

ECB injects 156b euros in EU banking market amid global credit crisis

AFP, Frankfurt

The European Central Bank pumped more money into the eurozone banking market on Friday in response to fears over the US housing sector, taking its cash injections to 155.85 billion euros (212.98 billion dollars) in two days.

The ECB's fresh move followed a worldwide scramble by central banks to ward off a global credit crisis linked to the risky US subprime loan market.

The bank said in a statement to traders it was making 61.05 billion euros available on Friday after injecting a record 94.8 billion euros on Thursday.

The ECB, the guardian of the euro, said the fresh move was a "fine tuning" operation which "follows up on the operation conducted yesterday and aims to assure orderly conditions on the euro money market."

The cash injections by the

Frankfurt-based ECB, which enable commercial banks to borrow from the central bank to meet their liquidity needs, are designed to forestall a credit freeze linked to problems in the US subprime mortgage market.

Subprime loans are offered to Americans who have a poor credit rating and might otherwise be denied credit.

The current crisis stems from concerns that banks exposed to losses in the high-risk subprime market might have insufficient cash to continue lending normally, thus causing a credit crunch.

Heinrich Bayer, an analyst at Postbank, said the ECB's second intervention "indicates there is still some nervousness in the market."

The Federal Reserve and Japanese central bank made similar interventions in the preceding 24 hours to ensure that money markets continue to function normally.

The ECB pumped in more on Thursday that it did after the

September 11, 2001 attacks on the United States which rattled world financial markets.

On Friday, the ECB said the cash, in the form of loans, would be made available at a rate of 4.0 percent for loans of a minimum of one billion euros.

Following the ECB's move on Thursday, Japan's central bank injected one trillion yen (8.5 billion dollars) into the money markets on Friday.

The intervention of central banks was making investors shaky on Friday and interpreted by many as a signal that the credit squeeze was more serious than first thought.

London's FTSE 100 shed 3.14 percent, in Paris the CAC 40 plunged 2.99 percent while Frankfurt's DAX 30 lost 1.63 percent.

Siemens to create 10,000 jobs by fiscal year's end

AFP, Frankfurt

German engineering giant Siemens plans to create more than 10,000 new jobs worldwide during the business year ending in September, most of them abroad, a company spokesman said Wednesday.

Between October 1, 2006 and the end of June, Siemens hired 8,200 new people including about 300 in Germany.

"All hell is breaking loose at most of our divisions. The orders continue to be strong and in some areas we have exhausted our capacity," the spokesman said.

The figures provided do not take into account units Siemens has sold off or intends to unload, including its troubled Enterprise Communications subsidiary where Siemens has plans to slash 600 jobs in Germany alone this year.

Siemens is the top employer in Germany with about 145,000 staff here and 445,000 worldwide.

Yamaha Motor to build new plant in Philippines

AFP, Tokyo

Japan's Yamaha Motor announced plans Thursday to build a new motorcycle factory in the Philippines that will start operating in 2009 to meet rising sales there.

It did not disclose financial details but the Nikkei business daily reported the initial investment in the new plant south of Manila will be about three to four billion yen (25-33 million dollars).

Yamaha will start operating a first assembling plant in the Philippines next month with a production capacity of 70,000 motorcycles in 2008, it said.

Yamaha Motor in May set up a 100 percent-owned subsidiary for production and sales in the Philippines and has hired about 120 employees.



PHOTO: UTTARA BANK

Managing Director and CEO of Uttara Bank Ltd Shamsuddin Ahmed speaks at the bank's zonal heads' conference-2007 held recently in Dhaka. Other senior officials are also seen.



PHOTO: JAMUNA BANK

The 'Half-yearly Branch Managers' Conference-2007' of Jamuna Bank Ltd was held recently in Dhaka. Chairman of the bank Nur Mohammad, managing director and other senior officials were present at the meeting.

Japan's self-sufficiency in food falls amid China concerns

AFP, Tokyo

Japan's self-sufficiency in food has slipped below 40 percent for the first time in more than a decade, the government said Friday, amid mounting concern about a reliance on Chinese imports.

The portion of Japan's food produced at home came to 39 percent in the year to March, falling below 40 percent for the first time in 13 years and one point down from the previous fiscal year, official data showed.

"Poor weather led to poor crops while the declining consumption of rice has failed to stop," said an official at the ministry of agriculture, forestry and fisheries.

The news came at a time of growing concern both in Japan and overseas about food from

China following a string of high-profile scares.

Japan counts on China as its second largest foreign supplier of food after the United States.

Japan's food self-sufficiency was still above 70 percent in the early 1960s but has since steadily declined as the world's second largest economy shifts away from agriculture and as the diet becomes more Western.

The Japanese are increasingly turning away from rice, the long-time staple of their diet.

Annual rice consumption per head has been around post-World War II lows as different foods enter Japanese kitchens and working women opt for quicker-to-serve bread or pasta meals.

The last time Japan's food self-sufficiency fell below 40 percent was in 1993 when the rice crop was hit by a cool summer.

China to realise full industrialisation by 2021

ANN/ CHINA DAILY

The composite index of China's industrialization level would reach 100 by 2021, at which point the nation will have realized complete industrialization, according to China's first Blue Paper for Industrialization unveiled by the Chinese Academy of Social Science (CASS) yesterday.

The composite index includes five main indicators, including the gross domestic product per capita, the gross product ratio among the agriculture, industry, and service industries, the proportion of manufactured goods of all total consumer goods, the population urbanization rate, as well as the employment rate in the agriculture, industrial, and service industries.

Based on a couple years of research on China's industrialization processes, the national social

science academy concluded that the country has entered the later half of the intermediate industrialization phase.

The blue paper suggested that the proportion of agriculture as of 2005 has dropped to 12.6 percent of the national economy in terms of gross product. That figure is down from 27.9 percent in 1978, with the initiation of economic reforms. The employment rate in agriculture also declined to 44.8 percent in 2005 from 70.5 percent in 1978.

Meanwhile, the proportion of service industry production climbed to 39.9 percent in 2005 from 24.2 percent in 1978, and the employment rate there rose to 31.4 percent in 2005 from 12.2 percent about three decades ago.

The researching panel of the academy separated the industrialization processes into initial, medium, and final phases.

Weekly Currency roundup

August 05-August 09, 2007

Local FX Market

The US dollar/BDT market was liquid and USD remained steady against the BDT in the week. The dollar showed little movement against the Bangladeshi taka.

Money Market

Overnight money market was flat this week. The call money rate was range bound and most of the deals ranged between 6.50 and 6.60 percent throughout the week.

International FX Market

In the beginning of the week, the dollar softened broadly, touching a 15-year low against a basket of currencies as investors speculated that rising credit market risk and softening US data could force a cut in US interest rates. The dollar index dipped below the psychologically key 80.0 level, while the euro hovered within sight of its record high struck two-week ago.

US dollar was locked in narrow ranges against other major currencies in the middle of the week as investors awaited a Federal Reserve policy meeting. Monday's 2 percent rally in US stocks helped ease investor worries about a credit squeeze, but analysts were still expecting the US central bank to acknowledge recent turbulence after a widely-expected decision to leave rates on hold. Euro was also steady against Japanese yen.

By the end of the week, the low yielding yen jumped against the dollar and euro, while high yielder slid as investors cut exposure to carry trades due to continuing worries over problems in credit markets. The surge in short-term rates gave support to the dollar against other currencies, including euro. However, worries about the impact on the wider economy from problems in the US sub prime market refused to subside.

- Standard Chartered Bank



PHOTO: NEXT NET

Rupali Life Insurance Company Ltd and Next Net Ltd, an information technology, media and telecoms content provider, have recently entered into an agreement under which clients of the insurance company will be able to get details of their policy status through SMS (short message system). Noor Mohammad Bhuyan, managing director of the insurance company, and Md Aminul Hoque and Md Habibul Haq, directors of Next Net, among other senior officials from both the sides, were present at the signing ceremony.

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