

## Stocks

DGEN ▲ 0.22%  
2,611.94

CSCX ▲ 0.20%  
5,143.49

## Asian Markets

MUMBAI ▼ 0.24%  
8,822.06

TOKYO ▼ 1.46%  
7,268.56

SINGAPORE ▼ 1.00%  
1,614.44

SHANGHAI ▼ 4.56%  
2,200.65

## Currencies

	Buy Tk	Sell Tk
USD	68.35	69.35
EUR	85.32	89.91
GBP	97.75	102.69
JPY	0.72	0.75

SOURCE: STANDARD CHARTERED

## Commodities

**Gold** ▲  
\$987.40  
(per ounce)

**Oil** ▲  
\$41.27  
(per barrel)

SOURCE: AFP

(Midday Trade)

## More News

### Next budget to address recession: NBR chief

The government will design the next budget keeping in mind the preparations for coping with the impact of the worldwide recession. "The world is going through an economic turmoil; none is out of this recession. The next budget will address the ways to tackle the recession," the NBR chairman said yesterday.

B-3

## International

### Asians in for a bumpy ride



In its final look at Asian economies and their unique methods of combating the recession, Asia News Network brings down the focus to The Philippines, Indonesia, Vietnam, Laos and finally, Bangladesh.

### China to spend billions in European spree

Chinese Commerce Minister Chen Deming was set to fly to Europe Tuesday at the head of a 300-strong team charged with spending billions of dollars on European products, state media said. The procurement team, which will visit Spain, Germany, Switzerland and Britain, could spend 15 billion yuan (2.2 billion dollars) or "considerably more," the China Daily reported.

B-4

## Contact Us

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# Workers fly home as recession pans out

SOHEL PARVEZ

Bangladeshi migrant workers have started returning home, battered by early lay-offs and 'forced vacations' without pay, as the global economic meltdown is drying up businesses in host countries.

The majority of the workers are coming back from the United Arab Emirates -- mainly from the glitzy city of Dubai. Migrant workers from Malaysia and Saudi Arabia are also on the list of returnees in the early signs of fallout from the recession that panned out over a large swathe of the world.

"I was totally unaware until last night that I would be on the list of lay-offs. They (officials) came to our camp and took six of us to airport," said Abdul Quader, a laid-off worker, who arrived from Dubai at Zia International Airport yesterday.

Quader, who bet his fortunes four months ago to go to the UAE to build skyscrapers in the desert, is not the only victim of terminated work contracts in the once booming construction sector of Dubai.

A number of Bangladesh migrant workers were found returning from the UAE before expiry of their work permits.

In the last two months, the number of returnees has increased as the global financial crisis slows demand worldwide, forcing layoffs. Foreign workers are the first to experience the blow.

The host countries have also intensified drives against worker overstay.

The recession hurts Middle Eastern economies such as the UAE and its lavish trade and tourism hub in Dubai, which witnessed spectacular growth in the construction and real estate in the last six years, thanks to previous oil price surges.

But the lingering slump in oil prices is dampening overall demand in Middle Eastern countries, the biggest destination for Bangladesh migrant workers.

In January, some 4,817 workers returned home, up from only 701 a month ago, according to official data.

"I sat idle for about one and a half months. I expected that workers who have been working for long time would be laid off, not me," said Quader, accompanied by another laid-off worker, Nazrul

Islam.

Quader, who lives in Rupganj in Narayanganj, paid about Tk 2 lakh to a recruiting agent to get a job as a labourer at Al Naboodah Contracting LLC in the UAE. He had sold his property to finance his migration.

Nazrul also borrowed money from neighbours and relatives.

"I owe about Tk 1.25 lakh to people. My lenders will kill me. It would have been much better if I had died in the desert," said Nazrul from Bhaluka, Mymensingh.

Mohammad Sekandar Khan, who had been working as a mason at Arabtec Construction LLC, is now on a prolonged, forced 'vacation'.

"There is no work now. The company is running short of money," he said. Ten others were sent back home along with him.

"I was paid off for one and a half months, against dues of two and a half months," said Sekandar, who went to the UAE in March last year.

Ghulam Mustafa, president of the Association of International Recruiting Agencies (BAIRA), expressed concerns over the number of returning workers.

"Workers from Saudi Arabia, Dubai (UAE) and Malaysia are coming back home at an alarming rate. A section of them has been retrenched due to the recession," he said.

These are the top three destinations for Bangladesh workers, who flew out at a record number of 8.75 lakh in 2008, up from 8.32 lakh a year ago.

Recruiting agents on Monday feared nearly a 50 percent slump in manpower exports this year.

"This is a negative impact of the recession," said Nazmul Quanine, Bangladesh ambassador to the UAE.

"We are in touch with the companies, so that they do not send back workers before expiry of their contracts. We are suggesting reducing overtime bills, instead of layoffs."

The ambassador also advised recruiting agents not to send workers unless they are certain that workers would get jobs and will not face layoffs.

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Two Bangladeshi workers return from abroad yesterday after losing jobs in an economic turmoil that is forcing companies to go for layoffs.

## BB recommends fiscal safeguard against recession

STAR BUSINESS REPORT

The central bank yesterday advised the government to keep a "fiscal space" to support sectors that may feel the pinch of the global financial crisis.

"The suggestion was made to help some specific sectors that seem vulnerable to the impacts of the crisis," said Bangladesh Bank Governor Dr Salehuddin Ahmed.

He was speaking at a discussion styled "Global financial crisis: Challenges for Bangladesh", organised by North South University at its conference room.

Ahmed said the monetary policy is not enough; it must be coordinated with the fiscal policy.

He said, although Bangladesh is yet to be affected, there are risks associated with some sectors, such as the readymade garments, leather, and spinners.

NSU Vice Chancellor Prof Hafiz GA Siddiqi chaired the discussion. Prof MA Taslim, chief executive officer of Bangladesh Foreign Trade Institute, and Mamun Rashid, country officer of CitiNA, were also present.

The governor asked different quarters to refrain from making any sweeping comments relating to the financial crisis. "It sends out an incorrect signal to the economy."

"The balance of payment is in a very good position. Remittance and foreign investments are also showing rising trends till today," he said.

BB is following a monetary policy that accelerates growth and controls inflationary pressures as well, he said.

## Murshedy wins BGMEA polls by landslide

STAR BUSINESS REPORT

A Sammilito Parishad panel led by Abdus Salam Murshedy won all 27 posts in the BGMEA election, according to early results.

M Anisuzzaman, chairman of the BGMEA election board, announced the results, hours past midnight, after a briefly suspended election that ended half an hour late at 4:30pm yesterday.

Murshedy will replace Anwar-Ul-Alam Chowdhury Parvez as the president of BGMEA.

Shahadat Hossain Kiron, the rival presidential candidate, has congratulated Murshedy on the landslide victory after the announcement of the results.

According to the chief of the BGMEA election board, 1,924 votes had been cast in the polls in Dhaka and the Chittagong centre counted 503 votes.

Of the total 2,678 voters, 2,122 are registered with the Dhaka office and 556 with the Chittagong office.

The BGMEA polls came to a 30-minute halt due to heated arguments over an alleged move by FBCCI President Annisul Huq to seek votes for Kiron, Murshedy's rival, at the election centre in Dhaka.

The Sammilito Parishad backers argued that the president of the apex trade body, FBCCI, "must not seek votes" for a candidate.

Asked to comment on the untoward incident, Annisul Huq, also a former BGMEA president, said some supporters of Sammilito Parishad had argued with him as he went there to cast vote. "Nobody should stop me from casting my vote, as I'm a member of the BGMEA," he said.

"It's true that I'm the FBCCI president, but I'm also a voter of the association. So, there's nothing wrong to go over there and cast my vote," Huq said.

On the incident, Murshedy, leader of Sammilito Parishad, said he had been on the scene during the incident.

Murshedy said some voters had asked Huq to leave the place after his vote was cast, as he is the president of the FBCCI, a post according to him is neutral.

Apart from the brief untoward incident, the election was peaceful.

In a pre-election statement to The Daily Star, Murshedy said his first



Abdus Salam Murshedy

priority would be to protect the interests of the BGMEA members.

He vowed to revive the image of the garment businessmen. "It's true that many factories have faced some oddities for different reasons, but it's important to dig out the reasons behind the acts," said Murshedy.

"I want to enhance the image of the garment manufacturers, exporters and the country as a whole through business," Murshedy said.

He had urged the government to urgently form a taskforce, focusing on the RMG sector by involving the garment manufacturers, exporters, stakeholders and the government to offset the negative impacts of the global recession.

The country's RMG sector is suffering from a 25 percent shortage of skilled workers and mid-level managers. "I will try to address this issue," he had told The Daily Star.

With regards to passing the trade bill in the US Congress, relating to duty and quota-free access to the US market, Murshedy said it depends on many conditions and the government should come forward to get the ball rolling.

According to Murshedy, labour unrest takes place not only because of delayed payment to workers -- the existing market situation that often sees rising prices of commodities is also a contributing factor.

## US suffering severe contraction, says Fed chief

AP, Washington

US Federal Reserve Chairman Ben Bernanke told Congress Tuesday the economy is suffering through a "severe contraction" and pledged to use all available tools to lift the US out of the recession that already has cost millions of Americans their jobs.

In testimony to the Senate Banking Committee, Bernanke said the economy is likely to keep shrinking in the first six months of this year. Housing, credit and financial crises the worst since the 1930s -- plunged the economy into its worst slide in a quarter-century at the end of last year.

Bernanke hoped that the current recession will end this year, but said there were significant risks to that forecast. Any economic turnaround will hinge on the success of the Fed and the Obama administration in getting credit and financial markets to operate more normally again.

"Only if that is the case, in my view there is a reasonable prospect that the current recession will end in 2009 and that 2010 will be a year of recovery," Bernanke said.

Among the risks to any recovery are if economic and financial troubles in other countries turn out to be worse than anticipated, which would hurt US exports and further aggravate already shaky financial conditions in the United States.

Another concern is that the Fed and other Washington policymakers won't be able to break a vicious cycle where disappearing jobs, tanking home values and shrinking nest eggs are forcing consumers to cut back sharply, worsening the economy's tailspin. In turn, battered companies lay off more people and cut back in other ways.

"To break that adverse feedback loop, it is essential that we continue to complement fiscal stimulus with strong government action to stabilize financial institutions and financial markets," Bernanke said.

## Landline industry growth falters

STAR BUSINESS REPORT

The landline phone industry continues performing below the mark, recording a mere 0.7 percent rate of growth in new customer addition in the month of January.

The industry added 8,955 customers in January, taking the number of landline operators to 13,53,411, which was 13,44,456 a month ago.

As per the telecom watchdog statistics, the number of state-run Bangladesh Telecommunication Company Ltd (BTCL) customers remained unchanged at 8.72 lakh. Meanwhile, the largest private PSTN operator RanksTel added 2,500 customers to its network in January 2009.

Bangladesh Telecommunication Regulatory Commission (BTRC) data shows that in January, Peoples Telecom Ltd added 2,296 customers in January to total 63,714, followed by Dhaka Phone's 929 to total 62,820.

Besides BTCL, all other private landline operators entered the telecom market in 2005, after the mobile telephony had become handy.

Along with the rapid expansion of mobile phones, the PSTN industry stakeholders blamed the discrepancies in the government policy for paralysing the sector.

"Several issues regarding the PSTN industry remain unsettled," said Masrur Newaz Waiz, head of operations of RanksTel, terming the industry "haphazard".

"There is no hope for the sector," he said. "The industry's continuous downfall has become a bore for all."

A total of 11 private PSTN (Public Switched Telephone Network) companies are in operation in the rapidly growing Bangladesh telecom market.

The government permitted such private ventures to disseminate telecom services to the mass. However, the massive growth of the mobile sector under competitive price models, has put the PSTN sector in the dark.

"Customers prefer the mobile technology to the wire based telephony because of the ease of use," said a high official of BTCL. The government plans to go for wireless landline services soon.

The official said BTCL has the resources to provide telecom services among the mass at low costs. But because of a lack of market driven plans, the company still suffers.

Bangladesh's telecom penetration rate was 30 percent by the end of 2008, whereas mobile operators have pocketed a major portion of the industry.

