



India-Bangladesh Chamber of Commerce & Industry

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From the President's Desk



The much awaited transshipment of Indian goods through Bangladesh formally began on 16th June with a view to boosting trade and business between the two countries and facilitating seamless movement of goods to the landlocked north-eastern region of India.

This, coupled with the formal launching of coastal shipping service between Bangladesh and India on March 23 is definitely a positive development in the right direction that will go a long way in furthering the bilateral trade relationship between two friendly South Asian neighbours.

Such land mark developments are likely to usher in a new era of greater sub-regional cooperation and would be conducive to businesses of all the four countries i.e. Bangladesh, Bhutan, India and Nepal by way of reduced transportation cost

With Bhutanese parliament's ratification of BBIN Motor Vehicle Agreement by Bhutanese National Assembly on June 22 almost after six month's into the signing of MVA the South Asian Sub-region have moved one step further towards effective seamless movement of vehicles among the four countries.

The MVA among Bangladesh, Bhutan, India and Nepal (BBIN) has been stalled for more than six months as Bhutan refrained from ratifying the agreement following protest by the opposition and domestic transport operators.

Above developments would hopefully help establish a much needed integrated regional supply chain that would positively impact the growth of our respective economies.



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Fitch Ratings projects 6.8pc growth for FY 17

The Fitch Ratings has opined that Bangladesh's economy will expand by 6.7 per cent in the ongoing financial year (FY), 2015-16, down by 0.35 percentage point from the initial projection of the authorities concerned.

The global rating agency also forecasts the country's GDP (gross domestic product) might grow at 6.8 per cent in the next FY.

It said increased purchasing power following public sector wage hike and monetary policy loosening in January are behind this growth.

Fitch Ratings, however, said the risk of banking sector contingent liabilities crystallising for the sovereign is substantial, although small size of the banking sector, with loans of just 35.9 per cent of GDP, will moderate the impact.

The global financial service organisation said the banking sector's health and governance standards are generally weak, particularly in case of the public sector banks.

Non-performing loans remained high for the banking sector as a whole, at 8.8 per cent in fourth



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quarter, ending in December 2015, and 21.5 per cent for the public-sector banks.

Recent changes in the Bangladesh Bank's leadership after the digital heist of US\$101 million from its foreign reserves may impact banking sector policies, it opined.

The US-based global rating agency also said the country's rate of inflation is relatively high compared with peers, averaging 6.1 per cent in the first eight months of FY 16, but close to the authorities' target of 6.2 per cent set for the entire FY.

It said the return to a relatively calm environment after political violence in the first quarter of 2015 is positive, but political risk remains substantial.

"Continued strong political polarisation could again lead to widespread violence and blockades, especially near the time of parliamentary elections, which will be held no later than January 2019."

It also noted that political turmoil or terrorism could inflict long-term economic harm, if it deters foreign investors and buyers, especially of ready-made garments, from doing business in Bangladesh.

The organisation also mentioned sustained stronger real GDP growth, which would bring GDP per capita more in line with peers.

"This could be, for instance, supported by a political environment that is more conducive for economic activities." (Courtesy: *The Financial Express*; Dated: 20th April, 2016)

Bangladesh among top 10 FDI hotspots in Asia Pacific

Bangladesh is placed among Asia Pacific's top 10 Foreign Direct Investment (FDI) hotspots, according to a study by the US-based global information company, IHS Inc.

The other Asia Pacific FDI hotspots are China, Indonesia, Malaysia, Vietnam, the Philippines, Myanmar, Thailand, India and Sri Lanka.

Over the next decade, the Asia Pacific is forecast to be the fastest growing region of the global economy that offers the biggest potential gains for FDI, said IHS in a statement last week.

It added that amongst the other South Asian economies, Sri Lanka and Bangladesh are expected to show rapid growth over the next decade.

"Despite political turbulence, Bangladesh has made considerable economic progress over the past decade, with average annual GDP growth exceeding 6.5% per year since 2006. Bangladesh has emerged as an attractive location for FDI into low-cost textiles, clothing and footwear manufacturing because of its relatively low-wage costs compared to coastal China."

"The Asia Pacific region will grow at an average annual rate of 4.5% per year, boosted by rapid growth in consumer spending in China, India and Southeast Asia," said IHS Asia Pacific Chief Economist Rajiv Biswas.

Malaysia, Indonesia, the Philippines and Thailand are also expected to join the ranks of Asian nations with a Gross Domestic Product exceeding US\$1 trillion by 2030.

"This will help increase the geopolitical and economic importance of ASEAN and economic grouping in international diplomacy and the global dialogue

on trade, investment and international standards-setting," it said.

About 'One Belt, One Road initiative' taken by China, Biswas said: "For the Asia Pacific region, a key long-term growth driver will be China's 'One Belt, One Road' initiative."

This will be catalysed by new infrastructure financing for Asian emerging markets into sectors such as power generation and transmission, railroads, ports and highways from the recently launched Asian Infrastructure Investment Bank, the Silk Road Fund, as well as a number of Chinese bilateral infrastructure financing commitments to a number of Asian countries, he said.

"The initiative will help accelerate the development of many inland Chinese provinces as well as accelerating the growth of Greater Mekong Sub-region as a new global manufacturing hub, and will benefit many countries in Southeast and Central Asia."

Referring to Malaysia as the Asia's next advanced economy, the report said Malaysia's economy is forecast to achieve a per capita GDP of US\$20,000 by 2025, with a total GDP exceeding US\$1 trillion by 2030.

"Strategic growth industries in the services sector will include financial services, healthcare, education, commercial aviation, tourism and the IT-Business Process Outsourcing industry, as Malaysia becomes an increasingly important services, services-exporting economy for Southeast Asia," said Biswas.

Indonesia's GDP is forecast to grow at 5% per year over 2016-2020 supported by strong growth in consumer demand and infrastructure investment, he added.

The Philippines, he said, has shown rapid GDP growth averaging at around 6% per year over 2011-2015, with 5.8% GDP growth per year forecast over 2016-2018.

Meanwhile, the ASEAN frontier markets of Vietnam, Myanmar, Cambodia and Laos are forecast to continue to grow rapidly.

The IHS study showed that Vietnam will grow at a pace

of around 6.5% per year over the medium term, with a rapid growth in manufacturing exports of electronics and garments driving industrial development.

"The new EU-Vietnam Free Trade Agreement and the planned TPP deal will significantly boost Vietnam's market access to the EU and the US for its manufacturing exports by reducing tariff barriers substantially," he added. (Courtesy: Dhaka Tribune dated April 21, 2016)

Bangladesh Economy to grow 7.05% - says BBS

The country's economic growth is set to break the 'six per cent trap', as a 7.05 per cent growth rate has been estimated for this fiscal year (FY), driven by industrial and service sectors, according to official data.

The last caretaker government was the top performer in terms of achieving the higher growth during the last nine years, as the country's gross domestic product (GDP) had expanded at 7.06 per cent in FY 2006-07.

The per capita income (gross national income - GNI) of a Bangladeshi citizen have risen to US\$1466 in the current FY, 2015-16, marking an 11.4 per cent rise from \$1316 in the last FY, the Bangladesh Bureau of Statistics (BBS) provisional data said.

The statistics were unveiled by Planning Minister A H M Mustafa Kamal after a meeting of the National Economic Council (NEC) in the capital on Tuesday with Prime Minister Sheikh Hasina in the chair.

BBS, the national statistical organisation, has estimated the provisional figures based on the available data in the last three quarters (July-March) and considering the fourth quarter statistics of the previous years.

In FY 15, the country's GDP growth stood at 6.55 per cent and the per capita income at \$1316, the BBS data showed.

According to BBS, Bangladesh's total GDP size at current price has been estimated at \$221.31 billion (Tk 17.29 trillion) in the current fiscal.

"BBS has taken data from the last three quarters of the year. Besides, it has taken into consideration the fourth quarter statistics of the previous fiscals," the planning minister told journalists.

According to BBS, the share of industrial sector to the GDP has increased to 28.56 per cent in the current FY from that of 28.15 per cent in the last FY.

The contribution of service sector has also risen to 56.69 per cent in the current fiscal from 56.35 per cent in FY 2015.

However, the contribution of agriculture sector to GDP has dropped to 14.75 per cent in the current FY from that of 15.51 per cent in the last FY, according to the BBS provisional estimation. (Courtesy: The Financial Express; Dated 06/04/2016)

Indian transit thru Bangladesh begins formally

Transshipment charges per tonne

Customs-related charge	Tk 130 to NBR
Road-bridge charge	Tk 52.22 to MoRTB
Supervision charge	Tk 10 to BIWTA

Indian cargo vehicles' surface journey of 1650 km to Agartala from Kolkata will come down to 350 km with the use of Ashuganj port in Bangladesh



A Bangladeshi ship M. V. Newtek-6 carrying 1,000 tonnes of steel and iron sheets, bound for Tripura, reached Ashuganj river port on 15th June morning launching the formal transit trade and transportation between Bangladesh and India.

The Bangladeshi ship M.V. Newtek-6 owned by Zed Shipping Lines Ltd carried a consignment of 1,000 tonnes of corrugated iron sheets in the first-even transshipment of goods from the mainland of India to its northeastern states through Bangladesh.

The ship floated idly in the sea for four days after being caught in bureaucratic red-tape, survived storms and overcame other obstacles that the crew declined to share.

But no one would complain about these issues as MV Newtek-6 reached Ashuganj from Kolkata in 12 days, considering the positive changes transshipment would bring about on both the sides of the Indo-Bangla border.

According to officials, with transshipment of this consignment to India's northeastern state of Tripura the formal transit between the two neighbours became fully operational, with provision of third-country access.

Shipping Minister Md. Shahjahan Khan MP formally inaugurated the transit facility by unloading the cargos from the ship on June 16 at a function on the port premises.

Prime Minister's Economic Adviser Dr Mashiur Rahman, Indian High Commissioner in Bangladesh Harsh Vardhan Shringla, Commerce Secretary Hedayetullah Al Mamoon and Shipping Secretary Ashok Madhab Roy were also present on the occasion.

The facility that the Bangladesh government pledged to India last year would reduce the time and cost needed for supplying goods to those states through the Indian territory.

Bangladesh had earlier allowed transshipment of 10,000 tonnes of Indian food-grains to Tripura via Ashuganj river port on humanitarian grounds without levying any charge. This time around, they have to pay transshipment fee of about Tk 192.22 per tonne in addition to other charges. Bangladesh also had allowed use of the route for transshipment of heavy machinery to Palatana power plant in Tripura.

Under the formal transit agreement now, India has to pay all charges, like transshipment fee, berthing fee,



A Bangladeshi vessel carrying Indian goods and with the Bangladesh and Indian flags flying reaches Ashuganj of Brahmanbaria.



Shipping Minister Shahjahan Khan formally inaugurating trans-shipment of Indian goods at Ashuganj river-port in Brahmanbaria on 16th June

landing fee, pilot fee, channel charge, labour hauling etc.

Goods in transit will be brought from Kolkata to Ashuganj through a river route and then from Ashuganj to Agartala, the capital of Tripura through land route.

Bangladesh, India set modalities of building two Indian SEZs

Project fund to come from LoC, BD to build setup

Dhaka and New Delhi in a joint meeting May 11 set modalities of building two special economic zones in coastal Mongla belt and in Kushtia that would be dedicated to Indian investors.

Officials said the Indian Economic Zones (IEZs) - formally deemed as Bangladesh-India government-to-government economic zones - will be developed at Mongla in Bagerhat and Bheramara in Kushtia under the new US\$ 88 million second Indian line of credit (LoC).

Joint Working Group (JWC) of the two countries sat for its first meeting in Dhaka for the bilateral talks on the economic front.

Sources who attended the meeting said the JWC discussed framework for setting up IEZs, feasibility study, sectors of focus, market focus, model of developing IEZs, preferences of Bangladesh government, fit address to security concerns of developers, incentives, exemption, concession, legal protection to IEZs, development of infrastructure by Bangladesh government, human resource supply etc.

It also discussed utilisation of \$88 million from the second LoC for the two IEZs.

Earlier, the government of India had constituted the Indian side of the joint working group to work out the modalities for implementation of the Memorandum

of Understanding (MoU) for establishing Indian economic zones in Bangladesh.

Ministry of External Affairs representative Smt Sriya Ranganathan, chairman of the JWG, led the team of India at the meet.

On the host side, there were representatives from Bangladesh Economic Zones Authority (BEZA), foreign ministry, Prime Minister's Office (PMO), Economic Relations Division and the ministry of commerce.

The Mongla SEZ would be set up on about 205 acres of land and the other in Kushtia on 477.16 acres.

The move comes under a Memorandum of Understanding (MoU) signed between the governments of Bangladesh and India during the last visit of Indian premier Narendra Modi on June 6.

Earlier, a feasibility study had been conducted to find out the economic potential of the Indian investment.

Sources said India has chosen the locations for investment.

A BEZA official said, "The economic zones will be

awarded if both parties agree on the relevant terms and conditions."

The government has also approved special incentive packages for local and foreign investors to attract their investment in economic zones.

The government enacted the private economic zone law in 2010 aiming to materialise the Vision-2021 by expediting economic growth and alleviating poverty.

Under the BEZA Act 2010 on G2G model, Bangladesh government will ensure infrastructures such as access road, gas, electrification, land development including all off-site development of economic zone.

BEZA officials hope successful implementation of the Indian economic zones will eventually reduce the trade imbalance between the two countries that amounts to several billion dollars in favour of Delhi.

The annual bilateral trade is worth around US\$ 6.5 billion by official count with India exporting goods and services amounting to around \$ 6 billion to Bangladesh while Bangladesh exports fetch only \$ 0.5 billion from India. (Courtesy: The Financial Express dated May 11, 2016)

Intexpo Bangladesh 2016 held in Dhaka



Dr. Masihur Rahman inaugurating the expo by cutting ribbon. Deputy High Commissioner of India, Dr. Adarsh Swaika & IBCCI Vice President, Dewan Sultan Ahmed are seen on both sides of Dr. Rahman

A two-day Indian textile exhibition titled 'Intexpo Bangladesh 2016' was held at the Pan Pacific Sonargaon Hotel, Dhaka on May 30 & 31 mainly to tap the growing business potentiality especially that of man-made fibers (MMF) textiles.

The Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) of India organised the expo in association with the High Commission of India, Dhaka with support of India-Bangladesh Chamber of Commerce and Industry (IBCCI), the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"India exported MMF textiles worth \$ 134.05 million in 2010-11 fiscal which now stood at \$ 397.76

million in 2015-16 fiscal showing a growing demand for such products," said Sriyib Roy, additional director of SRTEPC, while addressing a press conference at a city hotel.

Out of the total exports, Bangladesh imported fabrics worth \$ 225.38 million accounting for more than 56 per cent of the total \$ 397.76 million while MMF accounted for 30 per cent, he added.

Bangladesh is the second largest exporter of garments while India is the second and third largest producer of polyester and viscose filament yarn and cotton and viscose staple fibre, he noted.

"Labour cost, market access to the EU and the US are among the advantages of Bangladesh and we want to cater this opportunity," Vice Chairman of SRTEPC Shri Srinarain Aggarwal said.

The expo is intended to provide a unique opportunity to the textile and garment business fraternity of Bangladesh to see the quality and range of Indian fabrics and yarns for establishing personal contacts for mutually beneficial business tie ups, including possibility of having long term venture alliance with their Indian counterparts, he added.

Dewan Sultan Ahmed, vice president of IBCCI, called on the Indian businesses to set up joint venture in the country. (Courtesy: The Financial Express dated May 30, 2016)

Indian Eid visa camp for Bangladeshi holidaymakers draws large crowd

The Indian High Commission in Dhaka launched 'Eid Visa Camp' on 5th June, the first of its kind in the history of Bangladesh-India bilateral relationship, drawing huge crowd, reports UNB.

Home Minister Asaduzzaman Khan, State Minister for Foreign Affairs M Shahriar Alam and Indian High Commissioner in Dhaka Harsh Vardhan Shringla formally inaugurated the camp, aimed at furthering easing the visa process.

The visa camp is being held at the New Chancery Complex, High Commission of India, in Baridhara and will remain open from 8am to 2pm till June 16, except June 10.

"Today is a special day," the high commissioner said mentioning that such initiative shows attention that visa occupies in two countries relationship and the magnitude of Indian visa operations in Bangladesh.

Around 6,000 visa seekers were there outside and



Home Minister Asaduzzaman Khan inaugurates Eid Visa Camp at Indian High Commission in Dhaka on Saturday. State Minister for Foreign Affairs M Shahriar Alam and Indian High Commissioner in Dhaka Harsh Vardhan Shringla were present on the occasion.

inside the camp on the inaugural day. Other than exceptional cases and doubts, the visa applicants will be given a one-year multiple visa, the high commissioner told reporters before the formal inauguration of the camp. (Courtesy: The Financial Express; Dated: 05 June, 2016)

India identifies three SEZs in Bangladesh

India has identified three rural outposts spread across Bangladesh to set up its first foreign special economic zones (SEZs), in a neighbouring country, reports Kolkata-based 'The Telegraph'.

It says India is desperate to build on the 'sole undisputed success in the Narendra Modi government's neighbourhood policy' by deepening investment ties.

A joint working group of the two countries set up during Indian premier Modi's visit to Dhaka last June picked sites at Bheramara near Khulna, Keraniganj near Dhaka and Mirsharai in Chittagong for possible SEZs at its first meeting recently, The Telegraph report

said.

Bangladesh had earlier indicated willingness to offer two SEZs to India and the decision to hike the number to three points to the growing strategic push Dhaka is giving to ties with New Delhi at a time the Sheikh Hasina government is locked in a diplomatic spat with Pakistan, it says.

The decision to move swiftly on setting up the SEZs - of which two will focus on information technology - is also rooted in an economic logic closely tied to India's hopes to tap into China's current economic distress by developing an alternative manufacturing hub, says 'The Telegraph' report.

Bangladesh and India to share costs of building oil pipeline

Bangladesh and India will build the proposed cross-country oil-supply pipeline in their respective sides at their own costs to facilitate petroleum trading.

Both the countries have already agreed to bear the costs and responsibilities to build the pipeline, which will help state-run Bangladesh Petroleum Corporation (BPC) import diesel from Numaligarh refinery of state-run Bharat Petroleum Corporation Ltd (BPCL).

The proposed joint venture (JV) pipeline will be of 130 kilometres (km) in length of which 125 km would be in the Bangladesh territory and five km in the Indian territory.

"We will require around Tk 4.50 billion to build our portion of the pipeline," BPC's director for operations and planning Mosleh Uddin told the FE Wednesday.

State-run Gas Transmission Company Ltd (GTCL) is set to build the Bangladesh portion of the pipeline, he added.

Officials said Bangladesh's BPC and India's BPCL also inked a memorandum of understanding (MoU) in April last year to establish a JV firm for laying the oil pipeline.

Both the countries have already completed soil test for

building the pipeline. Samples of soil were carried to India for testing.

The pipeline is set to carry initially 300,000 tonnes per year of refined oil products from the BPCL's Numaligarh refinery in Assam, which could potentially increase more than threefold to 1.0 million tonnes per annum within three to four years, a senior official of the Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources (MPEMR) told the FE.

Diesel demand in 16 northern districts in Bangladesh is around 1.1 million tonne. But Bangladesh and India are yet to settle the pricing mechanism of diesel to be imported from Assam, he said.

The BPC, however, imported a maiden consignment of 2,200 tonnes of diesel through railway from the Numaligarh refinery at a premium rate of US\$ 7.0 per barrel over the benchmark international price of diesel meaning the Mean of Platts Arab Gulf (MoPAG) diesel assessments on cost and freight (CFR) basis.

The BPC and the BPCL have not yet decided on further trading of oil through the railway.

Officials said the diesel that the BPC received from India has the higher graded specification of 0.035 per cent sulfur content.

The BPC currently imports 0.05 per cent sulfur diesel at \$4.40 per barrel on MOPAG Gasoil assessments on CFR basis.

Although the premium rate is higher, India's diesel consignment saved the BPC's costs to transport diesel there from Chittagong port, said a BPC official.

The BPC currently imports around 3.5 million tonnes of diesel from about a dozen suppliers per year to meet local demand.



Industry insiders said Bangladesh earlier had imported diesel for a brief period and a small quantity of 3,500 tonnes from the BPCL in 2007.

The BPC had also imported around 400,000 tonnes of diesel from the Indian Oil Company Ltd during 2005-

06, BPC officials said.

The BPC was also eyeing to import diesel from BPCL last year but the damage of infrastructure at river port, from where the cargoes were set for loading, during flood in India put up obstacle.

It was planning to import around 2,000 tonnes of diesel per month.

India's BPCL then backed out from its plan to export 0.05 per cent sulfur diesel to Bangladesh through river route. (Courtesy: The Financial Express; Dated: 02 April, 2016)

Bangladesh and India to set up LPG plant in Chittagong

Target Bangladesh, north-eastern Indian markets

April 18: Bangladesh and India signed an agreement on the day to set up a liquefied petroleum gas (LPG) handling plant in Chittagong to meet the growing energy demand in Bangladesh and north-eastern India.

Indian Oil Corporation Ltd (IOCL) and Bangladesh Petroleum Corporation (BPC) inked a memorandum of understanding at the Radisson Blu hotel in Dhaka.

"This facility symbolises win-win partnership as it would benefit both the countries by supplying LPG to Tripura and the north-eastern part of India and at the same time cater to the gas demand in Bangladesh," Dharmendra Pradhan, petroleum and natural gas

minister of India, told reporters after the signing of the deal.

Under the agreement, the two companies would form a joint venture to set up the LPG plant and terminal which would use imported gas, said Nasrul Hamid, state minister for energy, power and mineral resources.

He said the Indian government had sought Bangladesh's help in supplying LPG to eastern India through pipeline.

India would send a work plan on the feasibility study within a week or so. The IOCL would conduct the study with its own money, said an official of the BPC. (Courtesy: The Daily Star dated April 19, 2016)

IFAD Autos donates 10 School Buses to Prime Minister



Iftekhar Ahmed Tipu, Chairman, IFAD Group handing over a dummy key to Prime Minister Sheikh Hasina

June 25: IFAD Autos Ltd., the sole distributor of India's Ashoke Leyland vehicles in Bangladesh donated 10 school buses having 36 seat capacity to Prime Minister Sheikh Hasina on the day. Chairman of IFAD Group Iftekhar Ahmed Tipu formally handed over a dummy bus key to the Prime Minister.

Thereafter, the Prime Minister handed over the keys of the buses to the principals of 10 educational institutions at a function held at her official residence Ganobhaban in the afternoon.

She thanked the Ifad Autos and Ashoke Leyland for the generous donation and hoped that other business houses would be encouraged to do so.

IFAD Autos Limited, a sister concern of the IFAD Group Bangladesh, and India's Ashok Leyland Company donated the buses in response to the Prime Minister's recent call to the well-off section of people to donate school buses to educational institutions.

The educational institutions are: Rangpur Government College; Dinajpur Government College; Government Bangabandhu College, Gopalganj; Proyas Specialised School at Savar Cantonment, Savar; Netrakona Government College; Rangamati Government College; Government Bangla College, Dhaka; Kurigram Government College; Jessore Government MM College and Cox's Bazar Government College.

While talking about the selection of Proyas Specialised



Education Minister Nurul Islam Nahid with Chairman and MD of Ifad Autos are seen along with one of the donated buses.

School for donation of buses, Sheikh Hasina said her government has special attention to the physically-challenged children to bring them back to normal life.

Thereafter, the IFAD Group chairman announced to donate another bus for the Proyas Specialised School

Education Minister Nurul Islam Nahid, PM's Adviser HT Imam, Chief of Army Staff General Abu Belal Mohammad Shafiul Huq, Principal Secretary Md Abul Kalam Azad, PM's Press Secretary Ihsanul Karim, Managing Director of IFAD Group Tanveer Ahmed, Managing Director of IFAD Autos Limited Taskeen Ahmed and Director Tashfin Ahmed were, among others, present on the occasion.

Bangladesh to open another trade consulate in India

India has approved the setting up of another trade consulate of Bangladesh in Guwahati, the capital of north-eastern state of Assam.

Bangladesh has also proposed to strengthen its existing trade consulate in Agartala, the capital of Tripura state, as the two countries agreed to expedite visa clearance.

The approval by India's External Affairs Ministry to open a new Bangladesh consulate in Guwahati and Dhaka's proposal to bolster its existing consulate

at Agartala were conveyed at a meeting of senior officials of India and Bangladesh in Shillong, the capital of Meghalaya state, according to an official statement.

The meeting stressed reforming visa services so that visa clearance can be expedited. The meeting reviewed progress in the passenger bus services between the two countries and discussed issues such as improving passenger amenities on both sides of the border. (Courtesy: The Daily Star dated May 8, 2016)

Indian investment in Bangladesh crossed \$100m last year

The net inflow of foreign direct investment (FDI) from India to Bangladesh crossed \$100 million level for the first time last year.

In its latest statistics, Bangladesh Bank (BB) said the net FDI from the neighbouring country stood at \$102.7 million in 2015, 45.5 per cent up from \$70.6 million in 2014.

The gross inflow of FDI from India was \$114.13 million last year. As \$11.43 million was disinvested in the same year, the net inflow stood at \$102.7 million.

Disinvestment generally means withdrawal of existing investment.

The central bank data also showed that financial and textile sectors shared almost 50 per cent of total Indian FDI last year.

Meanwhile, in an interview with The Hindu Business Line (HBL), published on Friday, Dr Mashiur Rahman,

economic affairs advisor of Prime Minister Sheikh Hasina, said Bangladesh should take a more focused approach to attract Indian FDI and take full advantage of the recent co-operation overdrive between the two nations.

"We expected Indian FDI but to do that, our industry-related policies, including taxation, duty, etc needed to be fine-tuned. But, it couldn't be done (as we had) to protect interests of local (small) industries," he told The HBL, an Indian national business daily.

Though two countries have signed memorandum of understanding for several mega power and energy projects during the visit of Indian prime minister in June last, so far little progress has been made in this regard.

In 2015, investment in power sector from India stood at \$6.11 million. (Courtesy: Daily Observer dated April 17, 2016)

PRAN bags maiden cassava export order from New Zealand

PRAN, a food processor and agribusiness company, has bagged its maiden export order for cassava worth around \$ 3 million from New Zealand.



"We have secured a contract with Khan's 2nd Generation Ltd. The order value is worth around Tk 23 crore," said Md Mizanur Rahman, chief of export at PRAN.

"It will generate foreign currency for our country," he added.

Kamruzzaman Kamal, director of marketing at PRAN-RFL Group said the cassava would be shipped off to the Southwestern Pacific Ocean country by this month through Chittagong port. "Necessary preparations have already been taken for export," he further said.

Sylvan Agriculture Ltd, a concern of PRAN inked a deal with the Auckland-based company recently. As per the deal, Khan's 2nd Generation Ltd, a company

of Auckland, will take the tuber crop for the next two years.

Rasedul Hasan, country business manager (Australia) at PRAN said the cassava would be shipped off in container consignments.

He also said "We ensured quality, weight and maximum standard for exporting frozen cassava."

In the last fiscal year, PRAN produces nearly 5,000

tons cassava. PRAN has targeted to expand cassava cultivation as it has got positive response from the contract farmers.

Importer Mustafezur Khan said cassava is a popular and nutritious food in New Zealand. "Earlier, we took cassava from Fiji. But PRAN's cassava quality, taste and color are good. So, we decided to take cassava from PRAN," he said. (Courtesy: The Financial Express; Dated: 12th April, 2016)

Farewell to Bijay Selvaraj

June 2: The IBCCI Board in course of its 58th meeting held on the day at the Chamber office formally bid farewell to Bijay Selvaraj, the outgoing First Secretary (Commercial) of the High Commission of India, Dhaka.

Speaking on the occasion the President of the Chamber, Taskeen Ahmed recognised the cooperation and support extended to IBCCI from time to time by Mr. Selvaraj and wished well. A Chamber crest was presented to Mr. Selvaraj as a memento.



IBCCI President, Taskeen Ahmed (R) presenting a Chamber Crest to Bijay Selvaraj (L)

North-East ASIAN Business Summit of ICC



Commerce Minister, Tofail Ahmed (2nd fm left) inaugurated the summit as the Chief Guest

A 3-day North-East ASIAN Business Summit organised by Government of Manipur in collaboration with Union Ministry for Development of North-Eastern Region (DoNER) and Indian Chamber of Commerce (ICC) was held in Imphal, capital of Indian state of Manipur from April 7-9.

The two day summit has been organized by Manipur Commerce and Industries Department (MCID) in collaboration with the Union Ministries of External Affairs and Development of North-Eastern Region (DoNER), Indian Chamber of Commerce (ICC) and Indian Chamber of Service Industries (ICSI).



IBCCI Secretary, Jahangir Bin Alam and a foreign participant at a business session of the summit

Main highlights of the summit were - Regional conference on Ease of Doing Business, Agro and Food Processing: Potentials and Challenges and Session on Empowering MSME in North East.

Commerce Minister of Bangladesh, Tofail Ahmed inaugurated the summit as the Chief Guest. IBCCI was represented at the summit by its Secretary & CEO, Jahangir Bin Alam.

Delegates from ASEAN member countries - Myanmar, Vietnam, Cambodia, Philippines, Singapore, Thailand, Malaysia, Indonesia, Lao PDR, Brunei and eight North-Eastern states of India and Bangladesh participated in the Summit.

Indian venture capital invests \$2m in Bangladeshi firm CloudWell

"With this investment from Aavishkaar, PayWell will expand its market across Bangladesh with a targeted network of more than 30,000 agents in 2 years, retailing various services to consumers and also equipping SMEs and enterprise merchants to accept payments from more than 30 million mobile financial services users," said Anisul Islam, chairman and CEO of CloudWell, in an emailed statement.

CloudWell, a last-mile payments startup headquartered in Bangladesh's capital city, Dhaka, announced that it has secured US\$2 million in series A funding from Indian VC Aavishkaar Frontier Fund. Valuation figures were not disclosed, according to a web portal.

CloudWell, which was founded in November 2012, offers a number of payment solutions under its brand name PayWell, including point-of-sale systems, prepaid debit cards, and payment gateways, reports KnowStartup.com, a platform for Indian startups and entrepreneurs. PayWell is used for things like prepaid mobile phone top ups, utility bill payments, and train ticket purchases. Its customers include large

enterprises across the telecommunications, financial services, and ecommerce industries in Bangladesh.

CloudWell says it has a network of over 5,000 retail shops that cover 34 districts in the country. A majority of them are outside the capital city, Dhaka.

It plans to use the cash to accelerate growth and scale up its nationwide network.

The investment in CloudWell marks the first time Aavishkaar has chosen to back a company in Bangladesh. The impact-oriented fund invests in companies that build sustainable, social enterprise products. It closed its latest fund last year, with a targeted investment of US\$75 million across South and Southeast Asia.

"We are pleased to have made the first investment in Bangladesh and look forward to playing a role in supporting the startup and SME ecosystem in the country," he added. *(Courtesy: The Independent dated May 26, 2016)*

ERL signs deal with Indian firm for appointment of consultant

Bangladesh's state-owned Eastern Refinery Limited (ERL) signed a deal with the Indian firm Engineers India Limited (EIL) to appoint a consultant for implementation of the second unit of ERL, reports BSS.

"We have planned a series of measures to augment energy production in the country through implementing the ERL unit-2 and setting up the LPG plant to gear up the energy supply," state minister for power and energy Nasrul Hamid told the news agency on phone.

Visiting Indian state minister for petroleum and natural gas Dharmendra Pradhan was also present at the signing ceremony. The contract was signed

between Mosleuddin, director operation and planning of ERL, and Upendra Moheshwaru, director marketing of EIL, on behalf of their respective sides.

Nasrul Hamid said the government appointed the PMC (Project Management Consultant) for the second unit to be installed by 2018. The present government has undertaken the plan to set up the second unit of ERL to meet the growing needs of refined oil and ensure fuel and energy security in the country.

In order to ensure energy security of the country, the government has initiated the construction of Unit-2 Project of ERL. *(Courtesy: The Financial Express; Dated: 20th April, 2016)*

Pragoti-Mahindra Scorpio SUV production starts at Sitakunda

CHITTAGONG, May 13: Commercial production of India's famous Scorpio S10 SUV jeep and double-cabin pickup van assembling started on May 12th at the Sitakunda factory of Pragoti Industries Ltd (PIL), the only state-owned automobile assembling and marketing company of Bangladesh.

The third generation vehicles with the most modern technology and high standard of the Mahindra and Mahindra Limited of India will be marketed in Bangladesh through Pragoti on behalf of the Indian automobile manufacturing company.

On the occasion of the vehicles production and marketing operations the Pragoti Industries Ltd (PIL) and Mahindra and Mahindra (M&M) India carried out factory roll-out of the Mahindra Scorpio S10 SUV and Scorpio double-cab pickup CKD vehicles in its factory at Barabkunda.

The next generation SUVs from Mahindra will be in place for marketing in Bangladesh through the PIL. It has got a fresh crystal clear LED headlamps, stronger suspension system and refined body design. (Courtesy: The Financial Express; Dated: 13th May, 2016)

Pre-budget Consultative meeting with NBR

April 25: At the invitation of National Board of Revenue, IBCCI participated in a pre-budget consultative meeting on the day at the NBR Conference Room.

Chairman of IBCCI Finance Sub-Committee, A. K. Chowdhury and Chamber Secretary & CEO, Jahangir Bin Alam represented the Chamber in the meeting and submitted proposals for correction of some existing distortions in the direct taxation policy of the government impacting business and investment in the country.



A. K. Chowdhury (Left) and Jahangir Bin Alam in the meeting

India may extend pact with Bangladesh on fisheries

NEW DELHI, Apr 15: India may extend an agreement with Bangladesh for co-operation in the field of fisheries and aquaculture.

A Memorandum of Understanding (MoU) was signed between India and Bangladesh in September, 2011 for the period of five years, reports PTI.

The Union Cabinet, chaired by Prime Minister Narendra Modi, was apprised about the MoU signed between India and Bangladesh in September, 2011 on bilateral cooperation in the field of fisheries and aquaculture and allied activities, according to an official statement.

"The MoU has strengthened the friendly relations between India and Bangladesh and promote development of cooperation in fisheries and aquaculture and allied sectors through mutually agreed activities and procedures," it said.

"The MoU will remain in force for a period of five years unless either of the Parties gives prior written notice of at least six months in advance to the other party of its intention to terminate the MoU. This MoU could be extended for further period as may be mutually agreed upon," it added. (Courtesy: The Financial Express; Dated: 16th April, 2016)



Visitors to the Chamber



April 27: Sanjoy Mukherjee, new Country Manager of IBCCI member company, Pidilite Specialty Chemicals (BD) Pvt. Ltd. called on the Chamber Secretary & CEO, Jahangir Bin Alam on the day and exchanged views on matters of mutual interest.



May 11: Rajeev Pandey, General Manager (International Business), Indo Farm Equipment Limited met the Chamber Secretary & CEO, Jahangir Bin Alam at the IBCCI office on the day and discussed matters relating to promotion of his company's business in Bangladesh.



May 18: Shashi Dasta and Soumo Roy from Futurex Group, New Delhi, India visited the Chamber on the day and discussed matters relating to their forthcoming event, 2nd Bangladesh Buildcon & Bangladesh Wood Expo from May 26 – 28, 2016 at the Bashundhara International Convention City, Dhaka.



May 25: Yuichiro Ishii, Managing Director & CEO of Bangladesh Honda Private Limited accompanied by Shah Muhammad Ashequr Rahman, Head of Finance & Commercials visited the Chamber on the day and exchanged on matters relating to prospects for export of locally assembled Honda Motorcycle to India and his company's membership of the Chamber.



June 6: Amit Jain and P. Chowdhury from Daksh Exports, Kolkata called on the IBCCI Secretary & CEO, Jahangir Bin Alam on the day and exchanged views on matters relating to non-receipt of export proceeds from Bangladeshi importer.



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