

**International Business News**

**Oil prices rise on supply worries**

AFP, Singapore

World oil prices rose by more than one dollar in Asian trade Monday on supply concerns amid the escalating fighting between Georgia and Russia, dealers said.

In afternoon trade, New York's main contract, light sweet crude for September delivery, was up 1.54 dollars at 116.74 dollars a barrel.

London's Brent North Sea crude for September delivery gained 1.80 dollars to 115.13.

Supply disruptions are once again a major concern. The head of Azerbaijan's state oil company said Saturday that exports had been halted via two Georgian ports due to the fighting.

That announcement came shortly after Georgian Prime Minister Lado Gurgenzidze said that Russian warplanes had staged a raid near the Baku-Tbilisi-Ceyhan (BTC) pipeline, the world's second longest.

Georgia does not produce oil but the country is a key transit point for crude and gas exports from Azerbaijan to markets in the West.

**SingTel's regional mobile users near 198m**

AFP, Singapore

Singapore Telecommunications (SingTel) said Monday its regional mobile user base was up 45 percent to almost 198 million in the second quarter against a year earlier.

India led the way as SingTel's mobile associate Bharti added a record 7.4 million new users to bring its total mobile base to 69.38 million at the end of June, the Singapore telecom carrier said in a statement.

Bharti, the largest GSM operator in India, makes up 35 percent of SingTel's mobile base in the Asia-Pacific.

SingTel, the largest telecom firm in Southeast Asia, holds a 30.44 percent stake in Bharti as well as stakes in other mobile firms in the region.

For SingTel's other associates, mobile users at Indonesia's Telkomsel rose by 1.11 million during the June quarter to 52.44 million and Thailand's AIS subscribers increased by over 877,000 to 25.96 million.

**Singapore predicts decline in key exports**

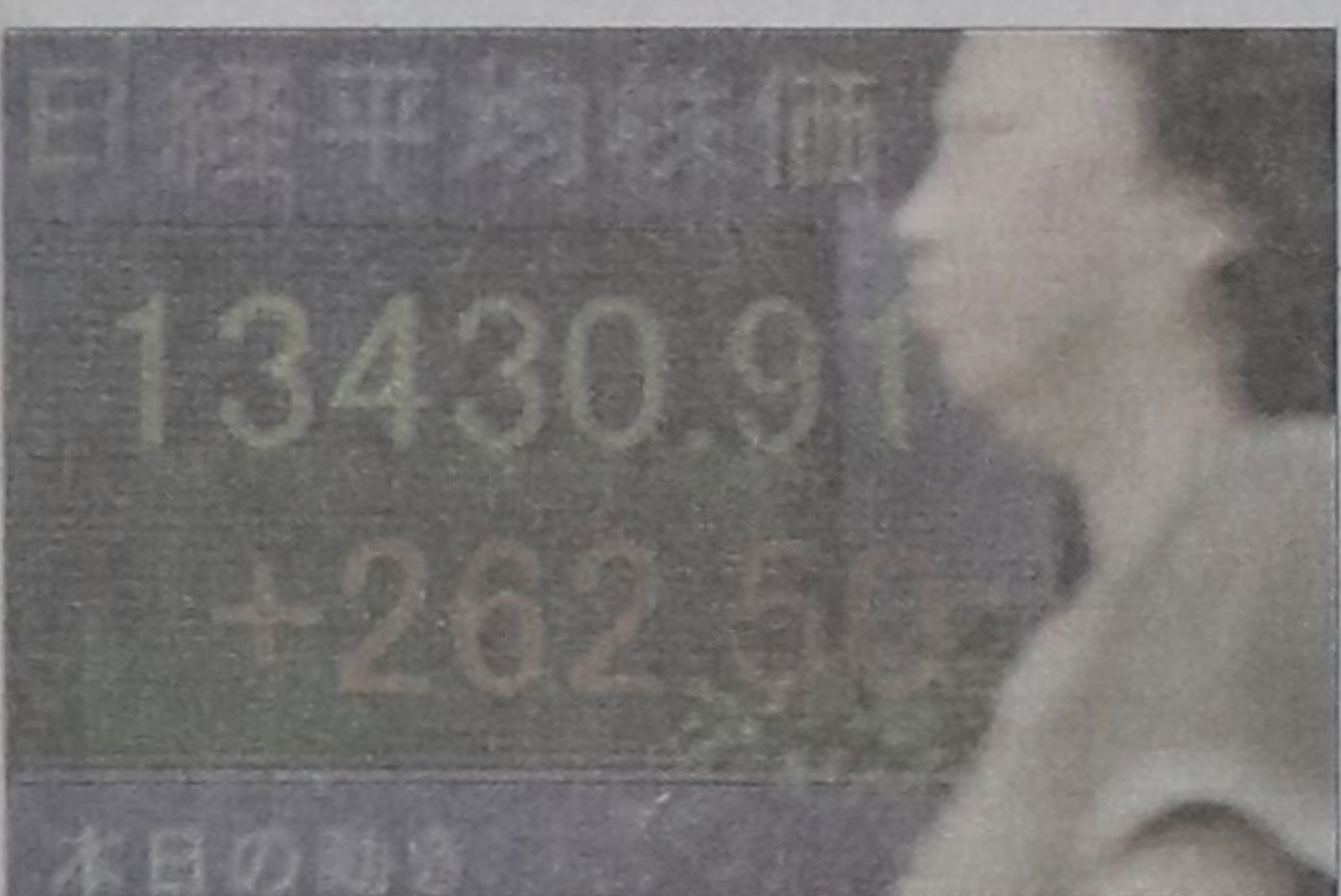
AFP, Singapore

Singapore said Monday its key exports could fall up to four percent this year as a global economic slowdown takes its toll on Southeast Asia's most advanced economy.

The city-state's main non-oil domestic exports could fall two to four percent against a previous forecast of a rise of two to four percent, said trade promotion agency International Enterprise Singapore.

"The developed economies are expected to lead the slowdown in global economic activity, with their real GDP (gross domestic product) growth forecasts for 2008 moderating significantly from that in 2007," it said.

Sluggish US demand and concerns about a European slowdown have cast a shadow over the prospects for Singapore's exports of items such as electronics, pharmaceuticals and chemicals.



A woman walks past an electric quotation board flashing the key index of the Tokyo Stock Exchange in front of a securities company in Tokyo yesterday. Japanese share prices closed up 1.99 percent on August 11, supported by gains on Wall Street, a fresh fall in the cost of crude oil and a weaker yen, which is good for exporters.

**ROK to sell stake in airport in privatisation plan**

AFP, Seoul

South Korea's new conservative government Monday announced plans to sell off a 49 percent stake in the main international airport as part of its attempt to reform state firms.

Privatisation was a key campaign pledge by President Lee Myung-Bak, who took office in February.

But the campaign was delayed following months of street protests against a decision to resume US beef imports and against other policies, including privatisation.

The finance ministry said Monday that 41 state firms would be privatised, merged or restructured under the first phase.

**Global shipbuilding industry enters adjustment period**

XINHUA, Beijing

The global shipbuilding industry is in a period of adjustment after five years' lasting expansion, according to China Association of National Shipbuilding Industry.

China's shipbuilding industry has suffered from a series of negative factors, such as the US sub-prime crunch, depreciation of the US dollar, soaring price of energy and materials, hiking labour cost and tight money supply within the country.

The entire shipbuilding industry had received 36.64 million dead weight tons of new orders in the first half of this year, down 14 percent from a year earlier.

**DEBATE**

**Where is credit going?**

SAJJADUR RAHMAN

There is a heated debate going on over the banks' credit growth for the past several months. Bangladesh Bank (BB) Governor Dr Salehuddin Ahmed himself said credit flows need to be scrutinised to see where it is going. The issue has also been stressed in the recently announced monetary policy for the July-December period.

Has the business community or investors really gained their confidence back?

Statistics reveal a striking growth in credit figures from the second half of the last fiscal year. The overall credit growth for all banks between June 28, 2008 and June 26, 2008 was 20 percent, against a 16 percent growth in deposits.

Loans and advances of all 48 banks stood at Tk 159,680 crore in June 2007. In a year's time, loan amounts for those banks increased by Tk 31,160 crore and stood at Tk 190,840 crore. Further breakdown of the figures shows that 30 private banks alone accounted for Tk 29,905 crore credit figures, during the

Banks' credit flow (Figure in taka crore)			
Banks	June 28, 2007	June 26, 2008	Growth
State-owned	51,655.49	48,135.82	-7%
Private	84,272.37	114,177.67	35%
Foreign	11,755.94	14,827.98	26%
Specialised	11,996.16	13,699	14%
Total	159,679.96	190,840.47	20%

period. Foreign banks' credit grew by 26 percent and government-owned specialised banks, by 14 percent.

The one exception was the four state-owned commercial banks. They managed to incur a seven percent decrease in credit disbursement during the same period.

Private commercial banks (PCBs) were the leaders by far, bagging an amazing 35 percent growth in credit disbursement. BB statistics also show the credit deposit ratio of 27 out of 30 PCBs significantly increased between June 2007 and June 2008. The average credit deposit ratio rose by nine percentage points to 89.15 percent in June 2008 against the BB guideline

of 82 percent.

Now let us look at where the credit has gone.

A sector-wise credit analysis of BB for the March 2007 and March 2008 period shows credit for the purchase of apartments increased by 233 percent, communications and transport by 53 percent, credit card by 36 percent, industry by 27 percent, working capital by 25 percent and business by 19 percent.

Retail banking, such as loans for flat purchase, credit card, auto loan etc, is fast growing in the 150 million consumer's nation of Bangladesh.

Standard Chartered Bank and BRAC Bank, the country's two largest consumer

banks, have doubled their efforts and product lines to net more consumers.

Standard Chartered Bank's consumer credit stood at Tk 1,679.43 crore at the end of 2007, while BRAC Bank's consumer loan reached about Tk 900 crore in June 2008 from Tk 825 crore in May 2008, according to the banks' sources.

But analyst and bankers said loans are not being channelled to the productive sectors because investors still feel shaky about investing in new ventures, which would create direct employment.

"One can easily get the position of new investment when he will see the employment generation data," analyst Prof Mahmood Osman Imam of Dhaka University, said. "Employment was too poor compared to the country's economic growth."

He said there was hardly any significant investment that took place among the new ventures during the past one and a half years. It may have been that it was for the actions against corruption that propelled fear into the

businesses, he added.

"Nothing, not even the anti-corruption drive of the present government, is clear," said Anwar-Ul Alam Chowdhury Paryez, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The BGMEA president said, "An investor feels shaky because he knows that he may be quizzed for any investment he/she makes from his/her equity."

Rumee Ali, chairman of BRAC Bank and a former deputy governor of BB, however said: "Investors' confidence is being restored slowly."

Ali, a pioneer in consumer banking in Bangladesh said: "Investment decision has to be taken on time. You cannot delay too long because it is a question of your survival."

Maybe, a businessman did not invest in a big new venture, but he/she has to continue making investments to sustain in the market, Ali added.

"The manufacturing sector is referred to as the productive sector, such as SMEs

and agriculture, that creates employment," Rumee Ali said. "So the credit flows reflected in BB's data doesn't mean productive sectors although these sectors do create some sort of employment," he continued.

Ignoring the percentage growth in the housing sector, the BRAC Bank chairman said the industry is equity driven, not debt-based like other countries. "Consumers here use their savings to buy a flat or an apartment," he added.

The credit growth in the purchase of apartments has increased significantly in terms of percentage, may not be in absolute terms though, Prof Osman Imam said. Rumee Ali said BB's refinancing scheme has played an important role in boosting the flat purchase credit.

Although housing, credit cards and transport and communications are not productive sectors, these are the complementary areas to the real or productive sectors, Osman Imam said.

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**COLUMN**

MAMUN RASHID

**Womenomics: The economic cost of discrimination against women**

Last Saturday there was a dialogue on the economic impact of home violence. Incidentally the same economist who did her PhD research from the University of London on the economic impact of environmental degradation (popularly known as Green Accounting), led the study conducted by a popular advocacy and public policy dialogue organisation.

As usual, the study (although performed within a limited target market) revealed the ultimate cost of home violence, in the form of treatment for healing the wounds, consultancy costs for getting rid of the mental agonies, rehabilitation, separation expenses, etc. The governments' and political regime's help and assistances were also sought to reduce or eradicate the violence against women. Additionally, noted economist Professor Rehman Sobhan and the chief guest of the session, a female celebrity and a present government high-up, sought support from the media community to raise awareness against repression on women.

Usually these dialogues are meant for the civil society members, public representatives, social activists and relevant quarters and we get to know about these through print and electronic media (no wonder, why lately we get to see many of our economists putting more emphasis on media relations than the empirical research itself) reports.

However, I had to toil to find out who did conduct the study in this respect, who presented the paper and what the paper or study really meant. I am convinced the other readers were also left feeling the same way. I am sure the donor agency, who supported the survey or study and the people who conducted the survey or put in some kind of statistical analysis did not only 'beg' for sympathy from the media people or political regime to be more 'caring' or 'softy' to women.

The underlying or broader issue around this is - the economic cost of discrimination against women or womenomics. With my limited knowledge in economics, I know for certain, poverty is the main 'culprit' for violence or repression against women and we have seen in many countries, many communities how reduction or eradication of poverty has contributed towards women empowerment and consequently helped reduction in violence against women. Added to this are of course moral values imparted by social and community organisations or the family itself, coupled with a standard of education.

However, what is even more disheartening is when we find this tendency to draw disparity in the most literate of people. We then begin questioning our basic human rights and the foundation of our learning. Another compelling but not much talked about topic is that of 'mistrust' between couples. Some studies done in the developed world reveals 'mistrust' between husband and wife, extra marital affairs and physical vulnerability of the women induce home violence or repression against women. Nothing new though.

What has really annoyed me is - most of the newspapers or electronic channels did not mention the people who conducted the study, few of them though mentioned, did not carry any quote from them or picture of them or did not interview them. But had it involved a male personality (of course assuming same level of intellect or perhaps not even a mere competition), would the forum be publicised differently? Perhaps what we would have then seen is the airtime dedicated to showcasing the male individuals.

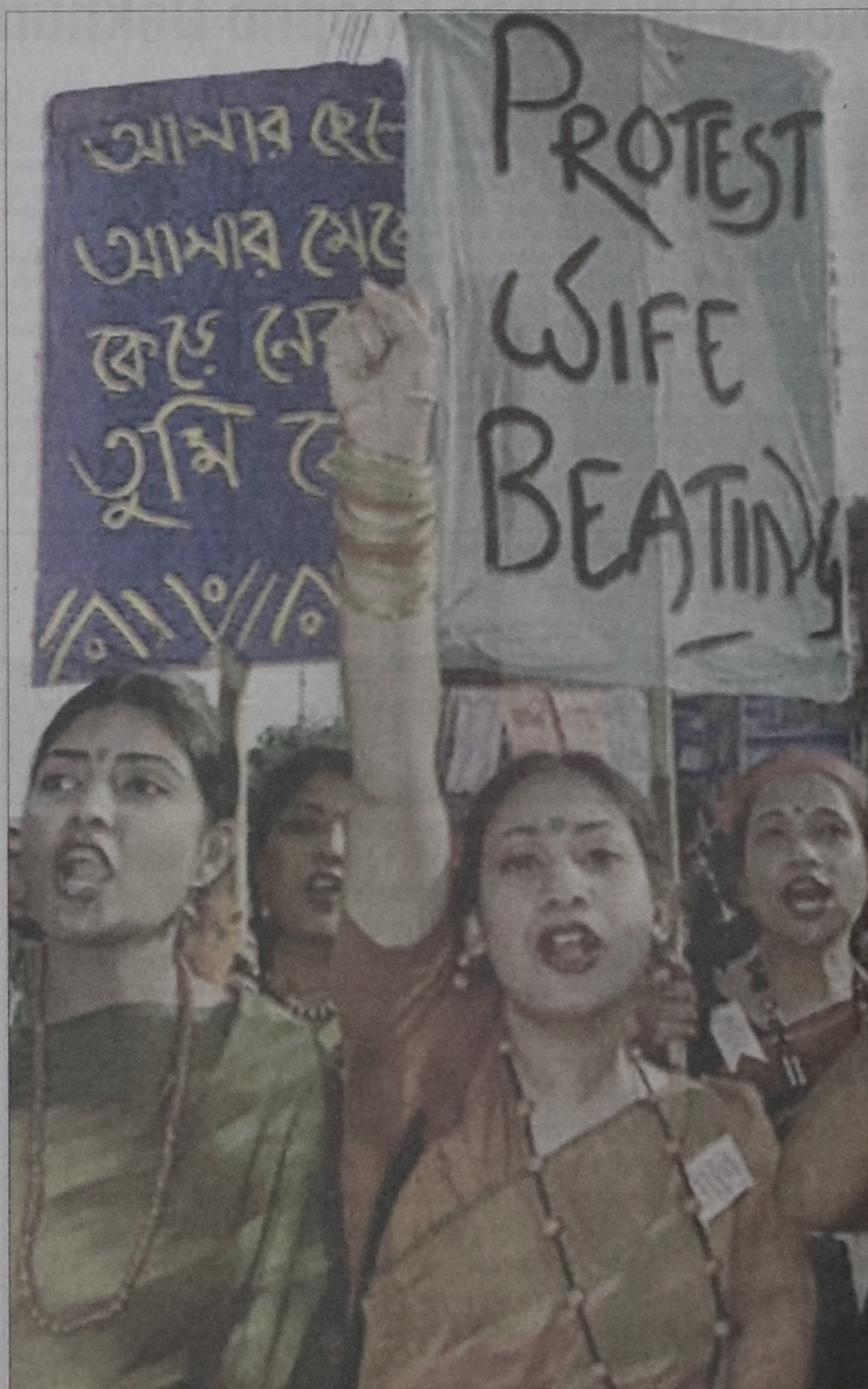
The present regime is being often said to be a civil society driven and one of the very 'influential' party of this regime- Mr. Mirza Aziz did mention to include more lady entrepreneurs, accountants or

economists into the decision making process of the state owned enterprises. Very well-intentioned. See, what happened till now? His ministry is finding it very tough to find suitable ladies while they do not mind giving those jobs to the same aged or even younger or less qualified male counterparts.

We keep on boasting about having two lady prime ministers in a predominantly Muslim country, but what happened to our qualified or working ladies? Were they integrated with the development process of the country? Could the present regime do much about effecting the women development policy? We are still listening to Professor Rehman Sobhan or Sultana Kamal's appeal to be more sympathetic to the women folks. Sympathy did not bring in anything in the past (though love and care contributed significantly towards building up mutual respect), nor stringent law could ensure reduction in home violence, it is the economic emancipation of the women, communities, societies, which can ensure eradication of the violence against women or home violence.

Most of the successful organisations in the world are diversity driven - encouraging more ladies to climb up the ladders, allowing them to create differences day in and day out because they know diversity has brought them competitive advantages and progress for themselves. Increasing competitiveness also means investing in the women folks, mainstreaming them, giving them their dues. Not seminar or symposium to 'beg' sympathy. Professor Yunus and his colleagues have proven this to rest of the world, if not Bangladesh and the time has come for us all to rise above the upheavals and emulate the role models. It's a full blown journey, not a half hearted or half cooked one.

The writer is a banker and an economic analyst.



Women are seen demonstrating to protest violence against women. They also demanded social awareness to eradicate such violence.. Poverty seems to be the main culprit behind triggering such acts of violence.