

Stocks

DGEN	▼ 1.38%	2,598.05
CSCX	▼ 1.58%	5,126.77

Currencies

	Buy Tk	Sell Tk
USD	68.40	69.40
EUR	87.02	91.48
GBP	99.62	104.27
JPY	0.74	0.77

SOURCE: STANDARD CHARTERED

Commodities

Gold	▲ \$913	(per ounce)
Oil	▼ \$38.60	(per barrel)

SOURCE: AFP

(As of Friday)

More News

Bangladesh-Canada trade to reach a new high

Trade between Bangladesh and Canada is expected to cross the billion-dollar mark this year, said Robert McDougall, Canadian high commissioner in Bangladesh, yesterday. Currently, trade between the countries stands at nearly \$900 million.

Harnessing benefits from transit stressed

The government should at first analyse the benefits the country may get from allowing transit to India before signing any deal, speakers said at a seminar in Dhaka yesterday. They said the government should be well prepared for multilateral talks and strengthen its bargaining capacity while going for any negotiation.

B-3

International

Economic nationalism weighs in



The global slowdown risks sparking violence and bolstering far-right parties, as manual workers turn against cheaper foreign counterparts, analysts and unions warn. From energy plants in snow-covered Britain to the sweltering construction sites of the Emirates or factories and shops in Malaysia, workers from abroad are increasingly finding their presence under threat.

UBS set to announce historic loss

Switzerland's largest bank, UBS, is expected to announce the biggest loss in the country's history when it releases Tuesday its results for 2008, a year that saw the national icon tarnished by the subprime crisis.

B-4

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Bangladesh feels pinch of global recession: Minister

Knitwear exporters demand bailout

STAR BUSINESS REPORT

The trade body for the knitwear sector in a meeting with Finance Minister AMA Muhith yesterday demanded that the government come up with some bailout package to face a cut in exports and prices of the garment item as a result of the ongoing global financial crisis.

The minister admitted to the fact that jute, textile, knit, woven and all other sectors have started feeling the brunt of the global recession.

The four-point demand the BKMEA leaders placed include raising cash incentives for the textile sector to 10 per cent from 5 per cent and 5 per cent special assistance for total exports up to 2009.

"The amount of knit exports has dropped by 2.5 per cent in December compared to the month a year earlier," Fazlul Hoque, president of the Bangladesh Knitwear Manufacturers and Exporters Association, told journalists after the meeting with the minister.

He also pointed out that the sector has suffered a 25 percent loss because of the export decline.

"We have found an alarming situation in an internal advanced assessment of a 3-month period. Besides the drop in exports and prices, the orders already bagged are being delayed. We are facing a similar situation in both European and the American markets," Hoque added.

However, the minister termed the impact 'a short-term one' and said, "We will have to tackle it that way." He also made an assurance that the demands placed by different sectors would come under government perusal.

The minister also informed the journalists that the body that had been assigned to recommend measures to tackle the adverse impacts of global recession would meet for the first time by the month-end or the first week of next month.

During BKMEA's meeting with Muhith, the trade body opposed devaluation of taka against dollar.



Workers busy at a garment plant in Narayanganj. Knitwear sector leaders demanded bailout package in the face of the ongoing global financial crisis.

The association chief said any depreciation will not help exports and the import-dependent economy face a severe setback.

Fazlul Hoque said, "We import much more against our exports."

Citing an example he said, "If we export goods worth \$100, only \$15-16 come to our own (exporters) account because a lion's share of the money fetched from exports goes for the imports of major raw materials."

When asked about currency market, Muhith said, "The exchange rate of taka and dollar is being run under a floating system. The government that prefers non-intervention would like to allow the market to go in its own course."

In response to another query on the Indo-Bangla trade pact, the minister said, "It will a further renewal of the agreement renewed in 2006. There will be no transit under this deal. A proper understanding of the issue is necessary."

Govt to fast-track textile solutions

Minister tells inaugural of garment machinery show

STAR BUSINESS REPORT

The government will move fast to address the problems of the textile and RMG manufacturers as it has got a specific proposal consisting of their demands, said Textiles and Jute Minister Abdul Latif Siddiqui yesterday.

He assured the textile and RMG makers of solving their problems within next week as the sector people submitted a package of proposal yesterday to the minister.

In the package proposal, the businesspeople demanded depreciation of the local currency against the dollar, a moratorium on loan payment for two years and taking effective measures to slap a ban on yarn import through illegal channels.

The assurance from the minister came at the inaugural ceremony of the four-day 6th Dhaka International Textile and Garment Machinery Exhibition-

2009 at Bangladesh-China Friendship Conference Centre in Dhaka.

About illegal import of yarn through Benapole land port, Siddiqui said some unscrupulous businessmen are involved in such illegal trading.

"I will take the right decision about yarn import through Benapole land port," the minister told the inaugural function as chief guest.

At the inaugural session of the show Abdul Hai Sarker, president of Bangladesh Textile Mills Association (BTMA), reiterated that the primary textile sector is under threat because of yarn import from India through illegal channels.

"I hope the government will take a right decision about the spinners for their survival amid competition," Sarker said.

He said more than 600 companies from over 30 countries are displaying their machinery and other textile accessories in more than 800 booths at the show, which will remain open to visitors

from 12pm to 8pm without any entry fee. BTMA and ES Event Management SDN BHD Malaysia have jointly organised the machinery fair, said Tiger Lin, vice president of Asian Federation of Exhibition and Convention Association.

After the inaugural session Sarker submitted the proposal comprising different demands of other related associations to the minister.

Talking to The Daily Star, Sarker said they also urged the government to give more than five percent cash incentive and research and development fund to the textile and RMG sector.

BSS adds: At a seminar on jute yesterday the minister said the local 'culprits', responsible for ruining the country's jute sector, should be identified to revive the past glory of the 'golden fibre'.

"There are allegations that foreign quarters are destroying our jute sector, but it is not possible without the help of local collaborators," he said.



A stall showcases textile products at Dhaka International Textile and Garment Machinery Exhibition that began at Bangladesh-China Friendship Conference Centre yesterday.

Stocks in tailspin

STAR BUSINESS REPORT

Dhaka stocks slumped yesterday, hurt by a freefall of nearly all traded scrips.

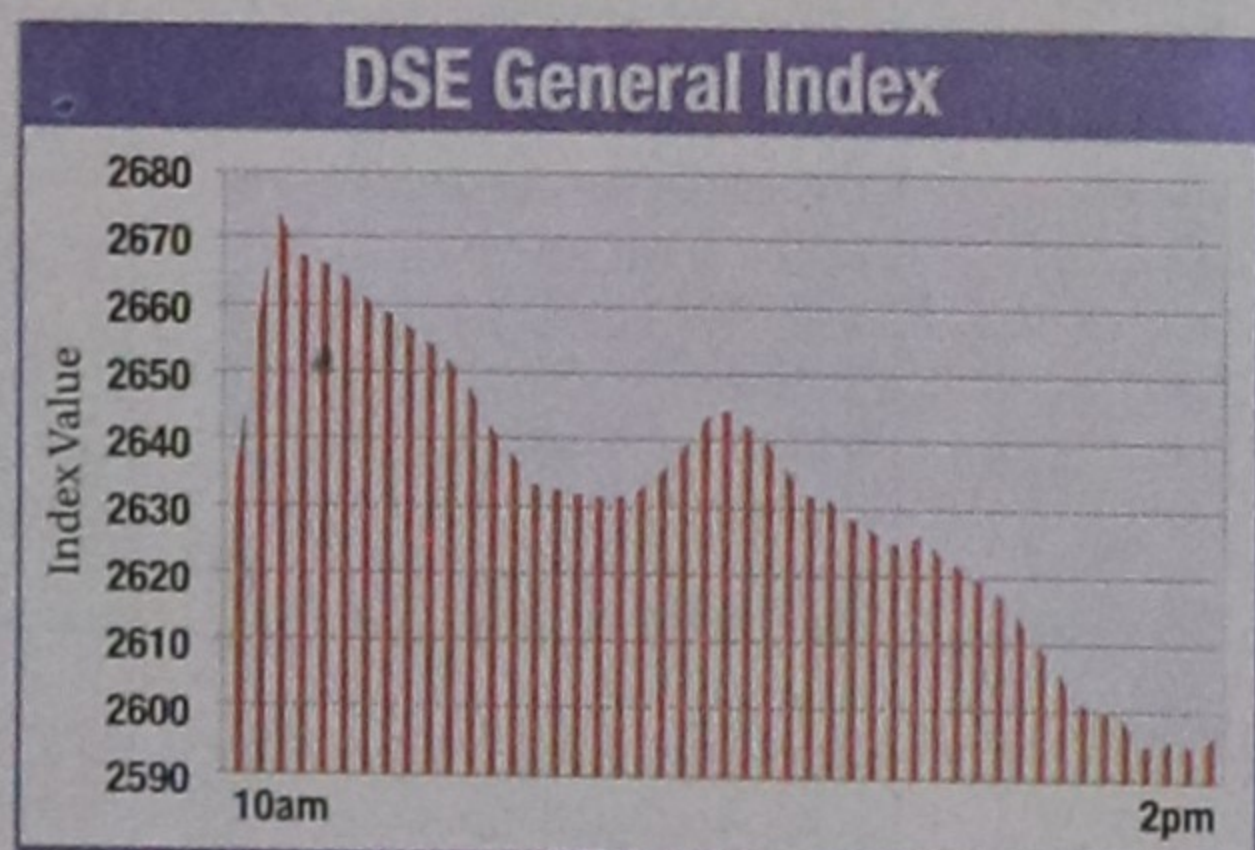
Investor confidence about the possible recovery of the market ran low, as they were gripped by fears of a slowdown in bank and corporate earnings amid the global financial meltdown.

Analysts linked the losses to investor confidence that slumped a day after Finance Minister AMA Muhith vowed to prop up the securities and bond markets, in a statement which failed to spur investors.

"It appears investors have yet to regain confidence as it's not clear that what types of steps the government are going to take," said a senior official of a brokerage house, seeking anonymity.

The market started upbeat, but lost its tempo in half an hour, sending all the indices down at close.

The benchmark DSE General Index or DGEN plunged 36.42 points, or 1.38 percent, to 2598.049. The DSE All Shares Price Index or DSI lost 29.51 points, or 1.34 percent, to 2160.50. The blue-chip DSE-20 Index fell 21.66 points or 1.00 percent



to 2131.88. Almost all the sectors closed lower with shares of banks, pharmaceuticals and power companies topping the pack of losers.

"People want a clear message on whether to increase market capitalisation and investment incentives," he said. Stocks, which closed upbeat on the last trading day of the previous week, returned to a bear-run that lasted five weeks.

Rattled by a probable decline in earnings by the banks, institutional investors took a cautious approach. The investors fear the bank clients may fall behind in paying back the loans taken against imports, which may put

squeezes on the balance sheets of the banks.

"Our stock market was insulated from the shift away from emerging markets by global investors such as hedge funds rushing to cover losses and redemptions," said Ify Islam managing partner of Asian Tiger Capital Partners.

"However, in 2009, the risk is that the Bangladesh economy and exports will likely slow to a greater extent than in 2008, given that the global recession is getting worse."

"Given this backdrop, some modest corrections in the stock market, as we have seen in the past few weeks, should not come as a major surprise," said Islam.

Superbrands to make Bangladesh debut soon

STAR BUSINESS DESK

Superbrands, the UK-based independent authority on branding, will shortly start operations in Bangladesh.

Bangladesh will be the 61st country to run the branch, according to a press statement.

Superbrands promotes the discipline of branding and "pays tribute to exceptional brands" all over the world, the statement says.

Since 1994, the company has been successfully publishing a "prestigious" series of books, which identify and pay tribute to the strongest brands in the world.

"Although the concept began in the UK, it has now spread across the world," it says.

A superbrand is branded as the "face of commercial activity" in a country. Sophistication of branding reflects the level of commercial development as countries, companies and brands compete with each other for global consumer attention.

"A superbrand offers consumers significant emotional and physical advantages over its competitors, which consciously or sub-consciously, consumers want and recognise and is willing to pay a



price premium for," the statement says.

The objective of the exercise is to recognise those brands that have been successful in Bangladesh by strong emotional links they built with their consumers.

The Superbrands organisation was formed to promote the discipline of branding. "The best means of doing so was to illustrate with examples those brands and how they have done so and the contribution that the brand plays and has played within the overall business," the statements says.

The brands are selected through independent and voluntary panels of experts, known as the 'Brand Council'. The experts come from a range of backgrounds, including senior business managers, academics, entrepreneurs, PR, advertising, and market researchers.

WiMax may face setback on Nokia, Nortel pullback

MD HASAN

The forthcoming WiMax technology may face a setback, as two of the world's major telecom solution providers -- Nokia and Nortel -- recently announced they would discontinue their WiMax business.

Industry insiders said Bangladesh's new WiMax industry would be affected, as the licence owners who won bid at Tk215 crore will have to go for a very few choices while commissioning the high-speed broadband technology.

However licence owners are very optimistic. They forecast that the WiMax technology would prove to be a good business case in Bangladesh.

Besides Nokia and Nortel, there are many companies to offer WiMax solutions, said Syed Farhad Ahmed, a director of Augere Wireless Broadband Bangladesh Ltd. "Broadband industry mainly depends on the government's policy support, such as launching e-payment gateway the soonest."

BanglaLion Communication, BRAC BD Mail Network Ltd and Augere Wireless Broadband Bangladesh Ltd won the WiMax licences through an auction organised by Bangladesh Telecommunication Regulatory Commission (BTRC) in September last year. Later, BRAC refused to receive the licence.

Later BTRC had to persuade the seventh bidder, Mango Telecom, into receiving the WiMax licence, as four other bidders refused to take the 'hot cake'.

The world's top mobile phone maker Nokia last week said it had ended production of its only mobile device using the US-centered WiMax technology, according to Reuters.

"We have ramped down the N810 WiMax edition tablet. It has reached the end of its lifecycle," said a Nokia spokesman. Nokia unveiled the model only nine months ago, while, even the trendiest models have a shelf life of well over a year.

Canada's Nortel Networks Corp also said it decided to discontinue its mobile WiMax business.

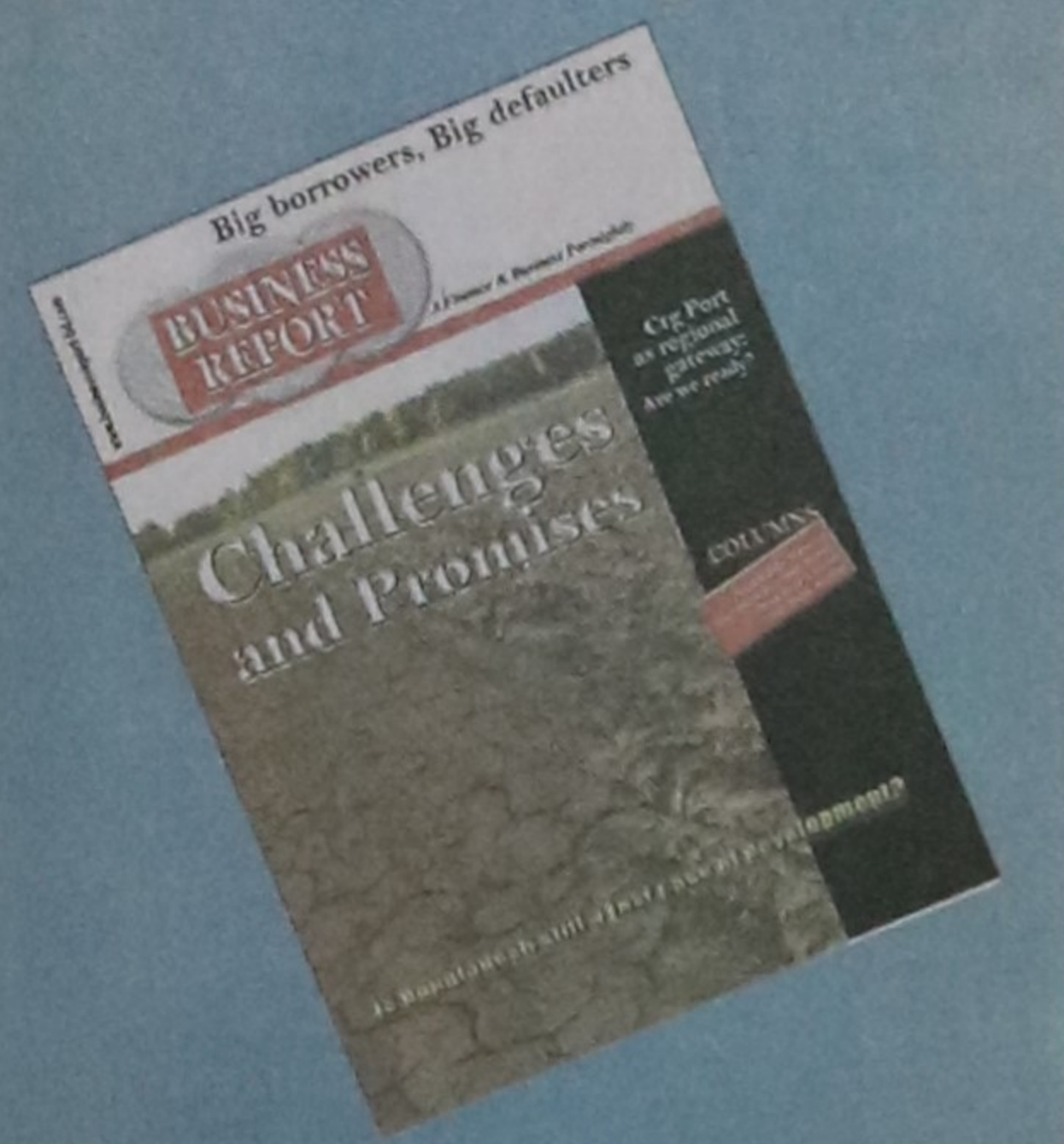
"We are taking rapid action to narrow our strategic focus to areas where we can draw in maximum return on investment," said Richard Lowe, president of the company, in a statement.

Augere's Farhad Ahmed said they are planning to launch some portals targeting local businesses like agriculture and fishing. But the introduction of such businesses requires e-payment gateway.

"Introduction of high speed broadband internet is not enough to attain something as a whole. It also needs to have a scope to utilise the technology," said Farhad Ahmed.

hasan@thedailystar.net

get updated get latest



BUSINESS REPORT
A Finance & Business Fortnightly

COMES OUT
TOMORROW

Ask the hawkers for your copy