

Nordic chamber liaises to bring more investments

Author / Source : Sherpa Hossainy
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DHAKA, DEC 16: The Nordic countries are growingly interested in setting up more joint venture operations in Bangladesh if provided with transparent business rules and adequate policy support, a Norwegian business leader said. In an exclusive interview with The Independent, Arild Klokkehaug, president of the Nordic Chamber of Commerce and Industry (NCCI) in Bangladesh, discussed how the chamber is working as a "positive actor" to bring in more Nordic investments.

"The Nordic companies that are doing business here believe that Bangladesh has a tremendous potential. We project Bangladesh as a prospective business destination to the Nordic businesses at home," Klokkehaug said.

The NCCI president said Bangladesh comes way down on the list of potential countries when Nordic companies want to invest in Asia and the chamber is working on to improving the image. "When we meet Nordic companies we try to display the positive sides and potentials of Bangladesh. Being here and operating profitably, the existing Nordic companies are the proof of good business," he said.

Since its inception one year ago, NCCI is helping Nordic companies, which are interested in investment and establishing operation in Bangladesh, by acting as a knowledge-sharing platform.

Klokkehaug said human resources and skilled workforce is the key strength of Bangladesh. "Bangladesh has a huge market in a compact place. There's very small distance from anywhere in Bangladesh to the ports," he said.

The biggest investments of Nordic countries in Bangladesh are in the telecom with the global giants Telenor, Ericsson, Nokia and Nokia-Siemens Network, while big production names like Ikea, H&M, Lindex and Kappahl are also in operation in textile sector. The NCCI has arranged business visits from Denmark, Norway, Sweden and Iceland and the focus was on energy sector such as natural gas and power plants. In November, the Danish government also expressed its interest to invest in Bangladesh, particularly in solar power and biogas.

The Norwegian embassy launched in 2010 the Bangladesh Business Matchmaking Programme (BBMP), which establishes business ventures between Norwegian and Bangladeshi companies. "Many of these meetings results in joint partnership or trade," Klokkehaug said. He also said there has been increased interest after setting up NCCI. "We are here to stretch out a hand and help a company start. This is like a public-private partnership to build awareness about the high potential in Bangladesh."

NCCI is a 45 member companies that have Nordic background and operating in Bangladesh. Denmark has more than 20 companies, while Sweden and Norway has 18 and 5 respectively, operating in Bangladesh.

The exports to the Nordic countries -- Norway, Denmark, Sweden, Finland, Iceland -- has seen major a growth in recent years. According to Export Promotion Bureau data, exports to Nordic region in the fiscal year 2010-11 rose 54.75 per cent to \$818.6 million than the previous fiscal. Denmark and Sweden is the biggest export destinations for Bangladesh but exports to Norway and Finland also marked a rise of 79.05 and 78.20 per cent in the 2010-11 fiscal than the previous one. The exports in July-November period of 2011-12 fiscal stood at \$360.78 million. However, the NCCI president said more concerted efforts are needed to remove the existing bottlenecks in Bangladesh to bring in more investments. Besides the perennial energy and power crisis, Klokkehaug pointed out the changing rules of business as a big obstacle. "If you

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look at the telecom industry, it does not have fully transparent rules of business. If the rules of the game change while you are playing it is somewhat difficult; and that is scaring out new potential big investments,” he said.

He said many foreign companies struggle to get money out of Bangladesh while it’s not a problem to get money in. “When finally they have a profit and want to take back some of their return many face big hassles. That is also one of the reasons why many companies hesitate to invest in Bangladesh.”

He said there is a lack of understanding in certain government organisations such as National Board of Revenue as to how important it is for the companies to take the profit out so that you can have it re-invested. “If one company takes profit out five new companies will come in. That’s how you do business,” he said.

The NCCI is also trying to build up a dialogue with the government to make the investment process more easy and smooth, especially with Board of Investment. “The government is doing a lot of good things and has good intentions. To set up a business is quite easy now. But some policy failures are making the good intentions backtrack,” he said, mentioning that Bangladesh has slipped four places in the global index of ease of doing business since last year on the World Bank’s report. “This is related partly to the policy failures and partly to lack of transparency in business dealings,” he said.

Klokkerhaug believes Bangladesh is yet to utilise the potential of its female population and it is hard for women entrepreneurs to set up a business in Bangladesh due to lack of transparency and hassles while setting up a venture. He thinks Bangladesh would do better in the business world by empowering local women entrepreneurs which would lead to much stronger value addition.

Recently, the Nordic chamber has started networking with local women chambers and women bodies to motivate them to build confidence, and encourage and make them more visible. The NCCI is also trying to implement strong business ethics that Nordic countries follow in carrying out business deals and operations and trying to implement better employment environment and work policies. He said companies like IKEA and H&M contributed a lot for improving work situation in the factory because they have strict rules to live up to in terms of child labour, health safety and environment guidelines.

“We encourage people to train and educate themselves more, have a life so that they don’t get exploited and burned out. We also invest in talents and the employees that will hopefully inspire local businesses to focus more on their human resources,” Klokkerhaug said.