

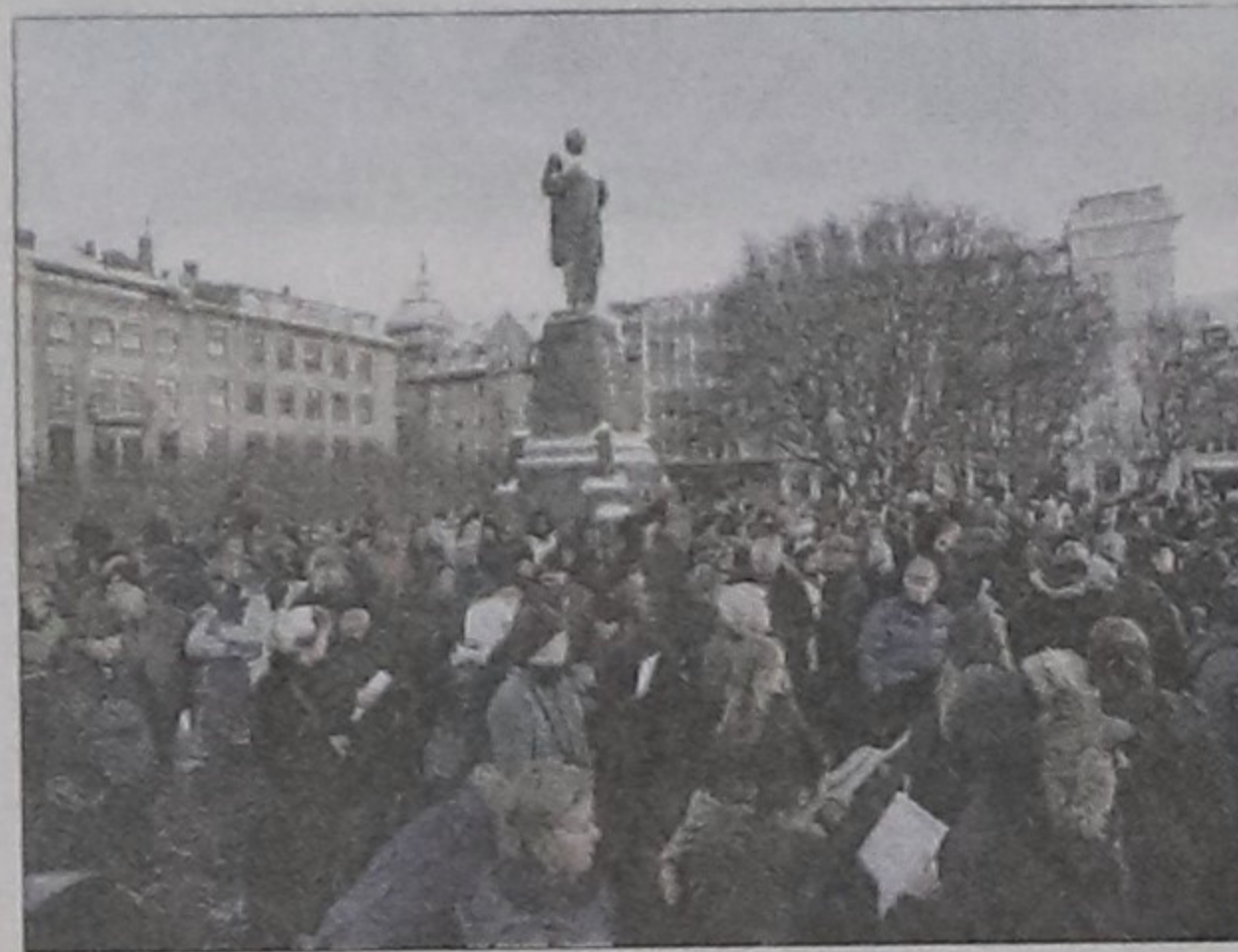
International Business News

'Momentous' day for Asean as charter comes into force

AFP, Jakarta
The Association of Southeast Asian Nations took a major step towards becoming an EU-style community Monday with the passing into force of a new charter setting benchmarks for democracy.
The charter sets out rules of membership, transforms Asean into a legal entity and envisages a single free trade area by 2015 for the region of 500 million people.
It came into force with a meeting of Asean foreign ministers at the bloc's Jakarta secretariat, 30 days after Thailand became the last member to deposit its ratifying documents.
"This is a momentous development when Asean is consolidating, integrating and transforming itself into a community," Indonesian President Susilo Bambang Yudhoyono said.
"It is achieved while Asean seeks a more vigorous role in Asian and global affairs at a time when the international system is experiencing a seismic shift," he added, referring to climate change and economic upheaval.
"Southeast Asia is no longer the bitterly divided, war-torn region it was in the 1960s and 1970s."
Asean consists of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Automakers fret as White House stalls on bailout

AFP, Washington
Faced with the looming threat of bankruptcy, US automakers fretted Monday while White House officials studied the sputtering companies' finances but reported no moves toward a bailout.
President George W. Bush, who has hinted the government could tap a massive federal rescue package to aid the automakers, said on the way from Iraq to Afghanistan that an agreement on how to remedy the carmakers' plight was not imminent.
"We're now in the process of working through with the stakeholders a way forward, and we're not quite ready to announce that yet," he told reporters aboard Air Force One. But he added that "this will not be a long process because of the economic -- the fragility of the autos."
The president's remarks came as lawmakers warned that time was running out for the auto giants, and traded blame with auto union chiefs over the collapse last week in the Senate of a short-term rescue bill.
The Detroit Free Press newspaper reported that the size, scope and timing of any lifeline to the automakers was uncertain.



AFP
A weekly demonstration is held in Reykjavik on Sunday in protest against the current financial situation. The country of 320,000 people saw its once-booming financial sector collapse under the weight of the worldwide credit crunch, forcing the government to take control of three major banks in October, since when the island's currency has nose-dived.

Japan's Nomura, South Korea firms join Madoff victims

AFP, Tokyo
Japan's top broker Nomura and a clutch of South Korean firms on Monday joined the growing list of victims of an alleged multi-billion-dollar swindle on Wall Street.
Nomura said it may lose up to 27.5 billion yen (303 million dollars) from the scandal involving once high-flying fund manager Bernard Madoff, who was arrested last week on suspicion of operating a giant pyramid scheme.
In Seoul, financial authorities said South Korean institutions have a total exposure of 95.1 million dollars to the alleged financial fraud, including an insurer and six asset management firms.
The Financial Times, citing people close to the situation, said Britain's HSBC may have exposure of about one billion dollars from loans it provided to institutional clients who invested with Madoff. The bank declined to comment.
Prosecutors say that the 70-year-old, a Wall Street veteran and former chairman of the Nasdaq stock market, has confessed to losing at least 50 billion dollars.

LIFESTYLE

Crisis relief at fight club

AFP, Frankfurt
With Germany's economy hitting the wall, Frankfurt professionals have plenty to worry about these days, so some put their minds to rest by pulling on gloves and slamming sandbags, or each other.
"They need a complete change of pace," Oliver Wolf of the Executive Sports Club told AFP as clients whacked the bags and padded mitts held by partners under the guidance of a second trainer, former US soldier Orleans Dawkins, 51.
"They are very hard on themselves," Wolf, 37, said with a note of respect for his high-earning proteges. "They have strong characters and they are always looking to push their limits."
The clean, brightly lit club is a short jog from the towers of Germany's financial centre and sits just above the Petrescu sports center and its sweat-stained ring where boxing legends Max Schmeling, Joe Louis, Muhammad Ali and Sugar Ray Robinson trained for bouts.
Equity brokers Ines and Marisa, who preferred not to give their full names or identify the bank they worked for, dropped aerobics at a traditional gym in exchange for a kick-boxing workout here.
"You come to clear your head" by putting your body through its paces, Ines said.
"It was a hard day, and it won't get easier" at the boxing club, Marisa joked.
Both felt kick-boxing beat sharing running machines with investment bankers while they talked shop. "And you have to watch n-tv there," Ines added, referring to the German all-news television channel which has offered blanket coverage of the market meltdown.
That said, Ollie Wolf, who has a

good feel for people, gets to know his clients' specialities and pairs them up if he thinks they could both benefit, even hosting networking parties on occasion.
He also accompanied a financial expert to a competition of "white-collar boxing" in London for bouts of "hedge funds versus private equity, three rounds of two minutes each."
His clients typically range from their twenties to one who is over 60, and pay 99 euros (129 dollars) a month for the training.
Milon Jensen, a 41-year-old corporate finance consultant, said he had practiced the Korean martial art Tae Kwon Do, but "wanted to discover a traditional European fighting sport."
Jensen said he was impressed by the technique and coordination needed to box, noting "it's really serious and you are (fully) awake for at least a couple of minutes a day."
There's a lot of aggression to get out.
All the trainees stressed that they forgot all else while boxing, since as Wolf explained: "You must be totally focused, otherwise you get hit."
His website also highlights "the fascination of power" linked to boxing, and says that on top of speed, coordination and physical fitness, the sport "brings out perseverance, self-confidence and courage."
Those qualities are surely useful these days in turbulent financial markets and other high-pressure sectors that provide the club's clientele.
"Those banking trading rooms are bear pits, they're appalling," said British psychoanalyst Adam Jukes, who counts many London bankers among his patients.
The author of bestsellers on



AFP
People box at the "Executive Sports Club" in the central German city of Frankfurt. With Germany's economy hitting the wall, Frankfurt professionals have plenty to worry about these days, so some put their minds to rest by pulling on gloves and slamming sandbags, or each other.

male psychology said the sport's physical focus let clients "get out of their heads and all that kind of anxiety and stress that they have to deal with psychologically all day."
But Jukes, who has done some boxing training as well, told AFP: "It's still a highly competitive environment they're putting themselves into."
Boxing, Jukes said, was "a competition in which the desire to hurt and dominate the other is explicit," though the Frankfurt club's clients insisted they come to train, not to tear into each other.
Susanne Breuer, 29, used to practice ballet dancing but one day she "saw some boxing and said: 'I'll try it.'"
"The atmosphere is very different," she acknowledged Breuer, a senior assistant to the director of the German publishers association.
"Guys are much more relaxed, it's much more fun."
Breuer had been sparring with Slobodan Andjelc, who runs his own office cleaning company, and giving as good as she got.
"When you work 10 hours a day there's a lot of aggression" to get rid of, she explained.
The diminutive brunette said getting in the ring and protecting her face was not the toughest part.
"It was much harder getting used to hitting someone," she said. "There's a barrier" to be overcome.
Mathias Loop, 34, who works for a bankruptcy law firm, said hitting the sandbag "helps lower aggression, but that's not my main issue," and added: "It's really, a very hard and good and intensive workout."
Loop said his sparring and real-life partner, Kika Michahelles, packed a punch too.
"I'm careful what I say to her because she hits very hard," he joked.

COLUMN

MAMUN RASHID

Is the economy slowing down?

In recent days, many of our economists, policy planners, business leaders and development partners seem to be concerned about the economic and business future of Bangladesh. A question is being raised: Is there a signal for economic slowdown?
Most appeared to have welcomed the interim government focusing on bringing in few long-overdue corrections to economic management, often hindered by the political regime. But six to seven months down the line, the same lot of people, seem to be frustrated with business confidence being down, corrective measures not yielding expected results or even questions were raised over the nature and process of economic management or the integrity of development partners. The resultant impact is a trust gap on the destination model.
Bangladesh had problems with market-led growth, lack of appropriate policy directives, lack of infra-structure, lack of skilled manpower, lack of adequate capital, inefficient money markets, natural calamities eating away economic buildups, and political unrest. Notwithstanding, we had a 5 plus percent rate of economic growth in the last 15 years or so. To be precise, we have seen 6.7 percent growth in fiscal year 2006.
Despite political turmoil, labour unrest in the garments belt, slowdown in the government procurements, port and infra-structure constraints and political transition, the country has showed reported growth of 6.5 percent in fiscal 2007 and despite floods and cyclone, almost 6 percent in fiscal 2008. The analysts took the higher

growth momentum a sign of the economy nearing a takeoff stage.
What's happening now? Are we doing okay? Judging by the business environment, what can we expect to face? When will people get to see the results of the long-awaited economic and political corrections?
The following graphs show the import, export and new L/C opening data for the last two fiscal years.
Domestic credit growth in the July-Sept 2008 period was Tk 14,841 crore or 5.97 percent growth against July-Sept 2007 of Tk 5,926 crore or 2.88 percent growth over the same period. Public-sector credit grew by 7.73 percent over the same period and private-sector credit grew by 4.95 percent over the corresponding period of last year.
Total domestic borrowing during the July to Sept 2008 period was Tk 4,505 crore or 75.36 percent negative growth, over the corresponding period of the previous year, which was Tk 7,900 crore in July-Sept 2007. Bank borrowing in July-Sept 2008 was Tk 3,562 crore or 103 percent negative growth over the same period of the previous year (July-Sept 2007 was Tk 7,233 crore). Non-bank borrowing during the July-Sept 2008 period was Tk 943 crore, or 41.37 percent

growth over the corresponding period of the previous year (July-Sept 2007 was Tk 667 crore).
The composition of deficit financing is: For the current year, 7.40 percent from foreign source, 22.86 percent from non-bank source, and 69.75 percent from banking source. In the previous year, figures were 4.47 percent from foreign source, 23.59 percent from non-bank source and from 71.94 percent from banking source.
With the global economic downturn having a possible impact on our export earnings, inward remittances, aid disbursement and reduction in foreign and domestic investments, we can possibly agree with some of our economists that the economy is slowing down. If we accept that reality, now the million-dollar question would be - if the economy slows down, is it going to be 'V' curve or 'U' curve recovery. As we have seen the US economic slowdown (which had an impact on the entire world) in early 2000, although it was expected to be a 'V' curve or quick bottom-up recovery, it ultimately became a long lasting 'U' curve recovery, which is again under the threat of a "recession" with this latest sub-prime mortgage driven debacle.
Although with the growth

momentum of the last two fiscal years, despite numerous challenges, our policy planners are projecting a growth rate of 6 percent this fiscal year. Some of the economists are visualising a reverse in the growth rate. Few of them even apprehend that the growth rate could be as low as 'five' or even less, which we of course do not pray or hope for.
The interim government had announced efforts to revive the economy through increasing public spending. This was apparent from the flood recovery plan, from feeding people to repairing infrastructures and shifting of the 'terms of trade' to the rural economy. As per the books taught in our economics classes, this would put money into people's pockets, give them some purchasing power with temporary increase in employment creation.
However, this is also true that this kind of public spending (including flood aid or rehabilitation spending) does not support sustainable growth. In absence of growth generating investments in the domestic sector and a lack of foreign investments, the net investment is likely to remain bearish.
The whole nation is awaiting a transition to democracy with a new government. Both the major par-

ties have re-emphasised poverty alleviation, anticorruption drives, supporting farmers with timely inputs, business-friendly policy support for delineating a better future for their countrymen. These are all very good and mostly 'common' to many of us. But the 'hard core' truth is - due to the confrontational politics, serious drop in work ethics through the passage of time, which may be due to political arrogance or shift in core values, lack of investment on the growth drivers/stakeholders, lack of coordination among the execution agencies, absence of vibrant local government institutions and civil bureaucracy to drive reforms and befitting infra-structure, our growth has been hampered a lot and this has created lack of confidence amongst us.
'Change' is the most constant thing in this world, but driving change with an 'archaic weapon' becomes almost impossible. We have uttered many flowery words, but our people remain divorced from those. Time has come again for our leaders to create a 'bridge of confidence' through walking their talks.
Instil confidence among the electorate to truly believe - change is good, change is possible and that change is going to be better for us'. We need more activities from our growth drivers including regulatory agencies, towards that direction, not unnecessary words overheating the entire system, and creating doubts about integrity of the purpose.
The writer is a banker and economic analyst and can be reached at mamun1960@gmail.com.

এক সাগর রক্তের বিনিময়ে বাংলার স্বাধীনতা আনলে যারা
আমরা তোমাদের ভুলবো না...

মহান বিজয় দিবসে আমাদের গ্রাহক, পৃষ্ঠপোষক ও শুভানুধ্যায়ীদের জানাই

শুভেচ্ছা

BASIC বেসিক ব্যাংক লিমিটেড
(শত ভাগ সরকার মালিকানাধীন ব্যাংক)
প্রধান কার্যালয়ঃ সেনাকলাণ্ড ভবন (৬ষ্ঠ তলা), ১৯৫ মতিঝিল বা/এ, ঢাকা-১০০০