

Stocks

DGEN	▲ 0.07%
	2,606.05
CSCX	▼ 0.17%
	5,133.19

Asian Markets

MUMBAI	Closed
TOKYO	▼ 0.54%
	7,376.16
SINGAPORE	▲ 2.24%
	1,630.69
SHANGHAI	▲ 1.96%
	2,305.78

Currencies

	Buy Tk	Sell Tk
USD	68.35	69.35
EUR	86.69	91.31
GBP	97.48	102.42
JPY	0.73	0.77

SOURCE: STANDARD CHARTERED

Commodities

Gold	▼	\$986.94
		(per ounce)
Oil	▲	\$42.26
		(per barrel)

SOURCE: AFP

(Midday Trade)

More News

Language stating tax laws to be simplified: NBR

The National Board of Revenue (NBR) will form a committee to simplify the language stating the tax laws, in the greater interest of the mass. "The present government's manifesto stated that it would take steps to simplify the language used in laws."

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International

Asian govts reverse gear



Heads of governments across Asia are scrambling to tackle the rampage of recession. With unemployment rising by the millions, Asian central banks are slashing interest rates in an effort to find ways of survival. Export-driven economies are now most vulnerable to the crisis, and governments are in a mad rush to inject stimulus packages into the economies.

Australia likely to cut immigration

Australia will likely cut the number of skilled immigrants allowed into the country next year, following the global economic downturn, the government said Monday. "I expect the numbers of our programme to drop next year as a reaction to the economic circumstances," Immigration Minister Chris Evans told reporters.

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Contact Us

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

Agents fear slump in migrant outflow

STAR BUSINESS REPORT

Recruiting agents fear a 50 percent slump in the outflow of migrant workers in the wake of global financial woes and a slide in oil prices that hurt the Middle Eastern countries.

At a press conference in Dhaka yesterday, Bangladesh Association of International Recruiting Agencies (BAIRA) spelled out concern over the probable return of migrant workers from abroad amid slowing demand.

But the remittance inflow is expected to remain stable at \$9 billion, which was recorded in 2008, the recruiting agents said.

"We sent a record number of migrant workers last year. Unless there is any dramatic progress at government levels, the number may dive nearly 50 percent this year," said BAIRA President Ghulam Mustafa.

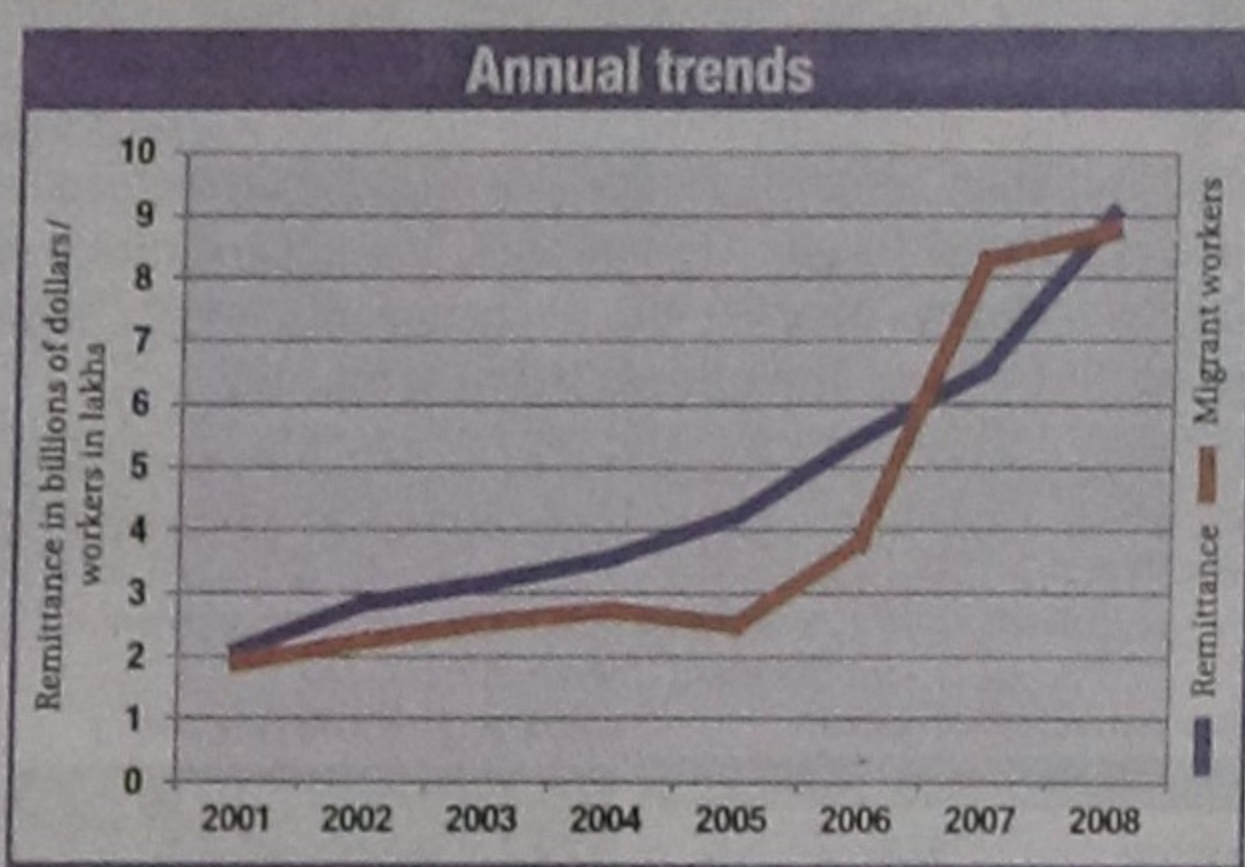
Fears of slowing migration came as the economic downturn threatened the job security of migrant workers. Companies in many developed and emerging economies have halted their projects or laid off workers amid a slump in business and a lack of funds.

Officials and recruiting agents said Bangladeshi migrant workers have so far bypassed a large scale of job cuts.

"But the downturn may lead to a halt in new recruitments in host countries and force many workers to return home," Mustafa told journalists at the Dhaka Reporters Unity.

The outflow of migrant workers from Bangladesh hit a record high of 8.75 lakh in 2008, up from 8.32 lakh a year ago amid high demand to feed the booming, labour-intensive construction sector in Dubai and other emirates of UAE (United Arab Emirates), as well as in export-oriented factories in Malaysia.

But the once buoyant real estate and construction sectors in the Middle East now shows the signs of a deep downturn as the financial crisis bites, sending many foreign workers, mainly from South Asia, back home.



At present, about nine lakh Bangladeshis work in the UAE, mostly in the construction sector.

A drop in exports of Malaysia, another biggest destination for Bangladeshi workers, may also increase the vulnerability of workers.

Recruiting agents said the overtime income of workers in Malaysia is on the decline in the wake of slowing Malaysian exports to developed economies.

The Malaysian government on Monday said the Southeast Asian country's exports could fall as much as 3-4 percent this year as demand from trading partners evaporates.

"The return of some Bangladeshi workers from Dubai and Malaysia is likely. But the impact will be minimal if the recession is short-lived," said Mustafa, chief of BAIRA, a body of about 800 licensed migrant workers recruiting agents.

Mustafa however expected that workers in other countries such as Saudi Arabia, the biggest destination for Bangladeshi job seekers, might remain immune to the threat of job cuts.

"The overall impact on the remittance inflows will be minimum," he said. "It may remain stable."

Bangladesh, one of the top ten remittance recipients, recorded more than 35 percent growth in remittance inflows to about \$9 billion in the January-December of 2008 from \$6.56 billion a year ago.

The World Bank had earlier predicted that remittance flow to South Asian countries might remain stable in the year 2009 at \$51 billion dollar or decline as high as 5.5 percent to \$48 billion.

The World Bank however expected that it might rebound in 2010.

The BAIRA president said the government should strengthen its diplomatic efforts to cushion migrant workers against shocks of the recession.

"Diplomatic missions in the host countries should continue to watch the ongoing developments."

BGMEA polls today



Shahadat Hossain Kiron



Abdus Salam Murshedy

STAR BUSINESS REPORT

The biennial election of BGMEA, the apex trade body for the highest export-earning sector, takes place today amid a high hope of a new leadership to face the challenges from the ongoing global recession.

The issue of how the would-be leaders make themselves prepared to weather the possible adversities in the days ahead is now talk of the RMG sector people.

Both the presidential candidates -- Shahadat Hossain Kiron, the panel leader from the Forum, and Abdus Salam Murshedy, the panel leader from Sammilita Parishad -- vowed to keep the RMG sector unhurt from any fallout.

The presidential candidates have already finished their campaign 24 hours before the polls.

While talking to The Daily Star, both Kiron and Murshedy have expressed the hope for a free, fair and credible voting.

"My first priority will be to provide a buffer against possible blows from the global recession and to keep steep growth of RMG exports. I also plan to develop entrepreneurship in the sector, if

voted," Kiron says.

Abdus Salam Murshedy is also firm to protect BGMEA members' interests.

He says he will try to revive the image of garment businessmen, as many manufacturers are pinpointed on illogical and irrational grounds.

"It's true that many factories have faced some odds for different reasons," says Murshedy.

"I want to work on image building of the garment manufacturers, exporters and the country as a whole through business," he says.

Bangladesh Garment Manufacturers and Exporters Association sources said the voting starting from 8am will continue until 4pm, both in Dhaka and Chittagong office.

A total number of 2678 voters, the members of the BGMEA, will exercise their voting rights to elect 27 board of directors of the BGMEA for the 2009-2010 tenure.

Of the total voters, 2122 would cast votes in Dhaka and 556 in Chittagong.

M Anisuzzaman, chairman of the BGMEA Election Committee, said, "Everybody is cooperating me in holding a fair election."

Opec faces extreme difficulty to lift oil prices

AFP, London

The Opec cartel will find it "extremely difficult" to boost oil prices by cutting output because of the uncertain economic climate, energy consultancy CGES said on Monday.

Crude oil prices have slumped dramatically since hitting record highs above 147 dollars per barrel in July, as a spreading global economic slowdown has slashed demand for energy.

"Opec would like to cut production further to boost prices, but several members have yet to implement the agreed cuts," the Centre for Global Energy Studies (CGES) said in its latest monthly report published on Monday.

"The weak state of the global economy will make it extremely difficult for Opec to sustain higher prices."

The Organisation of Petroleum Exporting Countries (Opec) pumps 40 percent of the world's oil. Late last year, it cut output by a total 4.2 million barrels per day in a bid to reverse tumbling prices and protect its revenues.

Powerful Opec kingpin Saudi Arabia has stated several times that it regards 75 dollars as a "fair price" for crude.

"The CGES believes that it will be almost impossible for Opec to bring oil prices anywhere near to its desired level of 75 dollars per barrel in the current global economic climate," added the influential research group.

Rahimafrooz eyes battery exports to rich nations

SAYEDA AKTER

Rahimafrooz is set to double its annual automotive battery production capacity to reach 25 lakh units, designed to capture a market share in developed countries by May.

The Tk 110 crore project, Rahimafrooz Globatt Ltd, nears completion and is under the company's global expansion plans.

"We are going to double our annual production capacities for automotive batteries by May. The product has been designed specially to capture the rich nation markets, including North America, Europe, Korea, Australia," said Munawar Misbah Moin, group director of the com-

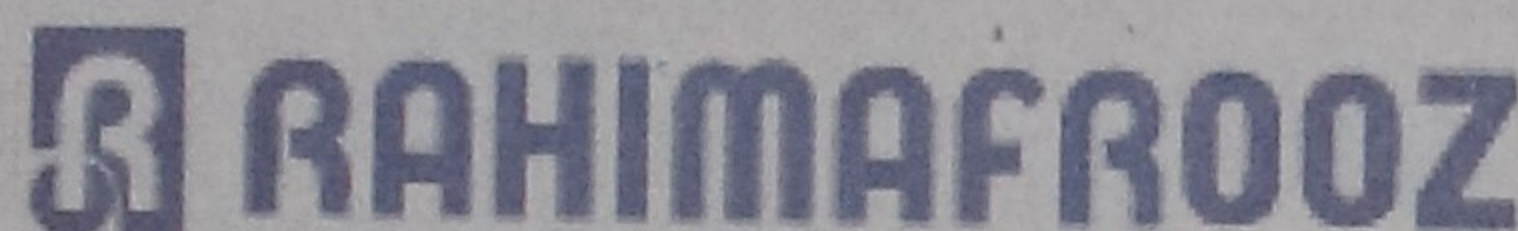
pany.

"This is the first-ever initiative of the company's global expansion plan, under which we are producing batteries targeting the markets in developed countries," he said.

Rahimafrooz is also going to start exporting the newly produced automotive batteries to those countries by June for the first time, said Munawar.

"The Global Expansion Plan was a result of our success in the export market," he said. "Now we need concentrated initiatives to reach the mature global markets and grow to create global footprints," he maintained.

The project received the country's first-ever equity investment from Frontier Fund, a local part-



ner of Brummer and Partners, Sweden's largest hedge fund manager, in January to develop its automotive battery export business.

An equity fund is generally invested in firms by purchasing certain equity shares of those companies and sharing their profit with the investors. Investors can recover the fund only when the companies sell their shareholdings to other investors.

Thirty percent of the project cost has been raised from equity investments from Global

Holdings Ltd and Brummer and Partners.

"We have established a world class manufacturing plant under the global strategic plan for our expansion plan," he said.

Rahimafrooz Globatt Ltd, situated in Ishwardi EPZ, uses the latest technology including business software solution applications and services.

As many as 400 people have been employed in the project, an environment-friendly venture, Munawar said.

"After the first phase of the project, we dream to establish

global plants, although it will not be an easy task under the existing rules and regulations set by the government," said Munawar.

Currently, Rahimafrooz produces 12 lakh pieces of automotive batteries per year, which are used to meet the local demand and are exported to different countries.

Rahimafrooz was founded in 1954 by late AC Abdur Rahim. It started its journey as a small trading company, but over the decades, it has grown in size, scale, and diversification.

Currently, the group has seven operating companies, three other business ventures and a non-profit social enterprise.

Rahimafrooz is the pioneer in producing industrial batteries,

solar power and IPS (instant power system) in the country. The company also spearheaded the export of batteries to more than 40 countries.

The new batteries will be suited to the needs of the developed nations and their markets.

Now the company exports batteries to 18 countries, including India and Singapore, on a regular basis, which is produced specially for the regional nations and their infrastructure.

Rahimafrooz has sales and distribution units in several Indian cities, including Ahmedabad, Delhi and Calcutta.

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US may boost stakes in banks

AFP, Washington

US authorities Monday unveiled details of a new aid plan for struggling banks that appears to stop short of nationalisation some had expected for the troubled sector.

A joint statement from the US Treasury, Federal Reserve and banking regulators said the new plan could lead to bigger government stakes but with a "strong presumption" that bank "remain in private hands."

Amid growing speculation about nationalisation, authorities said the Capital Assistance Program would offer "mandatory convertible preferred shares," that could be turned into common shares "only as needed over time to keep banks in a well-capitalised position."

Analysts said the plan is the first step in the so-called "stress test" announced by the administration of President Barack Obama for banks hammered by the US housing meltdown and global credit crisis.

Augustine Faucher at Economy.com said the measures "set the stage for the federal government to take a greater ownership role in major US banks that face funding problems, short of total government ownership."

"The Obama administration is trying to avoid completely nationalising banks, while making sure they have enough capital to survive," Faucher said.

Under the new program initiated on Wednesday, "the capital needs of the major US banking institutions will be evaluated under a more challenging economic environment," the statement said.

The statement added that "because our economy functions better when financial institutions are well managed in the private sector, the strong presumption of the Capital Assistance Programme is that banks should remain in private hands."



The US government is in talks that could lead it to take a 25-40 percent stake in Citigroup, The Wall Street Journal reports.

WTO chief warns against protectionism

AFP, Seoul

The World Trade Organisation chief called Monday for collective discipline to stem the spread of protectionism during the global slump, citing "Buy American" provisions in the US stimulus package.

"If you hit imports, your exports will be hit," WTO director general Pascal Lamy told reporters.

"Protectionist pressure is there even though we know isolationism or protectionism does not work, for simple reasons," he said.

"Without collective disciplines which the United States has to subscribe to in the government procurement agreement in WTO, the 'Buy American' act would probably have been much more worse for US partners," Lamy said.

President Barack Obama last week signed into law the 787-billion-dollar bill designed to rescue the US economy.

watered down, has provoked fears of protectionism among US trade partners.

Lamy said that in times of economic hardship people need protection. "But there are many ways to protect people which are better than protectionism, which at the end of the day does not protect anybody. If they protect some, then they hit others."

Lamy warned that world trade would keep on shrinking, maybe more than output in 2009 and probably 2010. This would be especially damaging for export-oriented economies such as South Korea, he said.

"I think we should make sure that we don't exacerbate this situation."

In a later speech to an economic forum, Lamy called for the Doha Round of world trade liberalisation talks to be concluded as quickly as possible.

"This round is the best insurance policy available on the market against protectionist moves," he said.

close to a deal last July in Geneva but talks fell apart amid mutual recriminations between developed and developing countries.

Several countries are using public funds to rescue stricken automakers, and amid severe job losses there are pressures for policies that favour national companies and the national workforce.

A new trade pact is seen as a way of preventing this, by binding countries to rules monitored by the Geneva-based WTO.

"Maintaining an open, fair and transparent global trade environment is vital for economic recovery," Lamy said.

He urged the world to resist temptations to raise trade barriers, to extend more aid to poor countries hit hard by the economic crisis and to help them ease a "dire" situation in trade financing.

Lamy declined to predict when negotiations on the Doha Round would be concluded but said he was awaiting the formation of a new US trade team.