



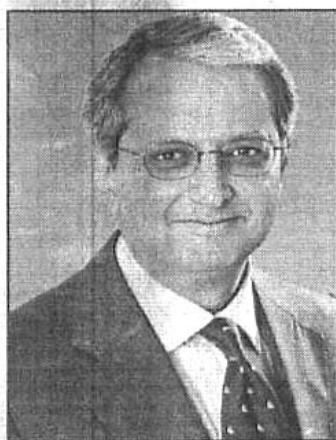
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Vikram Pandit

Citigroup appoints new CEO

AFP, New York

US banking giant Citigroup announced Tuesday that it had appointed company executive Vikram Pandit as its new chief executive officer with immediate effect.

Pandit's appointment comes after former CEO Charles Prince stepped down last month as Citigroup told investors it was facing further investment losses of between eight and 11 billion dollars.

Citigroup, America's second-largest banking group by market worth, has been hit hard by losses from mortgage-backed securities and a widespread credit crunch sweeping US financial markets.

"The Board of Directors of Citigroup today announced that it has appointed Vikram Pandit as the company's new chief executive officer and member of the Board of Directors, effective immediately," the global banking firm said.

The bank also said that Sir Win Bischoff, who has been acting as CEO since November 4, would succeed former US Treasury secretary Robert Rubin as company chairman.

Rubin will continue to serve Citigroup as the chairman of board's executive committee.

Pandit's appointment follows a weeks-long high level search for a new CEO. Media reports claimed that Citigroup had considered several other candidates including Deutsche Bank chief Josef Ackermann.

The new CEO has considerable banking experience, but has never run a financial firm as complex and large as Citigroup, a diversified global financial services company.

Pandit had previously overseen Citigroup's Institutional Clients Group and also briefly ran a hedge fund called Old Lane. Prior to these posts, he held several positions at Citigroup rival Morgan Stanley.

He sits on the board of the Indian School of Business.

Bangladesh elected SATRC chair

STAR BUSINESS REPORT

Bangladesh has been elected the chair of the South Asian Telecommunications Regulators' Council (SATRC) for the next one year term.

The members of SATRC in its ninth meeting in Dhaka yesterday unanimously elected Bangladesh as its chair. The 3-day meeting concluded yesterday.

Major Gen (rtd) Manzurul Alam, chairman of Bangladesh Telecommunication Regulatory Commission, will represent Bangladesh as the chairman of SATRC, says a press release.

SATRC members include Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan and Sri Lanka.

Visitors throng mobile phone fair

STAR BUSINESS REPORT

Visitors thronged the venue of the five-day international mobile phone fair yesterday at Bangladesh China Friendship Conference Centre in Dhaka.

People from all walks of life were trying to get the best deals on almost everything related to mobile phone at the second version of the show, said a press statement.

A good number of vendors and service providers are offering handsets and different services at

Local garment accessory industry meets 80pc demand

REFAYET ULLAH MIRDHA

Around 80 percent demand for accessories used in exportable garment and knit items are now locally met as more than 100 accessory manufacturing industries have so far sprang up in the country, according to industry insiders.

They said on expansion of readymade garments (RMG) and knitwear markets overseas since 1990, such accessory factories have been thriving with over 20 percent growth per annum.

"Previously, Bangladesh was totally dependent on import of this intermediary item for using in RMG and knit products," said an exporter, adding that then the local businessmen's main source of such items was Hong Kong.

RMG makers said the demand for accessories has been on the rise

because they have resorted to transfer of production to value added items in order to sustain global competition.

The contribution of accessories in exports of garment and knit items is more than 10 percent meaning US\$1.0 billion per year, according to S A Nasir, a local garment buyer.

He said excepting those of buyers' choice, the local producers of accessories supply cartoon, zippers, button, pocketing fabrics, hangtag sewing thread to the garment and knit manufacturers from their industrial units.

Nasir, however, pointed out that the local industries have yet failed to manufacture some costly accessories like ornamental stones, belt and clips for using those in brand exportable garment items, which are now being imported mainly

from Hong Kong.

When asked about spring up of accessory industries here, a senior official of Dekko Group, one of the largest local manufacturers of accessories, said entrepreneurs come forward with huge investment as establishment costs for such units are comparatively low.

An entrepreneur can set up a full fledged accessories industry in Bangladesh at a cost of Tk 40 crore, whereas more than Tk 1 billion is required for setting up even a small textile mill or woven factory, he said.

According to him, at present, more than 100 factories are in operation in Bangladesh to produce and supply of accessories to the garment manufacturers.

He said a little quantity of accessories are being exported to China, India and Vietnam.

Asian stocks slide after US interest rate cut

AFP, Hong Kong

Asian stock markets skidded lower Wednesday, following Wall Street into the red on fears a quarter-point interest rate cut by the Federal Reserve may not be enough to ward off a US recession.

While the US central bank's decision to trim its key federal funds interest rate by 25 basis points to 4.25 percent was in line with market expectations, dealers said some investors had been hoping for a more aggressive cut.

Markets in Asia, however, managed to recover some of their losses in late trade as investors took the view that the initial sell-off was excessive.

The US housing woes have triggered multibillion-dollar losses for major banks that snapped up mortgage-backed securities during a housing boom.

TOKYO: Japanese share prices closed down 0.70 percent after a quarter-point US interest rate cut disappointed some investors on Wall Street who had been hoping for more aggressive action.

HONG KONG: Hong Kong share prices closed sharply lower, down 2.41 percent, led by properties and banks, as investors showed their disappointment at the US Federal Reserve interest rate cut.

Hong Kong moved in line with other Asian markets which fell after the Fed cut its key rate by only 25 basis points.

Dealers said most investors expected the Fed to take a more aggressive stance by slashing rates by as much as 50 basis points amid

worries of a sustained subprime-related credit crunch towards year-end.

SYDNEY: Australian share prices closed sharply lower, tracing losses on Wall Street on disappointment at the size of the Federal Reserve's interest rate cut.

The SP/ASX 200 recovered closed down 65.2 points at 6,615.2. Volume traded was 1.53 billion shares worth 5.92 billion dollars (\$1.9 billion US).

Macquarie Equities director Lucinda Chan said investors had hoped US interest rates would be slashed 50 basis points and they showed their disappointment when the US Federal Reserve delivered a cut only half that size.

SHANGHAI: Chinese share prices closed 1.54 percent lower mirroring falls on other Asian markets and amid renewed concerns over the local real estate sector.

Dealers said commercial banks and property extended declines after China's central bank warned late Tuesday of greater risks and irregularities in real estate and ordered better loan risk management at banking institutions.

SEOUL: South Korean share prices closed slightly higher as institutions bought back oversold stocks betting that Wall Street's selloff had been an overreaction to a US rate cut.

Dealers said the market initially slid but managed to recoup early losses, driven by firmer NASDAQ futures and strong institutional interest.

SINGAPORE: Singapore share prices closed 1.11 percent lower in

line with regional falls after a key US interest rate decision.

Dealers said the Federal Reserve's quarter percentage point cut to US interest rates disappointed investors looking for more decisive action.

KUALA LUMPUR: Malaysian share prices closed 0.7 percent lower as US policymakers disappointed Wall Street with a quarter-point cut in its federal funds target rate, dealers said.

BANGKOK: Thai share prices closed 0.76 percent lower on a regional sell-off, which followed a plunge on Wall Street as investors were disappointed by a modest US interest rate cut.

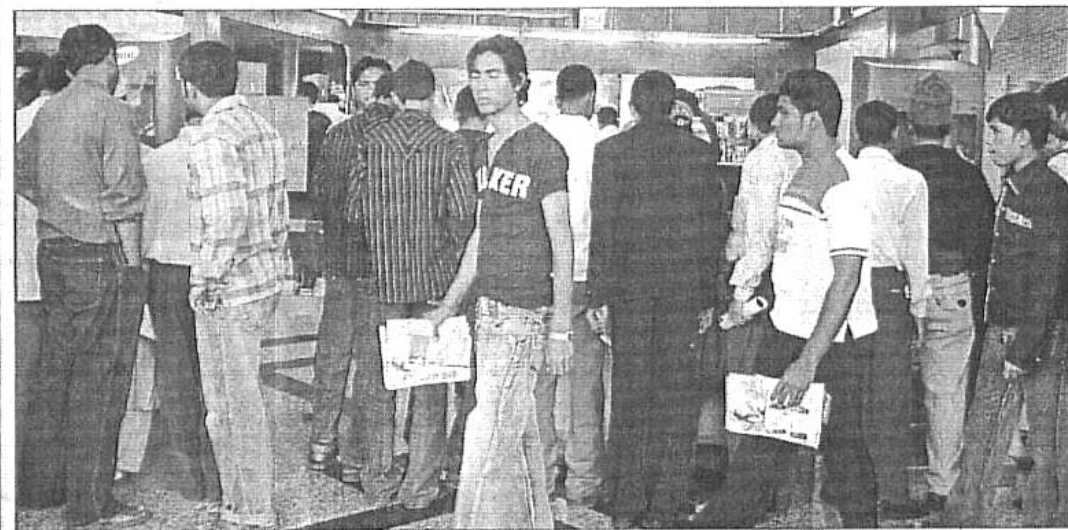
Dealers said investors also traded with caution ahead of Friday's court ruling over the fate of Thailand's top energy firm PTT. Consumer groups asked a court to rule on whether the privatization of the petroleum giant was illegal.

JAKARTA: Indonesian share prices closed 0.5 percent lower as investors locked in gains from a record-breaking rally, with Wall Street's overnight slide also weighing on sentiment.

Dealers said the quarter point US rate cut was widely expected but it still disappointed some investors who were hoping for a bigger 50-basis-point reduction.

MUMBAI: Indian share prices rose 0.42 percent in choppy trade after a quarter-point cut in US interest rates failed to erase worries over the global economic outlook.

Dealers said buying was strong in mid and small-cap stocks, but sporadic benchmark index stocks.



Visitors throng the venue of Dhaka International Mobile Phone Fair at Bangladesh China Friendship Conference Centre in Dhaka. The show comes to a close tomorrow.

India logs surprise 11.8pc industrial growth

AFP, New Delhi

India's industrial production rose by an unexpectedly strong pace in October as the festival season boosted consumer demand, data showed.

Output by factories, power utilities and other sectors grew by 11.8 percent, up sharply from 4.5 percent growth in the same month a year ago and a revised 6.8 percent in September, India's Central Statistical Organisation reported.

The figure -- the fastest growth in seven months -- easily beat the consensus market forecast of 10 percent growth.

Industrial growth often spurts higher in October as India's festival season moves into high gear and the majority Hindu population splashes out on gifts for Diwali or the Festival of Lights -- a key date on the Hindu calendar.

India's 140 million Muslims also celebrate the major Muslim festival of Eid al-Fitr that marks the end of the fasting month of Ramadan.

The exceptionally strong October output rebound reflected inventory buildup for the holiday season and a low base effect in the previous year that had been considered a statistical aberration, analysts said.



WB VP Patel arrives today

UNB, Dhaka

World Bank Vice President for South Asia region Praful C. Patel arrives here today on a three-day visit to discuss the bank's support strategy with the government.

"Recovery from Cyclone Sidr and longer-term disaster mitigation and adaptation systems are expected to top the agenda with the Government of Bangladesh," said a statement here yesterday on the visit of the senior World Bank official.

In the immediate aftermath of the November 15 cyclone, the World Bank announced it could make up to US\$ 250 million available to Bangladesh for needs ranging from recovery to longer-term disaster mitigation.

The bank recently provided US\$ 75 million in budget support following the devastating August floods and was preparing additional support of US\$ 130 million by reallocating funds from the current International Development Association (IDA) commitment to Bangladesh.

Patel is expected to meet Chief Adviser Dr Fakhruddin Ahmed and other government officials to discuss how the bank could best contribute to the government's long-term disaster management efforts.

RMG makers pledge workers' wages by Dec 19

STAR BUSINESS REPORT

Readymade garment (RMG) sector leaders yesterday pledged to pay due salaries and allowances to their employees by December 19 to avert any unrest in the sector before the Eid-ul-Azha.

The government, meantime, said it would initiate legal actions against 32 garment units after first week of January in case of failure in complying with minimum wage by this month.

The decisions came at a tripartite meeting among garment factory owners, employees and the government.

Chaired by LGRD and Labour and Employment Adviser Anwarul Iqbal, the meeting, held at the Ministry of Labour and Employment, was attended by leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), different intelligence agencies and Garment Employees Association.

When the adviser asked the garment factory owners to specify a date for paying the employees' salary and allowances, BGMEA and BKMEA leaders said they would pay the dues up to November by December 19.

BGMEA President Anwarul Alam Chowdhury Parvez, however, requested the government to help the garment units, which are suffering from financial constraints, in getting bank loans on the basis of their performance.

When the issue of complying with minimum wage came up, the BGMEA leaders submitted a list of 32 out of 2,880 BGMEA members who failed to comply with it and asked the government to take steps against them considering their performance.

After a series of violence at garment factories across the country over raising the salary of the employees last year, a tripartite committee decided the minimum wage for garment employees at Tk 1,662.50.

Eastern Housing okays 15pc cash dividend

Eastern Housing Ltd yesterday declared 15 percent cash dividend, says a press release.

The declaration came at the 43rd annual general meeting (AGM) of the company held in Dhaka.

Presided over by Director Md Abdul Wadud, the AGM was attended by senior officials and a large number of stakeholders of the company.

'Extended family' culture still influences recruitment process

Reveals HR practices survey

STAR BUSINESS REPORT

An 'extended family' culture in Bangladesh still influences recruitment process in firms and organizations, as employers prefer hiring through known contacts, said an HR practices survey in Bangladesh.

The survey report also said in talent hunt for running a corporate house or an NGO, newspapers continue to be the most commonly used source.

Ernst & Young, a leading global business advisory services firm, revealed the survey report at a symposium in Dhaka yesterday.

Latifur Rahman, president of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, formally launch the report as chief guest.

NS Rajan and Anurag Malik of Ernst & Young Pvt Ltd, India, among others, were present at the report launching ceremony.

Ernst and Young in association with MCCI, Dhaka, started the HR (human resources) survey for the first time in Bangladesh in May 2006. The survey was conducted on the performance of 70 corporate houses and NGOs across the country, Ernst and Young officials said.

The HR Practices Survey Bangladesh 2006-07 said competency based assessment is a recent entrant, adopted currently only by a few enterprises in Bangladesh.

Performance management systems need to be geared up to unlock human potential, the report said.

According to the report, 63 percent of the surveyed organisations have information on manpower requirement for next one to two years, and 58 percent organisations attach critical importance to tackling the performance of the HR department.

The report revealed that 75 percent of the organisations surveyed do not solicit new and innovative ideas from subordinates.

It said inflation and consumer price index are primarily used for fixing wages, but the review of wages is not frequent. "Some



Latifur Rahman (R), president of Metropolitan Chamber of Commerce and Industry, Dhaka, and NS Rajan of Ernst & Young Pvt Ltd, India, pose for photographs at the launching ceremony of HR Practices Survey Bangladesh 2006-07 in the capital yesterday.

organisations have also introduced variable components in the wage structure."

The report said Bangladesh is buoyant and on the verge of an economic boom. A great opportunity exists for HR professionals to contribute to organisations and the economy by tapping human talent potential in the right way.

"The elements of the HR value chain that are likely to take front seat in Bangladesh in the near future include performance and potential management systems, competency-based HR systems, variable pay systems, reward and compensation, succession planning, employer branding, and leadership capability development."

At the report launching programme, Latifur Rahman said Bangladeshi companies now need

to concentrate more on highly value-added products and services produced by a skilled and motivated workforce.

"Training is no longer the issue but rather the development of appropriate skills will be a vital factor for HR development," the MCCI chief said.

He said in Bangladesh, unfortunately no systematic study has been undertaken of the skills needed by enterprises in the 21st century and beyond.

"MCCI has been advocating the importance of HR development for a long time. The country's changing labour market dynamics denote a fresh look on the issue. The gap between a knowledge-based workforce and a labour intensive workforce will definitely widen in the coming decade across the region," Latifur Rahman said.

EU agrees free trade access for 15 poor nations

AFP, Brussels

EU foreign ministers on Monday adopted rules allowing practically free access to the European market for products from 15 African, Caribbean and Pacific (ACP) nations who have agreed an interim trade deal with the bloc.

A further 27 ACP nations, including 14 in the Caribbean, risk having higher customs tariffs if they fail to initial new trade deals by the end of the year.

Monday's decision affects seven African nations -- Botswana, Ivory Coast, Kenya, Mauritius, Seychelles, Swaziland and Zimbabwe -- plus Fiji and Papua New Guinea in the Pacific.

All their export products, except rice and sugar, will be allowed into the EU without duty charges or quota restrictions. In exchange they will progressively open their markets to European goods -- to between 80 percent and 90 percent depending on the country involved -- over the next 25 years.

Six other African nations are also included in the rules adopted Monday -- Burundi, Lesotho, Mozambique, Rwanda, Tanzania, Uganda -- will retain their preferential market access as less devel-

oped nations, even if they don't initial a new deal.

For the last five years the European Commission has been negotiating with 78 ACP nations Economic Partnership Agreements to replace, by the end of this year, the existing preferential trading regime between Europe and its former colonies.

The World Trade Organisation deemed the current regime incompatible with international rules and in effect ordered them to be replaced by 2008.

Seeing that it would be impossible to reach a full agreement in time, the Commission has concluded interim agreements in recent weeks, dealing solely with goods and leaving the services aspect of the deal to be hammered out next year.

But even the lesser agreement has proved elusive in some cases.

South Africa, which already has a bilateral agreement with the EU, and therefore has nothing to lose, is among the hold outs.

EU Trade Commissioner Peter Mandelson said that the Pacific nations yet to initial a deal did practically no trade with the European Union and therefore would not lose out.

Iran to launch 'Islamic car'

AFP, Tehran

Iran is to lead the production of a new vehicle dubbed the "Islamic car" targeting Muslim markets and to be built only in Islamic states, its largest auto manufacturer Irankhodro said on Wednesday.

Irankhodro chief executive Manouchehr Manteghi said the vehicle would be a joint venture by members of the pan-Islamic grouping, the Organisation of the Islamic Conference (OIC).

"The Islamic car is a joint brand among member states of the Organisation of Islamic Conference (OIC) targeting Muslim markets and aimed at boosting their economy and industry," he told reporters.

He added that delegations from the OIC, Turkey, and the Malaysian automaker Proton would meet in Tehran in January to prepare the framework of the project, which would later be debated at an OIC summit in March 2008.

Proton's managing director Syed Zainal Abidin Syed Mohamed Tahir had in November described the Islamic car as fitted with a compass to find the direction of Mecca and a compartment to keep the Koran.



Md Abdul Wadud, director of Eastern Housing Ltd, presides over the 43rd AGM of the company in Dhaka yesterday. Senior officials and a large number of stakeholders also attended the annual event where the company approved 15 percent cash dividend.