

Tap local market to fight financial crisis fallout

Says industries minister

STAR BUSINESS REPORT

Industries Minister Dilip Barua yesterday stressed the need for tapping domestic market properly and fully to cushion the country from any fallout of the ongoing global financial meltdown.

"We can stand up well by tapping a big market of about 15 crore people. We will remain unaffected from the worldwide recession if we can tap the domestic market fully and properly," he told a seminar on global financial crisis and Bangladesh's preparedness to face the challenge.

Speakers at the seminar also urged the government to immediately bring into effect a body that will work out strategies to combat any negative impact of recession.

Rapport Bangladesh, a management consultant firm, organised the discussion in the capital.

Dhaka University Finance Department Chairman Mahmood Osman Imam, Bangladesh Sangbad Sangstha (BSS) Managing Director and Chief Editor Zaglul Ahmed Chowdhury and Bangladesh Garment

Manufacturers and Exporters Association (BGMEA) Vice President Shahidul Islam, among others, spoke.

North South University Vice Chancellor Hafiz GA Siddiqi chaired the session.

Barua however hoped global recession would rather bring positive results for Bangladesh due to its cheap labour compared to that in developed countries.

"We have the advantage of exporting products at lower prices by using the cheap labour," he said.

Cheap labour force has been a boon for Bangladesh as its main export earner garments that penetrate to low-priced segment are maintaining growth. But exports of many emerging countries like China has been hit hard by the deepening global financial crisis and contraction of economies like USA, UK and Germany.

However the country's other export earning sectors like shrimp, frozen foods and jute have fallen victim to the fallout of recession that led to the slide in the value of some major currencies like the dollar, euro and pound.

"It has pared down our earnings.

Once we got two dollars against one pound but now it's nearly one and a half dollars. We are also receiving low for euro," said Shahidul Islam, vice president of BGMEA.

Citing currency devaluation by countries like India and Pakistan, he said the government should come up with plan to tackle any negative impacts. "China has offered stimulus package. But till date, we haven't seen anything from the government side," Islam said.

"We request the decision makers to take immediate steps," the BGMEA vice president added.

Although remittance, another major foreign currency earner after export, is also on upward trend, fears of a possible drop in remittance inflows from the Middle Eastern countries mount due to slump in oil prices.

"Recently Middle East countries have cut down wages for oil price fall," said Prof Mahmood Osman Imam.

Zaglul Ahmed Chowdhury said the government should immediately bring into force a body involving stakeholders to fight recession fallout.



SAFA gets new president

STAR BUSINESS DESK

Leading cement manufacturer Lafarge Surma Cement has undertaken a massive sanitation campaign in villages near its plant in Chhatak in Sunamganj as part of its corporate social responsibility.

In the first phase of the campaign, the company has already handed over concrete rings and slabs to make latrines to 41 families of Samargaon and Gilatola villages located near the 17-km long conveyor belt, which is used in transporting limestone from its quarry in Meghalaya to the cement plant at Chhatak.

Hafiz, an FCA, is a past president and council member of Institute of Chartered Accountants of Bangladesh, and a senior member of Rahman Rahman Huq, a member of the world-renowned chartered accounting firm KPMG International.

He is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the National Gas Utilisation Committee.

US economy down 3.8pc

AFP, Washington

The US economy contracted at the fastest pace in 26 years in the fourth quarter, a 3.8 percent rate of decline, but avoided an even more calamitous drop feared by analysts, data showed Friday.

The milder-than-expected downturn failed to ease concerns about a deepening recession, however, with some economists arguing that the data was skewed by special factors and could portend an even sharper drop in early 2009.

The decline in gross domestic product (GDP) as estimated by the Commerce Department marked a sharp downward acceleration in economic activity after a 0.5 percent drop in the third quarter.

But the figure was not as bad as the 5.5 percent annualized drop expected on average by private economists.

Still, few took comfort in the data, which was skewed by a high rate of inventory buildup, suggesting business were surprised by the depth of the downturn and may have to cut production further in 2009.

The headline GDP figure was better than expected but this is very much an illusion supported by an unexpected increase in business inventories," said Sal Guatieri, senior economist at BMO Capital Markets.

Guatieri said that the data suggest an even sharper decline in the first quarter of 2009.

"We were running with a forecast of down 4.3 percent (in the first quarter) but we will likely revise that lower," he said.

Meny Grauman at CIBC World Markets said that "a better-than-expected headline number could not hide what was essentially a very ugly snapshot of the US economy."

"More concerning is the outlook for the first quarter, which was already starting to look worse and should now be further hit by a surprising inventory build," Grauman said.

Lafarge starts sanitation campaign

STAR BUSINESS DESK

Lafarge is currently preparing concrete slabs and rings to be provided to 160 households in the two villages, the company said in a statement yesterday. It intends to have a full coverage of health-safe sanitation in the two villages before the onset of next monsoon.

"To achieve millennium development goal, the government is working on to equip all the households in rural areas with pit latrines. But these two villages were out of the government's initiative so far," the company said.

Lafarge operates the country's only "fully integrated" dry process cement plant.



Masons prepare sanitation wares beside the Lafarge Surma Cement Plant in Chhatak.

South Africa trade deficit narrows

AFP, Johannesburg

South Africa's trade deficit narrowed last month to nine billion rand (881 million dollars, 687 million euros), official figures showed Friday as imports slowed due to an economic downturn.

The South African Revenue Service (SARS) said in a statement that the narrowing of the trade deficit was also due to "a month-on-month increase in exports of precious metals and stones, and vegetable production."

Figures for December showed the month-on-month trade deficit went from 12.1 billion rand in November to 9.0 billion rand, the revenue service said.

Year-on-year figures meanwhile showed 34-percent growth in the deficit over 2008 from 69.9 billion rand in 2007 to 88 billion rand by December 2008.



Singer's new MD

STAR BUSINESS DESK

AM Hamim Rahmatullah has been appointed as the new managing director (MD) to Singer Bangladesh Limited, a concern of Singer Asia, effective from February.

Prior to this appointment, Hamim was a director and chief operating officer of Singer Bangladesh, the company said in a statement yesterday.

Hamim, an MBA from the Institute of Business Administration, joined Singer Bangladesh in 1988 as the product manager.

Pakistan maintains discount rate at 15pc

AFP, Karachi

Pakistan's central bank announced Saturday it would leave its discount rate unchanged at 15 percent for the remainder of the fiscal year ending June 30.

The State Bank of Pakistan (SBP) raised interest rates by 2 percentage points to 15 percent in November, the same month it signed a 7.6 billion dollar loan with the International Monetary Fund to stave off a balance of payments crisis, SBP chief Salim Raza told a news conference here.

Raza said that Pakistan's discount rate was among the highest in the world.

GM rethinks Thai plant

ANN/THE NATION

General Motors Thailand on Thursday sought the industry ministry's help in setting up a 3-billion-baht (US\$86 million) financial facility for its diesel-plant in Rayong to keep the project alive.

GM Thailand earlier said it would suspend the 15-billion-baht plant plan due to the global economic crisis, which has led to severe financial losses at its US-based parent.

The news came amid fears that foreign investment flows to Thailand could dry up.

However, the Board of Investment expressed optimism for the investment outlook this year, saying net investment applications this month alone were up 181 percent on year to 90 billion baht (\$2.5 billion).

The positive spin came despite the fact that the number of applications for incentives dropped in half to 50 and the investment comes mainly from two power plant projects requiring 40 billion baht (\$1.1 billion) each.

"Unless GM can find loans, this project may be postponed," industry minister Charnchai Chairungruang said after the meeting with GM Thailand executives.

Caterpillar adds 2,000 job cuts to 20,000 announced

AFP, New York

Caterpillar, the US construction equipment maker, said Friday it would slash an additional 2,000 jobs on top of the 20,000 cuts announced four days ago to deal with poor business conditions.

Caterpillar said a total of 2,110 production employees would be laid off at three plants in Illinois, beginning in April.

"These actions are in response to lower demand for products made at the Illinois facilities," the Peoria, Illinois-based manufacturer said in a statement.

"As previously announced, Caterpillar is rapidly executing strategic 'tough' plans and implementing actions throughout the company to deal with a very challenging global business environment," it said.



MA Hassan, managing director of Aristopharma Ltd, hands over a "Microplate Absorbance Reader (ELISA machine)", to Prof Dr Abdur Rashid, dean of pharmacy faculty, Dhaka University on Wednesday.

Obama to unveil measures to free up credit

AFP, Washington

President Barack Obama said Saturday his administration will announce new measures soon to free up credit for businesses and individual borrowers, in the latest bid to revive a rapidly deteriorating US economy.

In his weekly radio and Internet address, the US leader said the soon-to-be announced credit measures would be unveiled by Treasury Secretary Tim Geithner.

"Just as we jumpstart job creation, we must also ensure that markets are stable, credit is flowing, and families can stay in their homes."

He added: "We'll help lower mortgage costs and

extend loans to small businesses so they can create jobs.

"We will insist on unprecedented transparency, rigorous oversight, and clear accountability -- so taxpayers know how their money is being spent and whether it is achieving results," he said.

The president also called on the US Senate to quickly approve his stimulus plan, which aims to tackle the "unprecedented economic turmoil," after the House of Representatives this week approved an 819-billion-dollar (640-billion-euro) version of the measure.

The Senate is poised to debate the measure next week, after it passed in the House, but garnered no Republican support.

As the recovery plan now moves to Congress' upper chamber, Obama vowed to "continue working with both parties so that the strongest possible bill gets to my desk."

"With the stakes so high we simply cannot afford the same old gridlock and partisan posturing in Washington. It's time to move in a new direction," he said.

He added that the foundering US economy "is likely to get worse before it gets better."

Obama's remarks came a day after the release of figures showing that the US economy shrank by nearly four percent in the last quarter of 2008, the sharpest decline in more than a quarter-century.

Trade ministers see 'sound basis' for WTO push

AFP, Davos, Switzerland

Leading trade ministers on Saturday said there was a "sound basis" for agreeing a new global free trade pact this year amid growing fears about protectionism as the economic crisis bites.

Ministers from 18 economies met on the sidelines of the Davos forum, saying afterwards that they would push to overcome their differences early this year in the so-called Doha Round of World Trade Organization (WTO) negotiations.

"We recognise the major progress made in 2008 towards finalising modalities in the Doha Development Round, which provides a sound basis for an early resolution of the remaining differences in 2009," a declaration endorsed by the ministers said.

In the declaration called "open trade for economic recovery", they also pledged to refrain from raising trade barriers or impos-

ing new export restrictions.

There was no permanent US negotiator at the meeting, however, which brought together key emerging powers Brazil and India as well as European and Asian ministers.

Acting US Trade Representative Peter Allgeier endorsed the statement.

Ministers have been struggling to agree a trade deal since talks were launched in Doha in 2001 and regular commitments to make progress and complete the round have come to nothing.

World leaders had pledged in a meeting in Washington in November to agree a framework agreement before the end of 2008, but World Trade Organization chief Pascal Lamy called off a mooted December gathering due to a lack of consensus.

Lamy warned that trade was "already a casualty" of the global slowdown as sharp falls in trade flows that are in turn leading to further unemployment.



Tarique I Khan, head (global markets) of HSBC Bangladesh, with all participants pose for photograph at a workshop titled "The World Financial Crisis", organised by the bank recently in Dhaka.

Civil Aviation Authority of Bangladesh

Headquarter, Kurmitola, Dhaka

Invitation for Tenders

1	Ministry/Division	Ministry of Civil Aviation and Tourism.
2	Agency	Civil Aviation Authority of Bangladesh.
3	Procuring entity name	The Chief Engineer, CAAB, HQ.
4	Invitation for	O&M of Passenger Terminal Building at Zia International Airport, Kurmitola, Dhaka during the year 2008-2009 (SH-Supply of Weighing Display Unit for Departure Conveyor System (AP Morling Brand).
5	Invitation Ref No. & date	CAAB/CE/W-673(E/M)/(3005)(Part-8) dated -2009
6	Procurement method	Open tendering method.
7	Budget and source of fund	Available from CAAB own fund.
8	Tender package no.	No. 70/CAAB/E/M-1/(O&M)/2008-2009.
9	Tender package name	Supply of Weighing Display Unit for Departure Conveyor System (AP Morling Brand).
10	Tender last selling date	25-02-2009 up to 1700 hrs.
11	Tender closing date & time	26-02-2009 at 1200 hrs.
12	Tender opening date & time	26-02-2009 at 1230 hrs.
13	Name & address of the office(s)	
	-Selling tender document (principal)	The Chief Engineer, CAAB, HQ, Kurmitola, Dhaka.
	-Selling tender document (others)	i) Superintending Engineer, E/M Circle, CAAB, Kurmitola, Dhaka. ii) Director, CEMSU, CAAB, Kurmitola, Dhaka. iii) Executive Engineer, E/M Division-1, CAAB, Kurmitola, Dhaka. iv) PA to Member (O&P), HQ, CAAB, Kurmitola, Dhaka. v) PA to Member (Finance), HQ, CAAB, Kurmitola, Dhaka. vi) PA to Director, ZIA, CAAB, Kurmitola, Dhaka.
14	Receiving tender document	The Chief Engineer, CAAB, HQ, Kurmitola, Dhaka.
15	Opening tender document	The Chief Engineer, CAAB, HQ, Kurmitola, Dhaka.
16	Eligibility of tenderer	"A" Special Class CAAB enlisted E/M contractors/bonafide E/M contractors enlisted in other gov't/semi-gov't/autonomous department having valid BC contractory & supervisory licence, 5 years experience as a contractor, at least 8.00 lac taka work experience of similar nature/supply of conveyor spares in a single work order within last 5 (five) years supported by completion certificate from any gov't/semi-gov't/autonomous department.
17	Brief description of goods or works	Supply of Weighing Display Unit for Departure Conveyor System (AP Morling Brand).
18	Brief description of related services	a. Micro Power Supply Box. b. Operational Panel. c. Passenger Display. d. Special type Passenger Cable.
19	Price of the tender document	Tk. 1,000/- (one thousand) only (non-refundable).
20	Lot No.	Identification of lot Location Tender security amount (Tk) Completion time in days/weeks/months
	01.	Supply of Weighing Display Unit for Departure Conveyor System (AP Morling Brand) Passenger Terminal Building-1, Zia International Airport Tk. 60,000/- 45 (forty-five) days.
21	The procuring entity reserves the right to accept or reject all tenders or part thereof.	
22	Special instruction	In case of any unavoidable circumstances if the transport & communication systems are totally disrupted on the last date of receiving & opening of the tender, the tender will be received & opened on the next office day. Other terms & conditions of the tender will remain unchanged.
23	Details of procuring entity & official inviting tender.	Harunur Rashid Bhuiyan Chief Engineer (C/C) Civil Aviation Authority, HQ, Dhaka

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