

Business leaders slam WB for forecast

STAR BUSINESS REPORT

The World Bank (WB) must be careful in making growth projections public about the state of the economy, business leaders said yesterday. Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICC-B), spelled out his firm stand at the IFC "FIT Initiative" Certificate Award Ceremony and inauguration of the ICC Workshop on 'International Trade Payment: Management & Options' at Bangladesh-China Friendship Conference Centre.



Bangladesh Bank Governor Salehuddin Ahmed speaks at IFC "FIT Initiative" Certificate Award Ceremony in Dhaka yesterday. The governor said World Bank should have discussion with major stakeholders before publicising any negative projection.

Rahman backed the observations made by the finance adviser, Bangladesh Bank governor and business leaders on the WB's projection that GDP growth would be around 4.8 percent as against the central bank's projection of 6.2-6.5 percent. The ICC-B chief urged the BB governor to arrange a formal meeting with the WB together with government policymakers, business leaders and others, to have threadbare discussions on WB vis-à-vis the country's growth projections. "We must strongly oppose such kind of a negative public statement without providing relevant facts and figures," Rahman said. But Rahman emphasised that the likely impact of the global turmoil must be assessed immediately.

"If the crisis appears elsewhere, it could escalate and abruptly pose serious downside risks to the financial market and the country's macroeconomic stability," Rahman said not only a policy package should be in place, but also specific measures should be taken to support exporters and financial operators. "It is true that until now the global recession has not hit our exports or wage earners' remittances but there is no room for complacency," Rahman said. Bangladesh Bank Governor Salehuddin Ahmed said the World Bank could have had a discussion with the major stakeholders before publicising such a negative projection. "Such projection will

have a negative impact on people's perception," Ahmed said, while he was speaking as the chief guest at the programme. Mamun Rashid, chairman of ICC Bangladesh Standing Committee on Banking Technique and Practices, said the global financial crisis and the credit crunch had made financial institutions more vigilant in risk management. "In such difficult times, it is essential that traders maximise their potential and best manage their risks by using the full army of trade finance products available with the leading international trade finance banks," Rashid said. Later, the BB governor awarded certificates to 43 successful participants, those who completed the

FIT Initiative programme. ICC-B Vice President Latifur Rahman and ICC-B Executive Board Member R Maksud Khan were also present. Meanwhile, ICC-B has initiated yet another important programme for bankers and other professionals dealing with international trade. The International Trade Finance, in short 'FIT Initiative', has been developed by eBusiness School of Ireland (eBSI) with support from the International Finance Corporation (IFC). FIT Initiative is an e-learning certification programme for international trade finance personnel working either in banks or in companies involved in export and import trade.

Banks' forex branches to remain open Dec 5, 6

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The central bank yesterday directed all the authorised dealers (ADs) bank branches to operate on December 5 and 6 (Friday and Saturday), weekend holidays, for the convenience of the customers ahead of Eid-ul-Azha. In a press statement, Bangladesh Bank also asked the ADs, who mainly dealt with forex and export-import transactions, to keep open their branches in airports, sea/river ports and land ports on these two days. The central bank asked the ADs to take adequate security measures to ensure safety in transaction.

China to relax credit controls to boost economy

AFP, Beijing

China will continue to relax credit controls and use all monetary means to stimulate the economy, the government announced on Wednesday in a statement posted on its website. "We need to apply a flexible and proper monetary policy to combat the crisis and maintain fast and stable growth," said the statement, issued at the end of a meeting chaired by Prime Minister Wen Jiabao. The government also said it wanted "to accelerate credit growth, using the bank reserve rate, interest rates and exchange rates" to increase state spending. Beijing has also decided to increase by 100 billion yuan (11.5 billion euros) loans to its three specialist "policy banks" which report directly to the cabinet.

The dollar climbed against the euro on Wednesday the day before a widely-expected interest rate cut by the European Central Bank, dealers said. In late morning trading here, the European single currency dipped to 1.2629 dollars from 1.2710 dollars late in New York on Tuesday. Against the Japanese currency, the dollar dropped to 93.01 yen from 93.27 yen on Tuesday, as traders also waited to see whether US automakers would secure a massive government rescue package.

Dollar gains against euro

AFP, London

The US private sector lost 250,000 jobs in November, the largest decline in six years, in a further indication of a tightening labor market amid recession, according to a private payrolls report Wednesday. The job loss was again driven by the goods-producing sector, which posted its 24th consecutive monthly decline in November, the ADP National Employment Report said. It was the "largest decrease in private sector employment since November of 2002," according to the report. Nonfarm private employment decreased 250,000 from October to November on a seasonally adjusted basis, it said. The decline exceeded analysts' consensus forecast of a 200,000 drop. ADP revised upward the October jobs loss to 179,000 from a prior estimate of 157,000, following a September decline of 26,000. The November jobs decline "offers evidence of a labor market that continues to weaken," the report said. The Labor Department will issue its nonfarm payrolls report on Friday and analysts expect major job losses in November. This year, the US economy has shed 1.2 million jobs, and president-elect Barack Obama warned millions more could be lost next year without urgent action.

Asian stocks rise on hopes for US auto bailout

AFP, Hong Kong

Investors favoured companies seen as relatively insulated from the global recession, including retailers and cash-rich consumer companies. Shares of Fast Retailing, which owns the Uniqlo brand, jumped 10 percent to 10,790 yen, after reporting brisk November sales at its Uniqlo stores. Seven & I Holdings gained 12 percent to 2,810 yen and Lawson jumped 4.7 percent to 5,130 yen. Shipper Nippon Yusen lost 2.2 percent to 454 yen and Mitsui O.S.K. Lines fell 1.3 percent to 460 yen. HONG KONG: Hong Kong share prices closed 1.4 percent higher. The benchmark Hang Seng Index ended the day up 182.81 points at 13,588.66, after trading between 13,573.43 and 13,778.05 during the session. SHANGHAI: Chinese shares closed up 4.01 percent. The benchmark Shanghai Composite Index, which covers A and B shares, closed up 75.78 points at 1,965.41 on turnover of 89.0 billion yuan (13.0 billion dollars). TAIPEI: Taiwan share prices closed 1.14 percent lower. The weighted index closed down 49.72 points at 4,307.26, off a low of 4,289.13 and a high of 4,379.25. Turnover was 59.42 billion Taiwan dollars (1.8 billion US). SEOUL: South Korean shares closed almost unchanged. The KOSPI index ended down 0.53 points at 1,022.67. Volume was 471.8 million shares worth 5.2 trillion won (3.54 billion dollars). SINGAPORE: Shares closed flat. The main Straits Times Index was 0.08 percent, or 1.39 points, higher at 1,640.57. Volume totalled 1.02 billion shares worth 744 million Singapore dollars (489 million US). KUALA LUMPUR: Malaysian shares closed 0.2 percent higher. The Kuala Lumpur Composite Index gained 1.78 points to close the day at 847.53. BANGKOK: Thai share prices rose 1.45 percent. The Stock Exchange of Thailand (SET) composite index gained 5.60 points to close at 392.92 points. JAKARTA: Indonesian shares ended 0.1 percent higher. The Jakarta Composite Index rose 1.17 points to 1,192.53. MANILA: Philippine share prices closed 1.4 percent higher. The composite index closed up 25.41 points to 1,905.28. MUMBAI: Indian shares closed up 0.09 percent. The benchmark 30-share Sensex index climbed 8.19 points to 8,747.43.

Asia's markets staged a modest rebound Wednesday as investors cautiously followed a rally on Wall Street that had come on hopes of a bailout for the ailing United States auto industry. The gains, however, were not enough to cover Tuesday's heavy losses across the region as the sluggish world economy weighed on sentiment. Japan finished 1.79 percent higher and Hong Kong 1.4 percent, while Sydney edged up 0.2 percent, its gains capped by news that the economy grew at its slowest in eight years. The rises followed a 3.31 percent bounce overnight for the Dow Jones Industrial Average, which came after a 7.70 percent plunge Monday. Heads of the Big Three US carmakers -- Ford Motor, General Motors and Chrysler -- are in Washington this week to beg for a multi-billion-dollar handout as the firms struggle amid the worst global economic crisis in decades. GM said it needs up to 18 billion dollars in emergency loans, while Ford said nine billion and Chrysler seven billion. House of Representatives speaker Nancy Pelosi ruled out bankruptcy for the automakers and called for a programme of loans. "I believe an intervention will happen, either from the administration or legislatively," she said. "Bankruptcy is not an option. It takes too long," Pelosi said. "That's why the short-term loan is an appropriate way to go." Figures in Australia Wednesday showed the economy grew just 0.1 percent in the third quarter and 1.9 percent year-on-year. Shanghai stocks surged 4.01 percent on the back of financials after a Chinese sovereign wealth fund upped its stake in China Construction Bank as part of Beijing's efforts to shore up the sagging domestic markets. The news also helped to lift Hong Kong stocks. However, Seoul and Singapore remained flat, while concerns for the local economy led Taipei down 1.14 percent. TOKYO: Japanese shares rallied 1.79 percent. The benchmark Nikkei-225 index rose 140.41 points, or 1.79 percent, to end at 8,004.10. "The market continues to be influenced by US stocks, reversing recent losses slightly after the Big Three put forward their revamp plans," said Hideaki Higashi, a strat-

US private sector shed 250,000 jobs in Nov

AFP, Washington

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Capital market reporters launch forum today

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Dhaka-based journalists, who report on Bangladesh capital market, launch a forum called "Capital Market Journalists' Forum (CMJF)" today. The forum promises to enhance the professional skills of capital market journalists, according to a press statement released yesterday. Finance and Planning Adviser AB Mirza Azizul Islam is scheduled to attend the ceremony at Radisson Water Garden Hotel in Dhaka as chief guest. Faruq Ahmad Siddiqi, chairman of Securities and Exchange Commission, and Ziaul Hasan Siddiqui, deputy governor of Bangladesh Bank, will be present at the ceremony as special guests. Abdul Haque, president of Dhaka Stock Exchange, Nasir Uddin Ahmed Chowdhury, president of Chittagong Stock Exchange, and Ziaul Haque Khondker, MD of Investment Corporation of Bangladesh, will also attend the function.

WTO targets early ministerial meet

AFP, Geneva

WTO chief Pascal Lamy has asked member states to prepare for a possible meeting on concluding a global trade liberalisation pact, with key countries to gather in coming days, sources said on Wednesday. Lamy plans to call "a meeting of a more restricted group of seven WTO members two days before the ministerial meeting on December 11 and 12," a diplomatic source told AFP. Another diplomatic source confirmed the information but added that the plan could be scuppered by the United States, India and China, which have disagreements on key issues. Talks on a global trade accord under the WTO Doha Round have dragged on since 2001, beset by deep

differences between developed and developing countries over trade in industrial and agricultural goods. The last attempt at a deal in July broke down owing to disputes between the US and India over a mechanism to protect poor farmers from sharp increases in protective tariffs. There have been calls for another attempt to reach a final accord by the end of this year so as to give the world economy a boost and offset the impact of the global financial crisis. In a copy of the fax sent to WTO members, Lamy said "we (have) made progress in closing gaps." But he noted that there remained disagreements, with some members asking for concessions in agriculture negotiations and others asking for the same in industrial products talks.

"As we all know, we still have a number of outstanding issues but the reality is the relevance of what we are doing to the financial crisis," he said in the fax, adding that there was "clear urgency" to concluding the negotiations. The Special Safeguard Mechanism provision for protective tariffs, which tripped up talks in July, remains a problem. In addition, the chief negotiator for industrial products noted on Tuesday that a proposal for specific industry sectors to be submitted to sharper tariff cuts than the overall general level of reductions was also proving "difficult." The sources said developing giants such as China are unwilling to sign up to the initiative which would fail without their participation.



Winners of a promotional campaign styled 'Eid Utsab' (Eid festival), launched by cellphone maker Nokia, pose for photographs at a function recently.

Nokia announces Eid campaign winners

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Nokia has announced the winners of its 'Eid Utsab (Eid Festival)' promotional offer, which started on September 16, says a press release. The promotion was forwarded to anyone who purchased a Nokia device from any of the designated 10 Nokia brand outlets. The customers were given coupons and the winners were chosen from amongst the coupon holders, via lottery. Sajid Rizwan Matin, retail development manager of Nokia Emerging Asia, handed over the prizes in the Nokia Store at Bashundhara City Shopping Complex in Dhaka. Congratulating the winners, Sajid said, "We hope this has brought joy to the winners as they get to enjoy their new devices. With their new Nokia devices they can stay in touch and also do so much more, such as shoot pictures and videos to share with their friends and family." Nokia is the world leader in mobility, driving the transformation and growth of the converging internet and communication industries. It makes a wide range of mobile devices with services and software that enable people to experience music, navigation, video, television, imaging, games, and business mobility.

ইলেকট্রিসিটি জেনারেশন কোম্পানী অব বাংলাদেশ লিমিটেড (Electricity Generation Company of Bangladesh Limited) advertisement containing a detailed table of terms and conditions for a tender.

Electricity Generation Company of Bangladesh Limited (EGCB) advertisement for an invitation to tender for the procurement of anthracite for a mechanical filter of water treatment plant.