways connectivity between Bangladesh and India through the joint rivers to boost trade, tourism and economy of the two neighbours.

"Bangladesh and India have already taken several initiatives to improve the waterways connectivity, but no mentionable progress has been made," the seminar was told.

The minister said India is Bangladesh's trusted friend - both the countries have signed several deals that included waterways connectivity protocol and coastal shipping agreement.

"We are working on developing the waterways connectivity for making trade easy. We have also highlighted the road connectivity under BBIN agreement," he added.

The Indian High Commissioner said, "We have some of significant developments in using waterways connectivity for trade, especially the coastal ships."

He emphasised on developing Pangaon ICT terminal near Dhaka and, Ashuganj and Godagari river ports near India for trade.

Shringla said that the Indian government has signed an agreement for investing in Ashugonj river port, but the process is getting delayed due to problems pertaining to land acquisition. "Navigation is the

most important element for business through waterways," he added.

Presenting an overview on the waterways, IPAG chairman Syed Munir Khasru said the waterways connectivity between Bangladesh and India through



Commerce Minister Tofail Ahmed speaks at a seminar

joint rivers is 10 times more cost-effective than roadways and five times more than railways for any trade between these two countries.

He, however, said the waterways between both the countries needed to be developed more for trade.

"Currently, the political situation is good and so is the relation between India and Bangladesh. It is high time that we enhance the waterways connectivity to increase trade," he added.

Bangladesh Cargo Vessel Owners' Association President Mahub Uddin Ahmed said steamers and launches, carrying goods and people, from the Northern most part of ASSAM, along the rivers of Bangladesh and West Bengal, to Patna, the Western most point on the river Ganges via Badamtoli Ghat

(Dhaka), Narayanganj, Goalando and Kolkata is a well lost reality.

"As of now this is a dream, which can be revitalised and reinvented only through an understanding, cultivating friendship, good neighbourliness, and a political and psychological craftsmanship," he said.

He said it is a hard task but realisation is possible by a culture of mutual goodwill between the governments, bureaucrats, business people and a well thought out plan for investment through cohesion of cultural, economical and social parameters.

IBCCI President Taskeen Ahmed made the opening remarks. While, former Director of Bangladesh Inland Water Transport Authority (BIWTA) Syed Monwar Hussain, FICCI North East Council chairman Ranjit Barthakur, and former Bangladesh High Commissioner to India and Adviser to World Bank Delhi Tariq Ahmad Karim also spoke at the seminar.

The coastal shipping line between India and Bangladesh has facilitated trade between the two countries as shipping times went down from about a month to a week, said Harsh Vardhan Shringla, Indian high commissioner to Bangladesh.

An agreement on coastal shipping line was signed between Bangladesh and India during Indian Prime Minister Narendra Modi's visit to Bangladesh in June last year. The first cargo ship under this agreement sailed from Chittagong to Vishakhapatnam in March this year.

The coastal shipping line has also decongested roads and land custom stations, through which most trade is taking place now, he added.

"Connectivity through the inland waterways and coastal shipping line is an important part of our objective to create multi-modal transport links between India and Bangladesh."

Inland waterways hold great potential to boost bilateral trade and transit, and to relieve pressure on the land ports, he said.

To facilitate trade and transit through the inland waterways, India and Bangladesh have a Protocol on Inland Waterways Trade and Transit (PIWTT) that has been operational since 1972.

The PIWTT was renewed for a period of five years with provision for auto renewal during Modi's visit.

The PIWTT permits the movement of goods over barges and vessels through the river systems of Bangladesh on eight specific routes between points in India and Bangladesh, and between points in India through Bangladesh.

According to traffic statistics maintained by Bangladesh Inland Water Transport Authority (BIWTA), the quantity of goods transported via the

protocol routes has seen a more than twenty fold increase since 2001-02. "It may be mentioned here that nearly 99 percent of cargo is carried by the Bangladesh vessels," the high commissioner said.

The transshipment of goods to the Northeastern states under PIWTT through Ashuganj river port and from there to Akhaura-Agartala by road also commenced in June 2016. According to BIWTA, three transshipment cargos have been sent to Tripura under this arrangement till date. "We have also taken measures to facilitate the easy movement of seamen on the PIWTT routes. Crew members of Bangladesh vessels can enjoy a 72-hour shore leave without visa on the basis of valid passports and proof of employment," he said.

In order to strengthen the infrastructure and facilitate waterways connectivity, India, in partnership with Bangladesh, is investing in establishing an Inland Container Port (ICP) at Ashuganj and in widening the existing road between Akhaura Land Port and Ashuganj to four lanes.

These two projects are being implemented under the second line of credit worth \$2 billion to Bangladesh from India, and early completion is subject to the acquisition of land by the concerned Bangladesh authorities.

India has suggested that the Pangaon ICP may be included as a 'port of call' under the PIWTT. This may be used as an interim measure till the Ashuganj ICP is completed, according to the high commissioner.

India currently provides Bangladesh with an amount of Tk 10 crore annually for maintenance of specific stretches of the protocol routes. In addition, India stands ready to work with Bangladesh for dredging any other sections or routes necessary to facilitate the smooth use of inland waterways between the two countries.

Shringla said India is ready to undertake a similar kind of Indian 'Jal Marg Vikas Project' in partnership with Bangladesh if the country wants. The Indian government has launched the project on the Ganga River to develop a fairway with three meters depth, which would enable commercial navigation of at least 1,500-tonne vessels on the river.

Construction of multi modal terminals, jetties, river information systems, channel marking, navigational lock, river training and conservancy works are to be undertaken as part of the project, he added.

It appears that the growth of inter-country trade cargo is very attractive, said Taskeen Ahmed, president of India-Bangladesh Chamber of Commerce and Industry.

Total tonnage was more than 19 lakh in fiscal 2013-2014, against about 9 lakh in fiscal 2006-2007.

Mongla-Ghasiakhali channel reopens for bigger vessels

Authorities have reopened the crucial 31 kilometres long Mongla-Ghasiakhali channel on completion of required dredging for movement of bigger vessels in the route keeping waterways adjacent to the Sundarbans undisturbed.

"We have reopened the this crucial channel three days ago for vessels with draft as high as 14 feet which were previously required to use rivers and canals inside the Sundarbans", said Sayedur Rahman, Superintendent Engineer of Bangladesh Inland Water Transport Authority (BIWTA).

He said silts deposited in the channel for years earlier turned the Mongla-Ghasiakhali channel unsuitable for movement of vessels forcing them to use the

canals and rivers inside the world's largest mangrove forest exposing it to environmental dangers.

"On completion of the dredging works now every day at least 50 to 70 cargo vessels of 6 to 8 feet draft and 40 to 60 vessels of 10 to 14 feet draft are using the 31-km waterways bypassing the Sundarbans," a BIWTA spokesman said.

BIWTA officials, however, said they took a dredging project for 53 inland navigation routes at a cost of Taka 250 crore in early 2014.

"Some 178.24 lakh cubic metre dredging work has been completed till October 2, 2016," Khulna Divisional Commissioner M Abdus Samad told BSS. (Courtesy: Prothom Alo dated October 6, 2016)

CII Business Delegation visits Bangladesh

A 16 member business delegation from the Confederation of Indian Industry (CII) headed by Arun Misra, Managing Director of Tata Steel Special Economic Zone Limited visited Bangladesh from November 8 – 10. In course of the visit the delegation members exchanged views with local business community and met Industries Minister Amir Hossain Amu, State Minister of Power Nasrul Hamid, Governor of Bangladesh Bank, Executive Chairman Bangladesh Investment Development Authority (BIDA) and Secretary Ministry of Health. IBCCI facilitated visit. Deputy Director of CII Ms. Rupa Mukherjee accompanied the delegation. The delegation members also exchanged views with members of IBCCI Board. They also attended a dinner



IBCCI President Taskeen Ahmed (5th fm right), FBCCI President Abdul Matlub Ahmad (3rd fm left) and Deputy High Commission of India Dr. Adarsh Swaika (2nd fm right) with members of CII delegation

reception hosted by IBCCI President, Taskeen Ahmed at his Gulshan on 9th November.

Indian investment in Bangladesh may hit \$25b: Shringla

India is a big player in Bangladesh, having already invested \$3 billion in different projects and considering the infusion of another \$11 billion, said High Commissioner of India in Bangladesh, Harsh Vardhan Shringla.

Equally important, India Inc is investing an estimated \$11 billion dollar in various ventures in the country," Indian High Commissioner in Bangladesh Harsh Vardhan Shringla told IANS.

Prominent among these companies are Mukesh Ambani's Reliance Industries, the Tata Group, Ashok Leyland, Hero MotoCorp, Airtel, Marico, Godrej, VIP Industries, Ceat Tyres, Ambattur Clothing, Sahara, Liamp; T and the Adani Group.

Shringla was in Tripura as a part of his visit to five Indian states that border Bangladesh. He met Chief Minister Manik Sarkar, Chief Secretary Yashpal Singh and various other officials and dignitaries and discussed India-Bangladesh issues.

The High Commissioner said that a large number of

important projects are being implemented jointly in Bangladesh or being executed under India's Line of Credit funding.

"With the completion of these ongoing and proposed projects, the current India-Bangladesh annual trade volume of \$6.5 billion would increase significantly. To boost trade and economy, India has already built two Integrated Check Posts (ICPs) on the India-Bangladesh borders at Agartala and Petrapole (in West Bengal)."

India's Commerce Ministry constructed the multi-purpose ICPs for Rs 75 crore each to provide better facilities for effective and efficient discharge of functions like security, immigration, customs and quarantine, while also providing support facilities for smooth cross-border movement of people, goods and transport.

"A third ICP would be constructed at Dawki (in Meghalaya) and the official process has begun for this," the envoy said.

In this context, the envoy noted that a pilot cargo truck from Bangladesh recently travelled more than 1,850 km and reached Delhi in three days, successfully demonstrating the benefits of the Motor Vehicle Agreement inked by Bangladesh, Bhutan, India and Nepal.

"India-Bangladesh relations have improved extensively in last five years and are much better than in the last 30 years. We are working towards the re-integration of our economies. We have largest length of 4,096-km borders and this can be useful if its potential is realised. Realising this, both countries are developing their border infrastructure."

He said that after increasing bus services between the cities of Bangladesh and India, two new rail links — Agartala (India)-Akhaura (Bangladesh) and Kolkata (India)-Khulna (Bangladesh) — are being developed.

"Work for constructing a bridge in southern Tripura

over the river Feni to connect the northeastern states with the Chittagong sea port and extension of Bangladeshi highways to link the northeastern states would start early next year."

"Bangladesh has already offered India the use of the Chittagong, Mongla and Ashuganj ports. India is also helping develop the Ashuganj port. All these ports would be greatly beneficial for land-locked northeast India."

The High Commissioner said that India has liberalised its visa procedures to a large extent and the Dhaka mission is issuing, on an average, 3,500 tourist visas per day.

"There are several types of visa being issued and there is no maximum limit on their issuing. This is being done to further reinforce the India-Bangladesh people-to-people contacts," he added. *(Courtesy: Daily Sun dated September 22, 2016)*

Six more border haats on Indo-Bangla border soon

Six more border haats on Indo-Bangla border soon

At least six more border 'haats' or markets will open soon on the India-Bangladesh frontier—four along the northeast Indian state of Meghalaya and two along Tripura State, reports bdnews24.com.

Indian commerce ministry's Joint Secretary Bhupinder Singh Bhalla told a conference that a Memorandum of Understanding (MOU) between the two countries on border markets expired in October 2013.

"It is now being reworked by inputs from both countries on the basis of the experience. The draft will be possibly discussed between commerce secretaries of the two countries in November," Bhalla told the conference organised by CUTS International.

"We don't see border haats as a substitute for normal duty-free bilateral trade, but this is a very useful system to promote trade between border regions," Bhalla said.

The CUTS International has produced a detailed report on the socio-economic impact of the border markets that was presented in a consultation conference at Assam's Guwahati on Wednesday.

"By the end of the year, the new MOU on border

haats should be ready. After that the new border haats should come up because we have finalised the locations," Bhalla said.

Four of the new border markets would be there on the Meghalaya-Bangladesh border and two on Tripura-Bangladesh border, he said.

At the consultation conference, stakeholders from Bangladesh and the Indian states of Tripura and Meghalaya demanded improvement in the infrastructure of the existing border markets.

Traders from border markets, present at the conference, demanded more items to be included in the trading list and also an increase in the volume of permissible trade.

The CUTS report highlighted the need for electricity and water, better vendor sheds (to protect buyers and sellers during monsoon) and better currency exchange facilities.

Bangladesh MP Shirin Akhter, in whose constituency the Srinagar-Chagalnaiya border market is located, narrated how she had to arrange for necessary funding to develop the approach road to the border market after it started. *(Courtesy: The Financial Express; Dated: 27th October, 2016).*

India opens land routes for basmati exports to Bangladesh

Indian government has opened the eastern and north-eastern border for transport of basmati rice through land customs stations (LCS) to Bangladesh and Nepal, according to a report by Business Standard.

Both neighbours have been consistent importers of basmati but only through sea to Bangladesh, despite the large land border.

With the opening of transportation through LCS, this export would get a fillip, said A K Gupta, director, Agricultural and Processed Food Products Export Development Authority (APEDA).

Such export through LCS to Bangladesh and Nepal would be subject to registration of the quantity with the Directorate General of Foreign Trade.

The latter has said this would be allowed from

October 01 but must also be covered by either a bank guarantee or by the Export Credit Guarantee Corporation.

Apeda data show basmati exports declined by 20.4 per cent in value terms to \$585 million in April-May this year, first two months of this financial year, as against \$735 million in the corresponding period last year.

In volume terms the fall was four per cent, to 750,000 tonnes as compared to 780,000 tonnes.

"We were transporting basmati to Nepal through

Bhairawan, a location in Nepal near Lumbini, through our distributors near the border, with realisation in rupees.

Opening of the Bangladesh is also a good move. Both markets would add a good quantity of export," said Gurnam Arora, joint managing director, Kohinoor Foods.

Basmati export to Bangladesh declined by nine per cent to 745 tonnes (\$0.9 mn) in 2015-16 from 818 tonnes (\$1.01 mn) the previous year. *(Courtesy: The Financial Express; Dated: 11 August, 2016)*

Meeting with SOPA India delegation

An eight member delegation from The Soybean Processors Association of India (SOPA) led by its Chairman, Dr. Davish Jain had a meeting with IBCCI Secretary & CEO, Jahangir Bin Alam at the Chamber office on November 21st and discussed matters relating to business opportunities in Bangladesh.

Shamit Kumar Sarker, Business Development Manager and Dabirul Islam, Head of Finance of IBCCI Member Company, Bangladesh Edible Oil Limited briefed the delegation on the prevailing scenario of Soybean and soy products in Bangladesh and prospects of business development for Indian exporters of the products.



Indian Railways to invest Rs 70b

Building infrastructure in North-East region

Indian Railway minister Suresh Prabhu announced that the railways will be investing Rs. 70.00 billion in North-East India during the current fiscal year, according to report published on India based www.merinews.com.

Minister of state for railways, Rajen Gohain was also present at the function along with Bangladesh minister for Railways, Mujibul Haq

The announcement was made when Prabhu laid the foundation stone of the 15.06 km Agartala - Akhaura Broad gauge (BG) rail link project.

He also added that Indian railways will ask Indian Railways Catering and Tourism Corporation (IRCTC) to explore the feasibility of developing tourist packages including northeast and Bangladesh to give the region's tourism sector a boost.

"Keeping in view of the aspirations of the people of the state, a train service between Agartala and Kolkata would be started soon," he said and assured that more passenger services from Agartala would be introduced in a phased manner.

On Sunday, the Railway Minister flagged off the first BG weekly express passenger train from Agartala to New Delhi. To cover the distance of about 2400

kilometres, the train will take 47 hours and pass through 17 stations.

He also said that the Agartala - Akhaura BG Rail Link will be an elevated one keeping in mind the problem of land acquisition for railway projects.

"Increase of inter-state connectivity and connectivity between the region and the rest of the country are being given the highest priority. Available connectivity will boost the region's economy," Prabhu said.

The minister also said that fuel will be transported to the state in trains to help the state in overcoming the fuel shortage that it is facing due to the state highway being damaged.

In another feat of Indian Railways in North-East India, Prabhu laid the foundation for Imphal station and also announced the commencement of construction of the country's longest rail tunnel as well as world's tallest girder rail bridge. The tunnel will be built on 111 km long the Jiribam-Tupul-Imphal new broad gauge railway line in Manipur which already has 37 tunnels on it. The railway line will also feature the world's tallest girder rail bridge with a pier height of 141 meters. *(Source: The Financial Express, Dated 2th August, 2016)*

Country's trade deficit narrows by 12.14 percent

Bangladesh benefits \$760m from external trade as export outpaces import growth

The country's trade deficit shrank by 12.14 percent to \$5.52 billion during FY16 from \$6.28 billion in FY15, as export growth outpaced import growth.

The current account balance grew to \$2.96 billion in FY16 from \$1.99 billion over the same period last year. Higher current account surplus and uptick in FDI helped in growing the Balance of Payment (BoP) surplus to \$5.06 billion from \$4.37 billion in the past fiscal.

This was observed at the Bangladesh Market Update 2016 of the Citi N.A released in Dhaka.

The update suggests, the country's export posted a healthy 9.72 percent growth in FY16 to reach \$34.24 billion compared to \$31.21 billion in FY15. The export numbers also beat the FY16 target of \$33.50 billion by 2.21 percent.

The ready-made garments (RMG) sector grew by 10.21 percent to \$28.09 billion. While the growth

in RMG sector is commendable, it is also a cause of concern from diversification aspect as it accounted for over 82 percent of the earnings, it added.

Improvement in workers' safety standards and gradual migration to manufacturing of high-value apparel items have helped in boosting the exports. Exports to the US, the biggest single market for Bangladesh, was resilient despite the suspension of the generalized system of preferences.

In FY 16, Bangladesh's exports to US grew 7.5 percent to \$6.20 billion. Given UK's decision to leave the EU, it is crucial for Bangladesh to ensure existing preferential terms are maintained as UK is one of the major RMG export destinations for Bangladesh, the update said.

Bangladesh received wage earners' remittances equaling \$14.92 billion in FY16 against \$15.31 billion in the previous fiscal. The 2.55 percent drop in remittance has primarily been due to plunge in remittances from workers in the Middle East. on Taka. *(Source: Daily Sun dated July 31, 2016)*

World Bank to provide \$360m to improve Bangladesh's waterway connectivity

The government of Bangladesh on December 21 signed a \$360 million financing agreement with the World Bank to improve the navigability of 900 km inland waterways along the Chittagong-Dhaka-Ashuganj Corridor and connecting routes, which will enable year-round safe transport for passengers and cargo along the country's busiest waterways.

The credit from the World Bank's International Development Association, which provides grants or zero to low interest loans, has a 38-year term, including a six-year grace period, and a service charge of 0.75 per cent.

The Bangladesh Regional Waterway Transport Project 1 will help reduce travel time and cost for cargo and passenger transport, and boost national and regional trade. The project will build one new general cargo terminal at Pangaon, and improve the existing cargo terminal at Ashuganj.

It will also build new and rehabilitate existing passenger terminals at Sadarghat, Narayanganj, Chandpur, and Barisal.

"The inland water transportation sector can play an important role in improving domestic connectivity and regional integration. The project will benefit traders, exporters and commuters by cutting down transport time and cost, and enhancing safety, even during night-time travels, which will lead to increased trade and investments," said Qimiao Fan, "Thus, the project will help Bangladesh increase exports and intra-regional trade."

The project will help improve the Bangladesh Inland Water Transport Authority's capacity to comply with international standards and adopt modern management practices for inland water transport, and achieve long-term operational and financial sustainability.

"Waterway transport is more energy efficient, and emits significantly lower greenhouse gas compared to road transport. Thus, the project will also help address climate change impacts," added Jose Luis Irigoyen, Director for Transport and ICT, World. *(Courtesy: Daily Observer dated December 22, 2016)*

India discontinues visa e-token system for Bangladeshi travelers

Bangladeshi visa applicants with confirmed travel tickets will now be able to submit their Indian tourist visa applications without having to obtain a prior appointment date, reports bdnews24.com.

The Indian High Commission made the announcement

in a press release on 28th December.

The move to eliminate the e-token system was part of efforts to ease the process of securing Indian visas, it said.

"The date of journey should be after seven days

but within one month of submission of the visa application form.”

The Indian Visa Application Centre in Mirpur from Jan 1 will receive walk-in tourist visa applications from confirmed travellers and senior citizens.

Those who already have appointment dates can continue to submit their tourist visa applications in the centres at Gulshan, Uttara, Motijheel, Mymensingh, Barisal, Khulna, Jessore, Rangpur,

Rajshahi, Chittagong and Sylhet.

The Indian High Commission also announced that its pilot scheme started in October for allowing walk-in visa application facility to women and their immediate family members was ‘very successful’.

The Mirpur visa application centre will start taking those walk-in applications from Jan 01 instead of the centre in Uttara, it said. *(Courtesy: The Financial Express; Dated: 29th December, 2016)*

India to further liberalise visa regime to woo tourists

Oct 24 (Xinhua): India has said that it intends to further liberalise the visa regime in a bid to attract more tourists and businesses to the country.

“We plan to further liberalise our visa regime for tourism, business as well as other areas shortly,” Indian External Affairs Minister Ms. Sushma Swaraj said at the Global Investors Summit held in Indore.

She said that visa is one of the major concern areas for foreigners and Indians living abroad and the government have already taken steps to address these issues.



India had launched the e-visa scheme for more than 100 countries in November 2014. The scheme was extended to 37 more countries this year, taking the total number to over 150.

“With the launch of the e-visa scheme, tourist arrivals in India have steadily increased,” the minister added.

The e-visa allows entry of the tourists into India within 30 days from the date of approval of the electronic travel authorization and would remain valid for 30 days stay from the date of arrival in India.

Dhaka-Kolkata Maitree Express to run four times a week

Indian Railway Minister Suresh Prabhu on Tuesday said that the frequency of services of Maitree Express operated between Kolkata and Dhaka, Bangladesh capital city, will be increased from November 11,

“Maitree Express from Kolkata to Dhaka will run four times a week from November 11,” Prabhu said after flagging off the Gorakhpur-Badshahnagar Express train through video conferencing here.

Currently, the Kolkata-Dhaka service operates thrice a week.

According to a senior railway official, the decision to increase the frequency of Maitree Express was taken at an inter-governmental railway meeting between India and Bangladesh held from August 8 to 10, 2016. *(Courtesy: The Financial Express, Dated: November 09, 2016)*

Bangladesh to import 500MW more power from India

Bangladesh has decided to import 500MW electricity from Indian open market in addition to the present import of 500MW power through the Bheramara high voltage grid substation.

Bangladesh placed the proposal at a meeting of the Joint Steering Committee (JSC) in Dhaka. Bangladesh also placed a proposal at the meeting to import another 100MW from Tripura in addition to the present 100MW package.

Monowar Islam, Secretary of the Power Division, and Pradeep Kumar Pujari, Secretary of India's Power Division, led their respective delegation at the

meeting.

The JSC is a secretary-level body formed several years ago by the governments of India and Bangladesh to move forward the projects to be implemented by Dhaka and New Delhi for the development of the power sector.

Normally, the JSC sits twice a year in alternative venues between Dhaka and New Delhi to review the progress in the power sector cooperation and take up new projects on bilateral basis. The last meeting was held in New Delhi last year. *(Source: The Independent dated July 14, 2016)*

India seeks duty exemption for transit goods

India requested Bangladesh for duty exemption for its goods already in transit.

Delhi also expressed concern that Dhaka's new duty structure would deprive the Indian non-alloy steel billet exporters of benefits under the South Asian Free Trade Area or SAFTA accord.

Such request for duty exemption came in a recent letter sent by the Indian High Commission in Dhaka to the Foreign Ministry.

"In the current fiscal year of 2016-2017, Bangladesh imposed 20 percent regulatory duty and 15 per cent value-added tax (VAT) on imported steel billet. It led to a difficult situation for Indian exporters whose goods are already in transit to Bangladesh due to duty structure adjusted with immediate effect," said the letter.

India also sought that Bangladesh reconsider restoring the earlier duty structure on non-alloy steel billets so that Indian exporters are covered under the SAFTA which facilitates free trade in the South Asian region.

In recent changes in the duty structure introduced in new budget brought custom duty to zero and in its place regulatory duty and VAT were introduced. This reduced SAFTA benefit to the Indian exporters, leaving an adverse impact on their exports, the letter further pointed out.

The SAFTA deal exempted Indian exporters from a Tk 7,000 customs duty imposed earlier by Bangladesh, the letter said further. (Source: *Daily Observer* dated July 26, 2016)

Inter ministerial meeting on MOU on Border Haat

October 13: An inter ministerial meeting for review of proposals from various stake holders including the government of India as received by the ministry of commerce regarding renewal of existing Memorandum of Understanding (MOU) between Bangladesh and India for setting up of Border Haats

at various points of Indo-Bangla border and its Mode of Operation (MoO) was held on the day at the commerce ministry with Senior Secretary of the ministry, Hedayet Ullah Al Mamun in the Chair.

IBCCI was represented in the meeting by the Chamber Secretary & CEO, Jahangir Bin Alam.

Indo-Asia connectivity confce to boost economy, investment

KOLKATA, Dec 10: A two-day 'Indo-Asia Connectivity' conference would be held in Kolkata on December 14-15 to boost regional economic connectivity between India and the countries of South and Southeast Asia and to explore investment opportunities, reports oneindia.com on Saturday.

US Ambassador to India Richard R. Verma, his Bangladeshi counterpart Marcia Bernicat and US Ambassador to Nepal Alaina Teplitz would also speak in the conference. Verma last week visited five of the eight northeastern states - Assam, Meghalaya, Manipur, Nagaland and Tripura, and met Chief Ministers and other stakeholders discussed various economic and bilateral issues.

"During my visit to the northeastern states, I have discussed with the governments of the region about connectivity, trade, economy and commerce, energy related issues," Verma said in Agartala.

"The conference would focus on three key policy areas. These include maritime and waterways connectivity in the Bay of Bengal region, energy cooperation between Bangladesh, Bhutan, India and Nepal and cross-border trade and investment," Bipul Chatterjee, Executive Director of Jaipur-based NGO CUTS International, said.

He said that the key policy makers, business leaders, government officials, media representatives, academics and civil society experts from India, Bangladesh, Nepal, Sri Lanka, Thailand, Japan and the US would attend the conference. (Courtesy: *The Financial Express*; Dated: 11th December, 2016)



IBCCI Secretary & CEO in a plenary session on Energy Cooperation in BBIN region

The US Consulate General here, in association with Washington-based East West Center, the Indian Chamber of Commerce and CUTS (Consumer Unity and Trust Society) International, is organising the "Indo-Asia Connectivity for Shared Prosperity" conference.

9th AGM of the Chamber held



December 10: The 9th Annual General Meeting of the Chamber was held on the day at Nitol Centre (7th floor), 71 Mohakhali C.A., Dhaka-1212 with IBCCI President, Mr. Taskeen Ahmed in the Chair.

Global Investors Summit, Indore

A Global Investors Summit organised by the Confederation of Indian Industry (CII) with support of the Government of Madhya Pradesh, India was held in Indore from October 21-23. Some 4000 delegates from 14 countries around the globe including India and Bangladesh participated in the summit. Finance Minister of India, Shri Arun Jaitley inaugurated the event as the Chief Guest.

IBCCI Secretary & CEO, Jahangir Bin Alam represented the Chamber in the summit and exchanged views with several Indian and foreign participants and briefed them on the excellent investment opportunities



Indian Finance Minister, Arun Jaitley speaking at the inaugural session of the summit

available in Bangladesh and invited them to invest in the country.

Indo-Bangla Automotive Show

December 29: Society of Indian Automobile Manufacturers (SIAM) organised a press conference on the first Indo-Bangla Automotive Show on the day at the Pan Pacific Sonargaon Hotel, Dhaka to brief the media on the forthcoming "Indo-Bangla Automotive Show" to be held from February 2-4 at the International Convention City Bashundhara, Dhaka. Sugata Sen, Deputy Director General, SIAM briefed the media.

Present among others on the occasion were; SIAM Director Debasish Majumder, FBCCI President Abdul Matlub Ahmad, BMAMA President Matiur Rahman, BAAMA President Hafizur Rahman, Second Secretary (Press, Information & Culture) High Commission of India and IBCCI Secretary & CEO Jahangir Bin Alam.

The show is supported by India-Bangladesh Chamber of Commerce and Industry along with Ministry

of Heavy Industries & Public Enterprises, Govt. of India, High Commission of India in Bangladesh, Automotive Component Manufacturers Association



of India, FBCCI, Bangladesh Automobile Assemblers & Manufacturers Association, Bangladesh Motorcycle Assemblers Association.

Runner Automobiles partners with Bajaj Auto

India-based Bajaj Auto Limited, a leading three-wheeler manufacturing company has partnered with Runner Automobiles Ltd for marketing 3-wheeler passenger and cargo categories with alternate fuels like LPG and diesel in December 2016, said a statement.

The introduction of Qute, the latest offering of Bajaj, would cater to the commuting needs.

With this defining agreement with Bajaj, Runner would be expanding into 3 & 4 wheeler mobility segment of automobiles.

On this association, Mr. Manish Singh Rathore, General

Manager (International Business) said, "Bajaj would be introducing 3-Wheeler CLPG in passenger and Diesel in Passenger & Cargo) along with 4-Wheeled Qute in Bangladesh market through Runner in December 2016. Both Qute & 3-Wheeler would provide added mobility options to Bangladesh Customers. Qute- a safe, smart, fuel efficient, environmental friendly and compact mobility solution on 4 wheels is already present in 20 countries. With its unique design, it would cater to consumer travel needs on highways as well as in dense traffic conditions, especially in metro cities like Dhaka, Chittagong, Khulna etc."

Mr. Mukesh Sharma, Managing Director & CEO, Runner Automobiles Ltd. also mentioned "Runner would, in a phased manner, create a complete ecosystem for distribution & servicing of 3-wheelers & Qute, pan Bangladesh. These products would be competitively priced and would come with customized financing packages for various segment of customers."

Mr. Hafizur Rahman Khan, Chairman Runner Group ecstatic with this foray with Bajaj expressed "Bajaj

is a highly admired brand worldwide and it's a proud feeling for me and complete Runner group to associate with Bajaj. These alternate fuel 3-wheeler and especially Qute have the potential to change the future mobility landscape of Bangladesh". He further expressed that these high performance, durable & technology laden Products are environment friendly, come with minimal emissions and would lead to a cleaner & greener Bangladesh.

For Bangladesh, 3 wheeler has been the lifeline of the country and provides mobility as well as employment opportunity to the masses.

Runner Automobiles known in Bangladesh as a pioneering manufacturer of 2 wheelers has carved a 'quality position' amongst various automobile players with its ever evolving consumer centric policies, extensive and exclusive network of Showrooms & Service Centers, highly engaged Dealer associates, aggressive financing policies backed by a professional management, the statement added. (Courtesy: The Financial Express dated October 15, 2016)

Hero MotoCorp to start making bikes in Jessore plant by March next

Hero MotoCorp Ltd, the manufacturer of Indian top two-wheeler motor vehicle, will start manufacturing motorcycles in its Bangladesh plant early next year as the construction work of its factory in Jessore is going on in full swing, reports UNB.

"We expect that our Bangladesh Plant will go into operation by February to March next year," Vikram S Kasbekar, head of operations and supply chain of Hero MotoCorp Ltd, told a group of Bangladesh journalists while visiting its factory at Gurgaon in Haryana on Wednesday. The Indian bike manufacturer in partnership with Nitol-Niloy Group is now setting up the plant on 12.35-acre land at Noapara of Jessore to produce some 150 motorcycles a day.

Later, the full-fledged manufacturing factory will be expanded to produce some 250 motorcycles a day as Bangladesh is the annual market of half million motorcycles, he said. Initially, Kasbekar said, Hero

is investing some \$29 million in its second overseas factory after its first plant in Colombia, which went into operation in 2015.

Noting that Hero motorcycles are being exported to 32 countries, he said the company sold around 6.64 million motorcycles last year as the largest two wheeler manufacturers in the world, he claimed.

Besides, the company has 52.4 per cent share in the domestic motorcycle market, mentioned Kasbekar.

During the early days of the Indian company in the mid-80s, its annual production was only one million motorcycles, which now stands at nearly 67 million over the last three decades.

In the Gurgaon factory, over 7,000 two-wheelers can be manufactured a day due to the use of massive automated machines. (Courtesy: The Independent dated October 7, 2016)

Visitors to the Chamber



December 01: Mr. Rajiv Savarkar, Director, Badve Engineering Ltd., Pune along with Mr. Shashi Kant Mehta, Sr. General Manager (Operations) and Mr. R. P. Bhalerao, General Manager of the company visited the Chamber on the day and exchanged views on matters relating to setting up of an automobile spare parts manufacturing unit in Bangladesh.

This is our pride, this is the pride of Bangladesh.

Crown Cement is the winner of National Export Trophy for the 3rd time.



The Honorable Prime Minister of Bangladesh Sheikh Hasina handing over the National Export Trophy for the fiscal year 2013-2014 to Mr. Md. Alamgir Kabir, Additional Managing Director, **M. I. Cement Factory Ltd. (Crown Cement)**





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Prime Minister Sheikh Hasina handing over the National Export Trophy (Gold) for the year 2013-2014 to Chairman of BRB Cable Industries Ltd Mozibar Rahman in Dhaka on Sunday



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