

## Stocks

DGEN	▼ 0.60%
	2,428.63
CSCX	▼ 0.60%
	4,867.84

## Asian Markets

MUMBAI	▲ 4.51%
	10,348.83
TOKYO	▲ 4.40%
	8,719.78
SINGAPORE	▲ 5.94%
	1,803.34
SHANGHAI	▲ 0.72%
	2,425.29

## Currencies

	Buy Tk	Sell Tk
USD	68.50	69.50
EUR	89.19	93.92
GBP	97.44	102.51
JPY	0.68	0.73

SOURCE: STANDARD CHARTERED BANK

## Commodities

Gold	▼
	\$920.05 (per ounce)

Oil	▲
	\$50.34 (per barrel)

SOURCE: AFP

(Midday Trade)

## More News

### Healthcare in GP's nest



Anwara Begum plunged into anxiety. Her fears mounted as her doctor prescribed surgery for complexities in the third trimester of her pregnancy. Anwara lives in a slum-like-house on the banks of the Poshur River in the Kumarkhali village of Mongla, close to the Sundarbans, the world's largest mangrove forest.

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## International

### India's Satyam staff down by a quarter

As many as 13,000 employees may have quit India's graft-tainted outsourcing giant Satyam with some poached by clients and others leaving to work for rivals or other firms, a report said Thursday.

### ECB to cut rates, mull 'non-standard' measures

The European Central Bank is likely to cut its key interest rate to an all-time low of 1.0 percent on Thursday and may break new ground as it seeks ways to turn back a deepening recession. "It seems odds-on that the European Central Bank will cut interest rates again," IHS Global Insight chief European economist Howard Archer said.

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## Contact Us

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# Trillion-dollar crisis deal

## G20 pledges new spending

AFP, London

World leaders pledged a huge raft of new spending Thursday that they said will take their outlay in the battle against the economic crisis to five trillion dollars by the end of next year.

More than one trillion dollars will go to the International Monetary Fund and other institutions while the Group of 20 summit also ordered a crackdown on tax havens and excessive corporate pay, a new free trade push and the sale of IMF gold reserves to help poor countries.

"A new world order is emerging, and with it we are entering into a new era of international cooperation," British Prime Minister Gordon Brown said after a tense summit which brought together US President Barack Obama and leaders of the established and emerging powers from around the world.

The United States will have to make the biggest contribution to the initiative but Obama called the meeting a "turning point" in the battle against the crisis.

The G20 leaders had agreed "an unprecedented set of comprehensive and coordinated actions," the US president said after the summit.

Even French President Nicolas Sarkozy, who had threatened to walk out of the summit, said the results were "more than we could have hoped for". German Chancellor Angela Merkel said a "historic compromise" had been made.

Before the summit, the United States and Britain had pushed for bigger stimulus spending while France and Germany had called for the focus to be put on greater regulation of the financial sector.

But Brown trumpeted an agreement that he said benefited every country.

The summit provided 1.1 trillion dollars of new resources for the IMF and other global finance bodies.

There will be 500 billion dollars of new funding, 250 billion dollars and 250 billion dollars in trade credit.

The British leader said the Organisation for Economic Cooperation and Development would publish a list of "non-compliant" tax havens which face immediate action "and we have agreed tough standards and sanctions for use against those who don't come into line in the future."

Brown said there would also be new rules on corporate bonuses to



AFP

G20 leaders Saudi King Abdullah Bin Abdel Aziz (first row L), Chinese President Hu Jintao (first row R), (second row from L to R) US President Barack Obama, Italian Prime Minister Silvio Berlusconi, Russian President Dmitry Medvedev and New Partnership for Africa's Development (NEPAD) Meles Zenawi pose for a family photo during the G20 summit at the ExCel centre in London yesterday.

## AT A GLANCE

- Financial regulation and oversight will be extended to all financial institutions, instruments and markets. This includes bringing hedge funds within the global regulatory net for the first time
- Members are committed to implementing tough new rules on pay and bonuses at a global level
- International accounting standards will be set
- Credit rating agencies will be regulated in order to remove their conflicts of interest
- There will be sanctions against tax havens that do not transfer information on request
- The G20 also supports increased lending to the world's poorest countries of at least \$100 billion by the multilateral development banks
- There will be a commitment of \$250 billion of support for trade finance made over the next two years
- The G20 has pledged to resist protectionism
- There will be a commitment to naming and shaming countries that breach free trade rules

SOURCE: BBC

discourage bankers who take short term risks.

The new Financial Stability Bureau will "implement new rules on pay and bonuses on a global level so that there are no more rewards for failure. We want to impose corporate responsibility on

every part of the world."

They also ordered the IMF to sell billions of dollars of gold reserves to help the world's poor countries, Brown said.

Brown said the IMF and World Bank would undergo major reforms to reflect changes in the power

structure of the world economy which have seen the rise of China, India, Brazil, South Africa and other new powers.

Brown struck a note of caution, however.

"Today's decisions, of course, will not immediately solve the crisis. But we have begun the process by which it will be solved," he said.

"Today the largest countries of the world have agreed a global plan for recovery and reform. We have resolved that from today we will together manage the process of globalisation."

Talks on the eve of the London summit were clouded by anti-capitalist protests which turned violent.

Police threw up a ring of steel around the ExCel Conference centre in London's Docklands district -- near the headquarters of many banks blamed for the international crisis.

Small pockets of demonstrators built up around the summit and in the main financial district, the day after thousands laid siege to the Bank of England and attacked a branch of Royal Bank of Scotland.

UN Secretary General Ban Ki-moon warned in an article for Britain's Guardian newspaper that more than economics was at stake in London.

# S Alam buys out leasing firm Feb exports miss target

SOHEL PARVEZ

S Alam Group has acquired majority stakes of Oman Bangladesh Leasing and Finance Ltd (OBLFL), a non-banking financial institution (NBFI), in a bid to gain a foothold in the country's financial market, people close to the development said.

"It will increase our presence in the financial sector. We hope the company will perform better in the days to come under the leadership of our chairman," Subrata Bhowmick, senior general manager (Finance) of S Alam Group, told The Daily Star yesterday.

He said around 97 percent shares of OBLFL have been acquired by the group.

However the official declined to disclose the buyout amount.

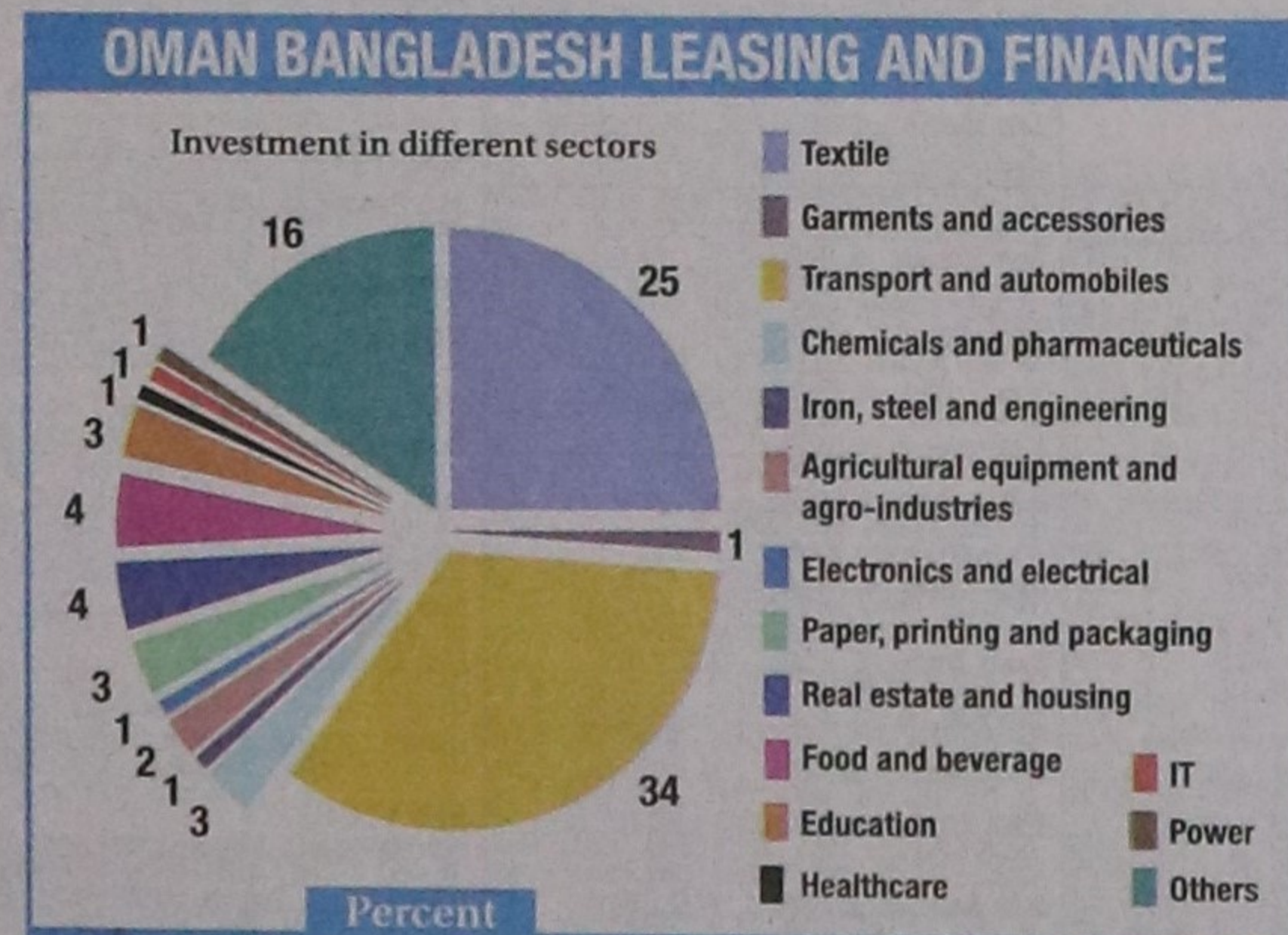
The remaining shares of the financial institution are owned by business entities such as National Life Insurance Company Ltd.

The share transfer agreement was signed on Tuesday at the OBLFL head office in Dhaka where the former sponsors of OBLFL and its immediate past chairman Mohammad Nurul Haque and S Alam Group's Chairman and Managing Director Md Saiful Alam Masud, among others, were present.

Following the share transfer deal, a board meeting elected Saiful Alam Masud, also the chairman of First Security Islami Bank, as the chairman of the financial institution, said a statement.

S Alam Group with an annual turnover of more than Tk3,000 crore moved to acquire Oman Bangladesh Leasing after it had taken over First Security Bank couple of years ago.

Officials expect that the experience



of running the bank will give the conglomerate, best known for its transport business, a leverage to handle the financial institution efficiently.

Before the takeover by S Alam Group, Oman Bangladesh Leasing brought changes in ownership in two times in 2000 and 2003.

The financial institution, formerly known as Bahrain Bangladesh Finance and Investment Company Ltd, launched operation in 1996 with a paid up capital of Tk2.50 crore, according to Year Book 2007 of Bangladesh Leasing & Finance Companies Association.

In 2000 Muscat Finance Company (MFC) Ltd, Oman, along with a group of investors -- mainly banks and financial institutions -- took over the company with 70.59 percent shareholdings and increased its paid up capital to Tk8.5 crore.

MFC in 2003 withdrew itself from

the company and the entire shares were held by the local shareholders. Local sponsors again increased its paid up capital to Tk15.75 crore last year.

Officials said the company's immediate past owner Nurul Haque and his family transferred the ownership being unable to run it as a viable company.

However despite repeated attempts, none of the former owners was found for comments.

At the end of 2007, total assets of Oman Bangladesh Leasing stood at worth Tk1,54.57 crore with more than 30 percent of its investment channelling to transport and automobile sectors followed by textile.

The company's net asset value per share grew to Tk1,545 at the end of 2007 from Tk1,031 a year ago, while its earning per share tripled to Tk15.26.

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## STAR BUSINESS REPORT

Bangladesh fetched \$1.217 billion from exports in February against the \$1.264 billion target, registering a 3.75 percent shortfall in expected earnings.

The state-run promotional agency for exports says international buyers placed fewer orders in the month because of the global economic crisis.

In January, exports went 4.38 percent higher than the target, the EPB data showed.

However, the February exports marked a 1.54 percent growth compared to the same period a year earlier. A 15.90 percent rise has been registered in the first eight months (July-February) of the current fiscal year, compared to the period a year earlier.

The country's export earnings reached \$10.353 billion during this period against the \$10.437 billion target. The annual export target was fixed at \$16.298 billion for FY 2008-09.

Knitwear, the single largest export item, grew 23.08 percent to \$4.270 billion and woven 19.26 percent to \$3.922 billion during July-February of this fiscal year, compared to the same period a year earlier.

Talking to The Daily Star, Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), feared a further decline in April, May and June, as orders from buyers are slimming.

SM Jahangir Hossain, president of Bangladesh Fruits, Vegetables and Allied Products Exporters Association, said exports of vegetables and allied products slumped because of the higher airfreight charge and global recession.

"Many small and medium exporters of these items have stopped exporting as they were incurring losses for higher carriage charges and a demand-drop in major markets," Hossain said.

The July-February period registered \$87.14 million terry towel exports, with \$79.52 million targeted for earnings from the item. Export Promotion Bureau reported a 19.60 percent growth in exports of terry towel and 60.03 percent growth in textile fabrics exports during the time.

Medicine exports declined by 15.49 percent to \$24.82 million, vegetables 30.69 percent to \$29.23 million, handicrafts 21.89 percent to \$2.89 million, leather 33.05 percent to \$124.74 million, frozen foods 11.00 percent to \$331.01 million and ceramic products 5.70 percent to \$23.66 million in July-February.

On the other hand, chemical fertiliser exports grew 157.42 percent to \$108.89 million, footwear 21.68 percent to \$131.52 million, home textile 14.33 percent to \$215.06 million, tobacco 62.00 percent to \$27.41 million, melamine tableware 227.27 percent to \$0.36 million, and agro-processed food 33 percent to \$30.72 million.

## Can the deal work?

STAR BUSINESS DESK

Leaders of the world's largest economies have reached an agreement to tackle the global financial crisis with measures worth \$1 trillion for IMF and other institutions. BBC News looks at the details of the plan and whether it will work.

### What has been agreed by world leaders?

The G20 has agreed to increase the resources available to the International Monetary Fund, which helps countries that get into difficulties, by \$750 billion. It is also contributing \$250 billion to help counteract the contraction of world trade and fight protectionism. And it has agreed on tough new measures to regulate financial institutions, including sanctions against tax havens that do not disclose information.

### Is there real substance in the deal or is it just hype?

There is some new real money in the deal, but not as much as the headline figure. Much of the \$250 billion in trade finance will come from existing programmes of export guarantees in rich countries, with only \$50 billion for poor countries. The proposal for \$250 billion in free money from the IMF is a dramatic new development -- but only \$19 billion will be made available to the poorest countries. The reform of the financial system will be important, but only for the next crisis.

### Will it revive the world economy?

On its own, the deal will only have a limited effect on the world economic downturn which is still gathering pace. Only some of the money given to the IMF will be lent out, and it will have to be repaid with interest. More important will be how far countries continue boosting their economies with fiscal stimulus. British Prime Minister Gordon Brown said that would amount to \$5 trillion by next year. And fixing the broken banking system, especially in the US, still hangs in the balance.

### What was left out?

There was little discussion of the misalignments among world currencies, with a falling dollar and pound, which are worrying some countries. The Chinese proposal for a new international currency has been put on the back burner and will be discussed at a later date. The idea of global imbalances -- the need for China to spend more and the US to save more, which some believe was the origin of the crisis -- was also not mentioned.



AFP

British Prime Minister Gordon Brown walks to a press conference after the G20 summit in London yesterday.

## CORPORATE BOOKING

Water Kingdom will be reserved on 3rd April '09 (Friday) for Annual Picnic 2009 of 'R. A. K. Ceramics (Bangladesh) Pvt. Ltd.'

From 4th April '09 (Saturday) Water Kingdom will remain open for all.

**WATER KINGDOM**  
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