


## Asian Markets

MUMBAI	▼ 0.71%	9,647.31
TOKYO		Closed
SINGAPORE	▼ 0.50%	1,761.56
SHANGHAI	▼ 0.66%	1,820.81

## Commodities

 Gold	▼	\$868.74	(per ounce)
 Oil	▼	\$37.84	(per barrel)

SOURCE: AFP  
(Midday Trade)

## More News

### Economic challenges for the new govt



The new government despite being elected with a landslide victory will be confronted with the same economic policies and management issues that were taken by the previous government as well as emanating from the global meltdown impact on emerging economies.

### Economy rides past strong 2008

The economy has passed a resilient 2008 despite an unfriendly domestic investment climate and fallout from the world economic meltdown. Economic indicators such as private-sector credit growth, call money rate, foreign currency situation, foreign exchange reserves, inflation, exports, import and remittances -- all were positive. Although the world credit market was the most direct victim of the sub-prime crisis in 2008, Bangladesh remained completely unaffected.

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## International

### Lanka offers stimulus package

Sri Lanka announced Wednesday a 16 billion rupee (141-million dollar) stimulus package that included reducing fuel prices to shield the economy from the global slowdown. "We want to maintain our economic growth rate at six percent or more -- as it has been in the past few years -- through this economic stimulus package," Central Bank of Sri Lanka Governor, Nivard Cabraal, told reporters.

### Credit Suisse offloads stake to British firm

Swiss banking giant Credit Suisse said on Wednesday it had sold part of its Global Investors business to Aberdeen Asset Management in return for a 24.9 percent stake in the British fund manager. The Aberdeen Asset Management stake was valued at 250 million pounds (256 million euros, 358 million dollars) as of Tuesday, Credit Suisse said in a statement.

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If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# New-era call to restore business confidence

SAJJADUR RAHMAN

Bringing back investors' confidence and maintaining stability in the current economic climate will be the key challenges for political leaders in 2009, said top bankers in the country.

"What we would really like to see is a consensus on a conducive and an enabling business environment from the two main protagonists in the political arena," said Muhammad A Rume Ali, chairman of BRAC Bank and a former deputy governor of the central bank.

"This is what the country needs and expects, and should happen," Rume Ali said.

Bangladesh has been facing a fading business confidence since the last quarter of 2006 when politics started getting confrontational centring the national elections then scheduled for January 2007. Investors were unwilling to pour money in an interim situation that lasted long for two years.

Besides these homegrown causes, global economic crisis has added to the woes starting from the middle of 2008, bankers said.

"If we find a conducive post-election business environment, we will see investors are returning. However, the global economic slowdown will have an impact on foreign investment inflows," Rume Ali said.

According to bankers, people in general are hard working and they want development. But the main hurdle is political instability. They said political leaders need to be patient to play their respective role.

They stressed that economy should get the highest priority by the political leaders.

"Politicians have to take care of the issues that may harm economic activities," said Helal Ahmed Chowdhury, managing director of Pubali Bank.

Bangladesh has been growing at an at least 6 percent rate for the past four years despite political confrontation, especially between the two main parties -- Awami League and Bangladesh Nationalist Party (BNP).

Even the global economic meltdown could not affect the resilient Bangladesh's economy.



Jubilant people cheer after a landslide victory by the Awami League and its allies in Monday's elections. For the new government, building confidence among businesspeople will be a major task.

Banks, particularly the private ones, are playing a key role in the economic development of the country.

Bangladesh Bank data show the amount of industrial term loan disbursement by banks and financial institutions stood at Tk 20,150 crore, many-fold higher than the amount of Tk 740 crore raised by new capital issues through private placements and public offerings in the capital market in 2007-08. This indicates the overwhelming preference of bank finance in industrial investment funding.

Bangladesh has more potential to grow if the politicians play their respective role, bankers said.

Investors always want stability for the return of their money, said Syed Abu Naser Bukhtear

Ahmed, chief executive officer of state-owned Agrani Bank.

Shahjahan Bhuiyan, managing director of United Commercial Bank, said now the politicians should come up with generosity to take the economy forward.

"Time has come to change the attitude of the politicians," said Nurul Amin, managing director of National Credit and Commerce Bank. "Politicians have to feel the pulse of the people and the businesses."

Rume Ali said the country is facing a challenging global economic scenario and the economy needs and deserves a minimum commitment from the entire political spectrum.

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# More CHT areas to come under mobile network

STAR BUSINESS REPORT

Cellphone operators will widen their network reach to the residents of most upazilas in hill districts, who had long been left out of mobile phone communication.

The much-hyped good news for the people of the country's extensive hilly areas came yesterday, as the telecom watchdog announced to introduce mobile services in 23 upazilas out of 25 in three districts.

In a statement Bangladesh Telecommunication Regulatory Commission (BTRC) said the service will be made available gradually in two other upazilas -- Barkal and Baghai Sari of Rangamati district.

In March last year, the government partially allowed telephone services in the metropolitan areas of Chittagong Hill Tracts (CHT) that combine Rangamati, Khagrachhari and Bandarban districts.

Mobile phone will change the socio-economic condi-

tion of the areas, said BTRC Chairman Manzurul Alam.

The BTRC announcement means all mobile operators are now allowed to expand their network to these areas.

The three districts were deprived of mobile services since the launch of the service in 1991 in Bangladesh as the government did not take any initiative in this regard until 2007 on national security ground.

Mobile phone operators estimate that currently around eight lakh people in these areas of 20 lakh population can subscribe mobile connection.

"We welcome the government initiative. Grameenphone already has coverage in the three hill districts and will try to expand network to the new areas as soon as possible," said Syed Yamin Bakht, director (public relations) of the company.

Presently, around 43.96 million people of the country's 150 million population enjoy mobile phone services, according to data as of November.

# Billionaire blowups of 2008

STAR BUSINESS DESK

Dozens of the world's wealthiest lost billions in recent months, but these ten distinguish themselves for some of the biggest flops, according to a Forbes report.

It was a dreadful year for the world's wealthiest as markets and currencies around the world tumbled.

More than 300 of the 1,125 billionaires the business magazine tallied on its annual list last March have since lost at least \$1 billion. Several dozens lost more than \$5 billion.

The 10 richest from the 2008 rankings dropped some \$150 billion of wealth, dragged down by steel tycoon Lakshmi Mittal, estranged brothers Mukesh and Anil Ambani and property baron KP Singh, who together dropped \$100 billion. America's 25 biggest billionaire losers of 2008 lost a combined \$167 billion.

But even in such an awful year, the stories of a few billionaires and now former billion-

aires stand out as particularly dreadful.

Take David Ross, one of the UK's most successful entrepreneurs. Earlier this month, Ross notified four public companies in which he was a major shareholder and director that he had borrowed against his shares to fund real estate investments that had soured.

He will likely have to sell some of those stakes to pay off his debts. So far he has resigned from three of the four boards and stepped down from his post as an Olympics adviser. His fortune, which we estimated at \$1.4 billion in March, is now worth about \$150 million.

Bjorgolfur Gudmundsson, former chairman and a large shareholder in Landsbanki, Iceland's second largest bank, saw the firm seized in October as the worst of the credit crisis tore through the island nation. The failure wiped out his \$1.1 billion fortune. He has since had to put his holding company, Hansa, into voluntary liquidation and is selling his UK soccer team, West Ham.

# New Year party rolls amid financial gloom

AFP, Sydney

As the Earth rolled towards 2009 Wednesday, the world prepared to turn its back on a turbulent 2008 with New Year celebrations ranging from the spectacular to the sombre.

Record crowds of 1.5 million were expected to kick off the global party with a fireworks extravaganza over the iconic harbour bridge and Opera House in Sydney, the world's first major city to see in the New Year.

"It's probably 30 percent bigger on the bridge alone than it's been in previous years," said fireworks director Fortunato Foti. "Personally, I don't think you can have too many fireworks."

But India was set for a subdued New Year's Eve, with the country still coming to terms with the trauma of November's Mumbai terror attacks that left 172 people dead.

Tight security was planned in the vast city, with police keeping an especially close watch on the traditional boat parties along the city's famed waterfront.

Some of the militants who took part in the November attacks had slipped into Mumbai from the sea.

Joint Mumbai police commissioner K.L. Prasad said partygoers on boats would not be allowed to return to shore once celebrations had begun.

"It may create a sense of fear among the crowd if they see somebody alight-

ing from the boat," Prasad said.

The resort state of Goa has banned its famous beach parties -- a huge draw for foreign tourists -- and extra paramilitary troops have been deployed to ensure security.

Police will also step up their presence in the key tourist and shopping districts of central and south Delhi, which were hit by a series of bomb blasts in September.

A sombre note will also be sounded in neighbouring Pakistan as December 31 falls on the second day of the Muslim mourning month of Muharram, which marks the death of the Prophet Mohammed's grandson in the seventh century.

"There are no New Year's functions at the hotel due to Muharram," said Jamil Khawar, a spokesman for the Marriott Hotel in Islamabad, which reopened at the weekend, three months after it was gutted in a suicide truck bombing.

In the southern port of Karachi, luxury hotels are not planning events due to Muharram but people were expected to gather on the city's Arabian Sea beaches to ring in 2009 -- with hundreds of paramilitary police on watch.

"Yes, there is a threat perception during the New Year celebration but we have taken foolproof security measures to avoid such threats," said senior police official Azad Khan.

Apart from the carnage wrought by militant violence, the global financial meltdown will also dampen some spirits.

In Tokyo, laid off workers are camping out in the city's Hibiya Park during the holidays after companies including leading carmakers cut tens of thousands of jobs.

Anti-poverty activists will offer a soup kitchen and put on a concert to entertain laid-off temporary workers who lost their corporate housing.

In Hong Kong, the Times Square shopping mall said it had prepared more than ten thousand sets of party props for revellers at its countdown event -- the Hong Kong version of New York's famous celebration.

The props this year will include "cheering sticks" printed with phrases of blessings in Chinese characters, such as "everyone got a job", "a blooming stock market", and "good economy for Hong Kong", a spokesman said.

In South Korea, police were on alert against a possible anti-government protest at Bosingak Pavilion in downtown Seoul after some Internet websites called for a candle-lit demonstration.

The annual event at Bosingak, which features 33 strikes of an ancient bronze bell to announce the start of the New Year, usually draws more than 100,000 revellers.



Workers install Chinese traditional decorations to decorate an ancient city gate ahead of the New Year celebration in Xian, north China's Shanxi province on Tuesday.

AFP