



Stocks	
DGEN	1.73% 2,868.11
CSCX	0.92% 5,739.35
(Week-on-week)	

Asian Markets	
MUMBAI	10.96% 8,701.07
TOKYO	9.60% 7,649.08
SINGAPORE	8.33% 1,600.28
SHANGHAI	1.92% 1,839.62
(Friday closings)	

Commodities	
Gold	\$712.50 (per ounce)
Oil	\$62.65 (per barrel)
SOURCE: AFP (As of Friday)	

### More News

**Stocks down for second week**  
Dhaka stocks fell for a second consecutive week on suspension of some top merchant banks' margin loan against Beximco Group companies' shares and confusion over direct listing of two private sector companies.

**Adviser stresses combined SME effort**  
Commerce Adviser Hossain Zillur Rahman yesterday underscored the need for a combined effort by the organisations of small and medium entrepreneurs (SMEs) to achieve their desired goal. The organisations will have to play their roles, aided by the government, in building small enterprises in all districts.

### International

**American Dream fades**



The immigrants gathered at dawn to chase the American Dream, but as fast as the sun soared over New York, so the dream slid from their grasp. About 60 men wearing boots, jeans and sweatshirts, most of them illegal immigrants from Latin America, stood silently at the Brooklyn crossroads.

**Indian rupee slide to record low an 'aberration'**  
India's currency plunged to a record low against the dollar on Friday, breaching the 50-rupee level, but the government called the dive an "aberration." The partially convertible rupee tumbled to 50.15 against the dollar before firming to close at 49.75 rupees.

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## BB chief backs body to shield economy

### Bangladesh not immune to global crisis, CPD dialogue alerts

**STAR BUSINESS REPORT**  
The central bank governor has extended his all-out support to a proposal to form a high-profile committee involving politicians to monitor the global economic crisis and its impact on the local economy. "We should come up with a strong body that will assess the effects of the crisis and accordingly make suggestions to shield the economy," Salehuddin Ahmed told a discussion organised by the Centre for Policy Dialogue (CPD) in Dhaka yesterday. Some experts emphasised the formation of such a committee in line with the gravity of the situation. The Bangladesh Bank chief hoped that members of such a committee would play a key role in determining what actions should be taken to deal with the crisis fallout locally. CPD Chairman Professor Rehman Sobhan presided over the discussion on "The global financial crisis and what it means for Bangladesh" at the Cirdap auditorium where policymakers, economists and analysts attended.

The financial crisis that first emerged in the US and started spreading like a wildfire has resulted in a series of bank ruptures and mergers of banks and other lending institutions. Subsequently, governments, including in developing and poor countries, have been forced to take radical actions, such as setting up expert committees, to ease the situation. "It is not Bangladesh Bank's responsibility alone. Other stakeholders, including politicians, need to make concerted efforts to avert the serious fallout," the governor said. Dr Debapriya Bhattacharya, Bangladesh's ambassador and permanent representative to the World Trade Organisation in Geneva, presented a paper on the issue. Bhattacharya, also the immediate past executive director of CPD, said a competent taskforce (committee) should be set up to assess the effects to design an adjustment package with both short- and medium-term policies and institutional measures. The speakers at the dialogue stressed politicians' involvement in the initiative to face the

financial turmoil, pointing to the fact that Bangladesh is passing through a transitional period and will get a political government in a couple of months. "We need a committee and the politicians who are to run the country should be involved," said former finance minister AMA Muhit. Former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mir Nasir Hossain echoed Muhit's view on politicians' involvement. "We need to know what politicians think about the crisis and what are their suggestions," he said. Responding to a query, the BB governor said the central bank would not initiate the move to set up such a committee. Salehuddin, however, said Bangladesh's financial sector problems are not so deep. "But we must be careful," he cautioned, citing a central bank move that did not allow any short-term portfolio investment, which, he believes, was good for the country. Bhattacharya said Bangladesh would not be

immune to the global financial meltdown and its negative spillover. "The question is with the degree of the effects," he said. He predicted that revenues from merchandise and services exports might come down following a deep slide in demand from consumers in developed countries. But, he said, the impact of two other major areas -- flow of foreign aid and net foreign direct investment -- remain ambiguous. There are some good sides to the crisis for Bangladesh economy, Bhattacharya pointed out. "Due to lower global demand, the prices of oil will decline. Food and other commodity prices will remain stable. There may be a fall in inflation," he added. Dr Mahub Hossain, executive director of BRAC, believed Bangladesh's exports would not be affected, as its products are low-income, elastic ones. He, however, asked the government to increase the domestic demand base so that the country can sustain shocks from the global crisis.

## US sets free enterprise agenda despite turmoil



Chinese Premier Wen Jiabao (L) and French President Nicolas Sarkozy (C) attend the closing ceremony of the 7th Asia-Europe meeting in Beijing yesterday (Story on back page).

**AFP, Washington**  
US President George W. Bush moved Saturday to set an agenda for an upcoming international economic summit aimed at overcoming the current financial turmoil, saying its participants must "recommit" to the principles of free enterprise and free trade. "As we focus on responses to our short-term challenges, our nations must also recommit to the fundamentals of long-term economic growth -- free markets, free enterprise, and free trade," Bush said in his weekly radio address.

He added that "open market policies have lifted standards of living and helped millions of people around the world escape the grip of poverty." The comments came after the White House announced that leaders of the world's richest nations and biggest emerging economies will gather in Washington on November 15 for an unprecedented summit on tackling the global financial crisis. Bush will host the summit 11 days after the US presidential election, but it is unclear whether the man Americans pick to succeed him --

Democrat Barack Obama or Republican John McCain -- will attend as well. The global financial meltdown has led to calls for reform and joint action by G20 governments, with Europeans suggesting it is time to replace the Bretton Woods agreement that has guided international finance since World War II. In his address, the US president said that during the summit, world leaders will begin developing principles of reform for regulatory bodies and institutions related to the financial sector.



Sellers at an outlet in Dhaka clear milk powder of various brands off the shelves as the High Court clamped restriction on the sales and display of suspected melamine-contaminated eight brands.

## Milk powder importers fear loan default

**SOHEL PARVEZ**  
Milk powder importers and marketers yesterday expressed fear that they might become defaulters to banks unless the issue of tainted milk is resolved faster. "We have over Tk 80 crore liability with banks. I'm worried. I expect the government will solve the problem rationally and immediately," said Azim Uddin Ahmed, chairman of Mutual, the local distributor of Dano brand milk of Arla Foods Ingredients. A ban slapped on sale and display of eight brands of milk powder by the High Court (HC) has already stalled the market. The HC last week imposed the ban on the sale and display of eight brands -- Diploma, Red Cow, Anlene, Dano, Nido, Fortified Instant, Yashili-1, Yashili-2 and Sweet Baby-2 --

until receipt of laboratory test report from abroad. Earlier Dhaka University chemistry department detected melamine in these brands. Retailers also fell in trouble as their funds have been stuck due to the HC order following melamine scare. Mohammad Nur Nabi, a retailer at Karwan Bazar kitchen market, said he had to put over Tk 6,000 worth milk powder off the shelves following the court order. "I have to buy milk in cash. I don't know when I will be able to sell the products," he said. "We the marketers and distributors will be the ultimate sufferers. About Tk 160 crore worth milk powder at different ends of the market has got stuck," said Ahmed. The fallout has already prompted businesses to cut

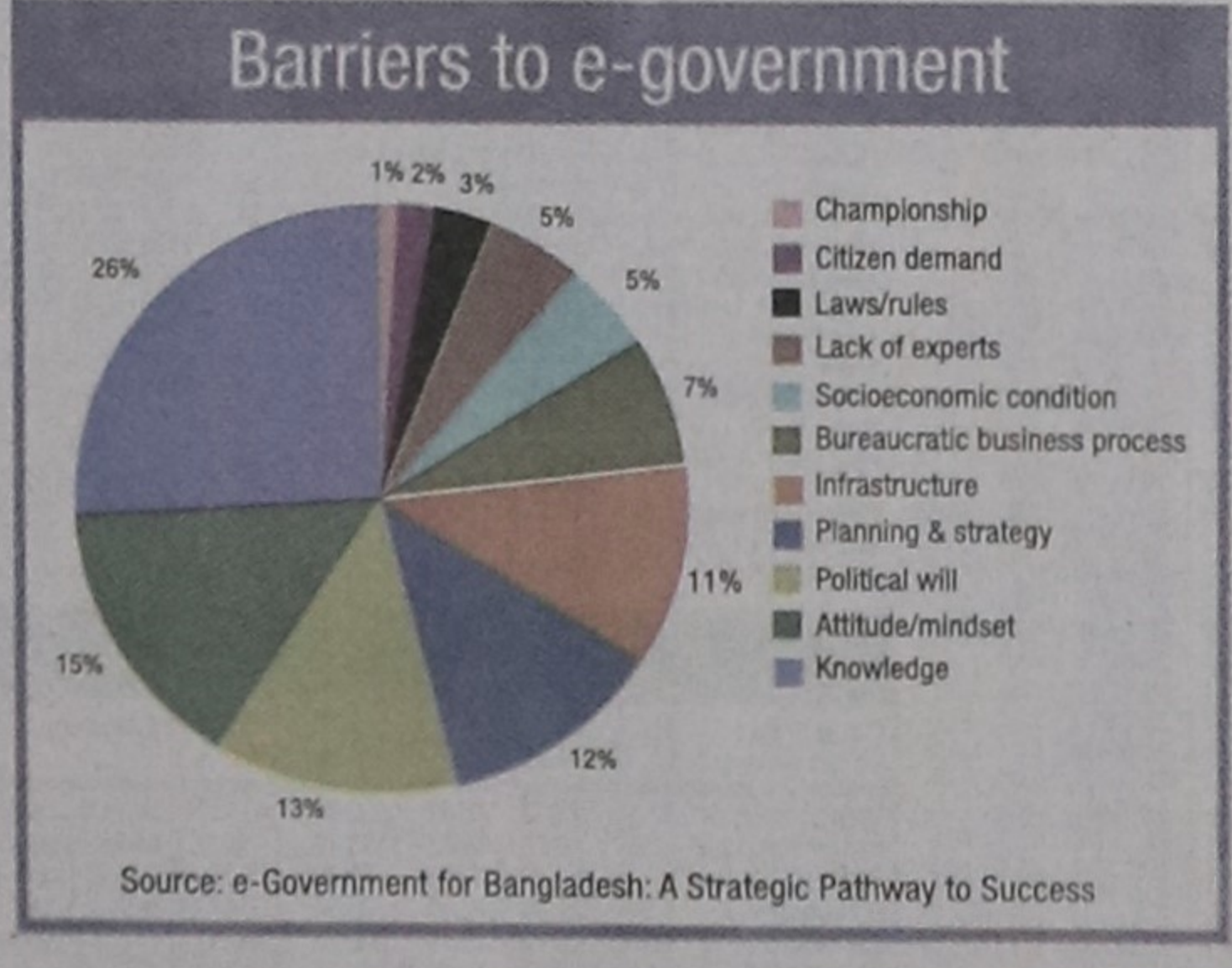
their plans of importing powdered milk, which meets bulk of the demand in local market of over Tk 1,000 crore, led by Dano, according to industry insiders. In July-September period of the current fiscal year, businesspeople opened \$30.02 million worth letters of credits (L/Cs) to import milk powder. Of the amount, \$12.83 million worth L/Cs were opened in September, while only \$1.24 million worth L/Cs were opened in the first half of October, according to Bangladesh Bank data. "I am concerned about the financial impact. Our total chain has been affected," said SA Mallick, managing director of New Zealand Dairy Products Ltd, importer and marketer of Diploma, Red Cow and Anlene brands. He said around Tk 25 crore

worth milk powder has got stuck at different points. "But the losses in future will be much as we will be in trouble to repay bank dues against L/Cs," he said. "How will we pay back our dues if we cannot sell?" Mallick poised the question. Laurent Therond, managing director of Nestle Bangladesh, said his company is yet to calculate the extent of losses. "We are concerned about our brand reputation," he said, adding that Nestle had suspended milk powder import. Abdur Razzak, president of country's one of the wholesale depts Moulavibazar Merchant Association, said the sales of milk powder have come to almost one-fourth. "But the ultimate victims will be the importers," he said. [sohel@thedailystar.net](mailto:sohel@thedailystar.net)

## Policymakers' ICT know-how key to e-govt

### Study says

**MD HASAN**  
The government policymakers' ICT awareness and knowledge development are crucial for successful implementation of e-government in Bangladesh, according to a study. The four-year academic research styled 'e-Government for Bangladesh: A Strategic Pathway to Success' was launched on October 18 in Dhaka. The research work was funded by Australian government's AusAID Public Sector Linkage Program (PSLP) and conducted by National Centre for Information Systems Research of the Australian National University. The study found that the highest number of its respondents (26 percent) identified 'lack of knowledge' about ICT among public sector stakeholders as the major hindrance to e-government adoption, followed by 'attitude and mindset', which was ranked as second important barrier. The research identified 11



major barriers to introducing e-government in the context of Bangladesh. The other barriers include lack of political will and leadership, lack of planning and strategy, weak infrastructure, lack of expertise and professionals, bureaucratic business process, lack of laws and rules, lack of citizen demand, and lack of championship and model. In Bangladesh the issue of introducing e-commerce and e-government was talked about much in the last few years, but these are yet to take off to the right direction. E-government in general term implies the use of information and communication technology (ICT) to improve the operation of government and dissemination of government information and services. "The traditional business process and piles of documents that we usually see at a government office could be eased if we start to reengineer some of the selected activities

within government agencies by introducing e-government system," said Ahmed Imran, key author and the project manager of PSLP eGov Capacity Building. Imran said in the 21st century's globalised economic environment no government would be able to avoid the idea of e-government if it wants to survive as a modern government. "The letter 'e' of e-government will be irrelevant in future as every modern government will be essentially an e-government." Now in Bangladesh there is a lack of integration and collaboration in work process between the various government agencies, which should improve inter and intragovernmental services. "Often the government works as a collection of autonomous units rather than one synergistic system," he said. "This lack of collaboration between departments impedes networking procedures and efficiencies, which is critical for e-government to succeed." Imran and two of his research fellows -- Prof Shirley Gregory and Tim Turner -- presented their research findings and suggested strategies.

About the top-down approach to educate the government officials and decision makers first, Imran said, "In a least developed country like Bangladesh we can't educate 150 million people overnight. But if we empower one decision maker with proper knowledge, sometimes it's equivalent to educating millions, as his one decision may impact millions of people." "Unless the decision makers and government officials are adequately aware and convinced to embrace the new innovation like e-government, most advanced system is not likely to give the expected outcome." About whether Bangladesh's bureaucracy is ready for adopting e-government system as holding files without any valid reason is often very common practice in government offices, Imran said perceptions are changing slowly among the decision makers, and some are very positive. According to UN Global E-government Readiness Report-2008, Bangladesh improved its position from 162 to 142 among world's 192 countries. [hasan@thedailystar.net](mailto:hasan@thedailystar.net)

## RMG workers demand minimum wage review

### REFAJET ULLAH MIRDHA

Two years after introducing new minimum wage to garment workers, labour leaders demanded reviewing the tripartite agreement, as the wage is too minimal for maintaining the workers' families amid spiralling cost of living. Although almost all the factories, mostly members of the trade bodies concerned, have implemented the minimum wage recommendations for their workers, the amount is too little to maintain household expenses, workers' leaders said. The government published the gazette notification for the implementation of minimum wage for garment workers at Tk 1,662.50 a month on October 22, 2006. The gazette notification was published in line with the tripartite agreement after a long negotiation between the factory owners, workers and workers' leaders following a massive labour unrest in the garment sector that erupted mainly

from May 22, 2006. Talking to The Daily Star, Nazma Akter, president of Sammito Garment Sramik Federation and a member of Minimum Wage Implementation Committee, said majority of the garment factory owners have already implemented the minimum wage structure, but the amount is too little for the workers. "I want this wage structure should be reviewed soon as the prices of basic commodities have surged manifold in the last two years," Nazma said. "We are in parlays among us and we have already chartered plan to submit a proposal soon to the ministries and trade bodies concerned for holding discussions to review the current wage structure," she said. She said the garment workers' leaders will place the proposal to the ministries and trade bodies concerned through Bangladesh Garment Workers Unity Council, a platform of 21 garment workers' federations. [refajet@thedailystar.net](mailto:refajet@thedailystar.net)