

International Business News

Pakistan has not yet requested IMF funding: Official

AFP, Islamabad
Pakistan has not yet made a formal request to the International Monetary Fund for cash assistance to help it overcome the current economic crisis, a top finance ministry official said Thursday.
Pakistan immediately needs up to 4.5 billion dollars to deal with a balance of payments crisis, which had raised the prospect of the violence-hit country defaulting on its foreign debts.
The IMF is one of the last options Pakistan looks at before shoring up funds from multilateral donor agencies and friendly countries, but has initiated discussions with the Fund because it has a few weeks to arrange the money.
"We have not formally requested the board of IMF for a facility as of now," financial advisor to the prime minister Shaukat Tarin told a press conference.
"We will do that when our discussions are complete and once we believe that there is no other option."
Tarin said that discussions with the IMF had been started so that if Pakistan needed funding, the Fund would have ample time to prepare.
"We will need 3.5 to 4.5 billion dollar in foreign exchange over the next 30 days," Tarin said.

Goldman Sachs to cut 10pc of jobs

AFP, Washington
Goldman Sachs Group Inc. plans to slash 10 percent of its workforce of 32,500 employees, in the latest sign of US economic woes resulting from the credit crisis, the Wall Street Journal said Thursday.
The cuts were expected "throughout the New York-based company," the newspaper said citing people familiar with the matter.
In September, tycoon Warren Buffett's Berkshire Hathaway agreed to buy five billion dollars of stock in the Wall Street bank which, along with investment bank rival Morgan Stanley, has converted to a bank-holding company amid the worsening financial crisis.
"The downsizing wave is likely to get worse on Wall Street in the next several months, from securities firms to hedge funds," the Journal said.
Among the planned job cuts are Barclays PLC, which plans to eliminate at least 3,000 US jobs, and thousands of jobs at Merrill Lynch & Co. due to the firm's impending takeover by Bank of America Corp.
Merrill has already cut five percent of its workforce this year, and some 75 workers were cut this week from its Asian fixed-income and equities trading desks as part of a global reduction of 500 trading jobs, the report said.



AFP
Chinese home-buyers check out a new housing project on display at a real estate fair in Chongqing, China yesterday. China announced a range of measures to boost the nation's ailing real estate market amid global financial turmoil, in a move to help home buyers and to take steps to lift the slowing sector and head off a market crash.

World bank lending plummets

AFP, Basel, Switzerland
Banks cut cross-border lending by 1.1 trillion dollars (977,000 billion euros) in the second quarter and clients withdrew a similar amount, central bank data on the severity of the global credit crisis showed on Thursday.
Cross-border lending fell to 39.1 trillion dollars during the period, the biggest decline for a decade, figures compiled by the Bank for International Settlements, the world's biggest central banking body, revealed.
Banks were also hit by one trillion dollars' worth of withdrawals, particularly by clients in the United States, Britain and Switzerland, said the BIS.
"In the second quarter of 2008, BIS reporting banks' total international claims declined by 1.1 trillion dollars at constant exchange rates to 39.1 trillion," said the Bank for International Settlements in its quarterly banking statistics review.
The scale of the contraction in lending far exceeded the only other two falls posted in the decade.

Global turmoil to hurt Sony profits

AFP, Tokyo
Sony Corp. warned Thursday that a global economic slowdown, a stronger yen and fierce price competition will slash its profits by more than half in the current financial year.
The bleak outlook signalled tough times ahead for Japan's electronics giants after several years of record profits thanks to strong sales of flat televisions, digital cameras and mobile telephones.
Sony, seen as a bellwether of corporate Japan, forecast a net profit of 150 billion yen (1.55 billion dollars) for the year to March, down 59 percent from last year and much worse than an earlier goal of 240 billion yen.
The stronger yen is the main culprit, reducing the value of overseas earnings. Sales of televisions, compact cameras and camcorders were also weak.
"The economic situation has rapidly deteriorated," said Sony's chief financial officer, Nobuyuki Oneda.

SECURITY SERVICE

Women stand guard

SAYEDA AKTER
Latifa Begum looked confident with a seemingly ever-lasting smile on her face when she was frisking well-dressed and beauty-conscious women with an intelligent electronic device at the entrance to a plush beauty salon in the capital.
The invariable smile bears the testimony to the professionalism of the 32-year-old security guard who was abandoned by her husband and came to Dhaka in search of work three years ago.
After working at some garment factories for more than a year, she decided to join a private security company to take up a job as a guard. Her family was hesitant about the decision as the profession was an unconventional one for women in a country such as Bangladesh.
But "when security and equality are in conflict, it will not do to hesitate a moment. Equality must yield," says late English philosopher Jeremy Bentham. And Latifa proved it by setting again an example of gender equality.



Women guard the entrance to beauty salon Persona's Dhanmondi branch.

"When my husband left me, I felt helpless, and my parents were behaving in such a way that I was a burden on them. So I wanted a job that will financially secure me and also bring me respect," said Latifa, now working for beauty salon Persona's Dhanmondi branch.
Last year, she joined Integrated Security Services (ISS), a private security company operating in the capital, and is happy with her job, responsibilities and the working hours.
"I am happy, because now I don't have to do back-breaking works here like I did at the garment factories, neither I fear any kind of harassments at workplace," she said.
Latifa is not alone.
By now there are about 2,000 women security guards, who are called "lady security" assistants, working for different security service providers mainly in the capital.
Women guards are being deployed

in almost everywhere -- from foreign embassies to beauty salons, banks to media houses, corporate houses to NGOs and shopping malls to community centres.
"The trend to form security companies emerged in late '90s, but the idea of engaging women was incorporated in 2002," said Mahmudur Rahman, director of ISS.
"Some women guards were deployed informally in cinema halls and shopping malls in the capital after several bomb attacks rocked the country at that time," he said.
"People were then extremely concerned about security in leisure places such as shopping malls or cinema halls," he said, adding that then security experts realised a woman could also carry firearms or bombs.
"It was easy and safe to carry these kinds of things for women, as they would not be frisked due to our social customs," he said. "There were no

women security guards in most of the places then."
Later, several companies started recruiting women as guards and provided security training to them.
Currently there are around 400 companies in this sector with G4S, Securex, ISS and Elite Security Services (ESS) as the leading players.
"Considering the need, we have set up separate unit for women and hired professionals for training the women guards," said Shahedy Rahman, manager of Group 4 Securicor (G4S).
The security service providers usually give a crash course to the new recruits explaining their job responsibilities before deploying them in different places in the city.
The services that the women guards provide include escorts and bodyguard services, security survey and consultancy, security training, giving fire alarm, fire fighting, events' security management, sea and river

escorts, and background screening.
Runa, 27, has been working in a government hospital for four years. She makes sure that patients do not leave the hospital before being officially cleared, newborn babies do not get stolen, and the premises is off-limit to brokers who try to talk the patients into going to other hospitals or clinics.
"My parents were unwilling to allow me to work as a guard, but when they saw that here I get more time to be with my family and spare time at home for doing household works, they were happy," she added.
The remuneration and other benefits also attract women to this profession. The salary of a woman guard ranges from Tk 3,500 to Tk 5,000. In order to increase earnings, many work for long hours as overtime.
However, the salary varies from company to company. The salary of a guard at an embassy and that at a shopping mall is different, said indus-

try experts.
Shahedy of G4S said the salary depends on the contracts between clients and the security service providers and it varies from clients to clients.
Since many women are not interested or able to work overtime, security service providers are trying to attract more women to the job by paying them more than that their male counterparts get.
Education is a must if one wants to be a security guard. However, the level of education and range of age required by a security service provider depend on its clients' needs.
Most employers look for guards who passed the SSC. Generally, the range of age required for the job is from 18 to 35 years, said a high official of Elite Security.
Women guards appreciate the positive attitude towards them by the visitors at their workplace.
"Most of the time the visitors are very considerate and cooperative with us. This makes our job easier and helps us serve them better," said Moni who works at Aarong.
However, still there are some problems.
Selina, a guard who is working at ActionAid Bangladesh, the local chapter of an international NGO, said the main problem is housing, as many house owners do not want to rent houses to single women guards.
"If the company can give us housing facilities, more women will be encouraged to join this job," she said.
Another problem is absence of an association, the women guards feel.
Many guards said an association would help them look after their problems and needs, and would also act as a safeguard.
With her day-to-day savings amount, Latifa dreams of starting a tailoring shop of her own and creating employment for a few ill-fated women like her. Equality will bring her yield, as she really stands guard.

COLUMN

IFTY ISLAM

Climate change: Its fallout on economy

Amid the ongoing widespread global financial meltdown, this week, I wanted to turn to one of the few topics, which has been covered even more extensively than sub-prime, bank bailouts and the prospects for recession or depression. While the world economy is likely to take several years to recover from the current financial crisis, the prospects for global warming over coming decades risks an environmental crisis that could potentially have much longer-term consequences for the economy.
Tackling climate change will undoubtedly be the major challenge of both our lifetimes and that of future generations. Global climate change, driven largely by the combustion of fossil fuels and by rapid deforestation, is a growing threat to populations in developing and industrialised nations alike. Significant harm from climate change is already occurring, and a further negative impact on the planet is a certainty. Given the frequency of floods, cyclones and storm surges in Bangladesh, coupled with low elevation, clearly it is one of the world's most vulnerable countries to the impact of climate change. The challenge now is to keep climate change from becoming a catastrophe.
Thomas Friedman, one of the leading thinkers on globalisation, has followed up his 2005 bestseller, "The World is Flat", with his 2008 book on climate change and population growth entitled "Hot, Flat and Crowded." In it he notes, "The era we are entering will be one of enormous social, political and economic change driven in large part from above, from the sky, from Mother Nature".

Clearly globally, we need to use energy more efficiently. As the CEO of an oil company has put it, if you look at the energy consumption in the world each day and convert it into oil equivalent, we are consuming ten million barrels per hour -- 420 million gallons per hour. To really make a difference there are three issues: There is the scale of demand, the scale of investment needed to produce alternatives, and the scale of time it takes to produce alternatives. Many alternatives are just at the embryonic phase.
Management consultancy firm McKinsey and Co suggested that one hundred and seventy billion dollars a year invested in efforts to boost energy efficiency from now until 2020 could halve the projected growth in global energy demand. What's more, these investments could also deliver up to half of the emission abatement required to cap the long-term concentration of atmospheric greenhouse gases at 450 parts per million, the level experts suggest will be needed to prevent the global mean temperature from rising by more than two degrees centigrade.
The Government of Bangladesh (GOB) with the support of the major donor agencies, has outlined a comprehensive strategy on tackling climate change that culminated in a conference sponsored by DFID in the UK in September 2008 along with a detailed report "Bangladesh Climate Change Strategy and Action Plan" (BCCSAP 2008). A climate change cell, set up within the Ministry of Environment and Forests, has spearheaded the effort.
But the greater involvement

of the private sector is also critical if Bangladesh is to prepare itself for both the challenges and opportunities of climate change. Relatively few companies in Bangladesh have yet considered both the impact of climate change on their existing activities, and perhaps as importantly, the new commercial opportunities that will emerge both domestically and globally. Lois Quam, MD of Alternative Investments at US fund management house Piper Jaffrey, summed up the opportunities most effectively suggesting that "The Green Economy is poised to become the mother of all markets, the economic opportunity of a lifetime, because it has become so fundamental. The challenge of global warming presents us with the greatest opportunity for return on investment and growth that any of us will ever see. To find any equivalent economic transformation, you have to go back to the Industrial Revolution. And in the industrial revolution there was a very clear before and after. The "after" everything was different: industries had come and gone, civic society changed, new social institutions were born, and every aspect of work and daily life had been changed. With that came the emergence of new global powers. This (clean technology transformation) will be an equivalent moment in history."
There has also been a rapidly growing volume of research on the private sector implications of climate change, most notably by management consultancy firm McKinsey and Co, as well as a number of global investment banks. AT Capital also pub-

lished an 80 page report this week "Climate Change: Challenges and Opportunities" focusing in part on the broader issues of alternative energy, abatement (reducing greenhouse gas emissions) and adaptation (coping with the near-term fallout from climate change).
In addition, our goal was to encourage greater focus from Bangladeshi companies and indeed foreign investment firms on the commercial opportunities as a result of the battle against climate change.
There has been significant progress in Bangladesh on solar energy with Grameen Shakti and Rahimafrooz taking the lead. It is critical that the private sector engage more fully and see the battle against climate change not as a burden or a form of taxation, but rather as the major economic opportunity of our generation. We need a mindset shift in the corporate sector to understand that those companies that adapt to the profound impact of climate change will gain major competitive advantage versus those that do not. New export markets will also open that currently do not exist as a result of the battle against global warming.
Public-Private Partnerships (PPPs) has become a new buzz phrase with respect to tackling Bangladesh's infrastructure crisis but we also need to ensure more PPPs in tackling climate change. The growth in Cleantech funds has been rapid but this is clearly just the beginning. Over coming years, tens, but more likely hundreds of billions of dollars of investment funds will be focused on the "Green Revolution". How can Bangladesh attract such

funding given the particular vulnerability of its economy to climate change? Clearly greater awareness in terms of energy conservation in the household sector is important.
Thomas Friedman summed it up best by stating, "My favourite renewable energy is an ecosystem for energy innovation... That's what we need above everything else an intelligently designed system of policies, tax incentives and disincentives, and regulations that will get every promising source of clean electrons and energy efficiency we already have down the learning curve faster and will move every new idea for generating clean electrons out the lab door quicker."
A greater focus on understanding the challenges and opportunities of climate change is likely to have a more profound impact on the future of Bangladesh's economy and society than many of us appreciate. It is time we all become alternative energy warriors.
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THOMAS L. FRIEDMAN
Hot, Flat, and Crowded

WHY WE NEED A GREEN REVOLUTION -- AND HOW IT CAN RENEW AMERICA

