

No response yet to aviation sector's demand for stimulus

UNB, Dhaka

Airlines Association of Bangladesh (AAB), which recently sought a Tk 1,000 crore stimulus package to overcome the fallout of the global recession, has failed to draw attention of the government.

The AAB, grouping GMG Airlines, United Airways, Best Air and Aviana Airways Ltd, recently urged the government for sanctioning Tk 1,000 crore interest-free loans and waiver of tax, landing and navigation charges to tackle the negative impacts of the economic downswing on the aviation sector.

"There has been no response so far, we haven't even got any appointment to meet the finance minister,"

M Haider Uzzaman, convener of the Airlines Association of Bangladesh (AAB), told the news agency yesterday.

"But", he said, "We're hopeful that we'll be able to meet him (finance minister) some time this week, which will allow us to narrate the overall situation of the aviation sector because of the ongoing global financial crisis."

Haider, who is chairman of Best Air, said it would be very tough to save the aviation sector of the country without having any policy or financial assistance from the government.

"We're already in a deep trouble with huge debts as traffic flow has gone down. If we want to survive in

the recession, we need government support," he said.

Haider said he, on behalf of the association, put forward a written appeal to the Ministry of Finance, seeking support from the government.

He said the private airliners of the country have already suffered a loss of hundred crore taka because of unusual surge in fuel prices last year.

Responding to a question, Haider said it's true that the fuel oil price has come down a lot following the recession, but the number of passengers also declined sharply.

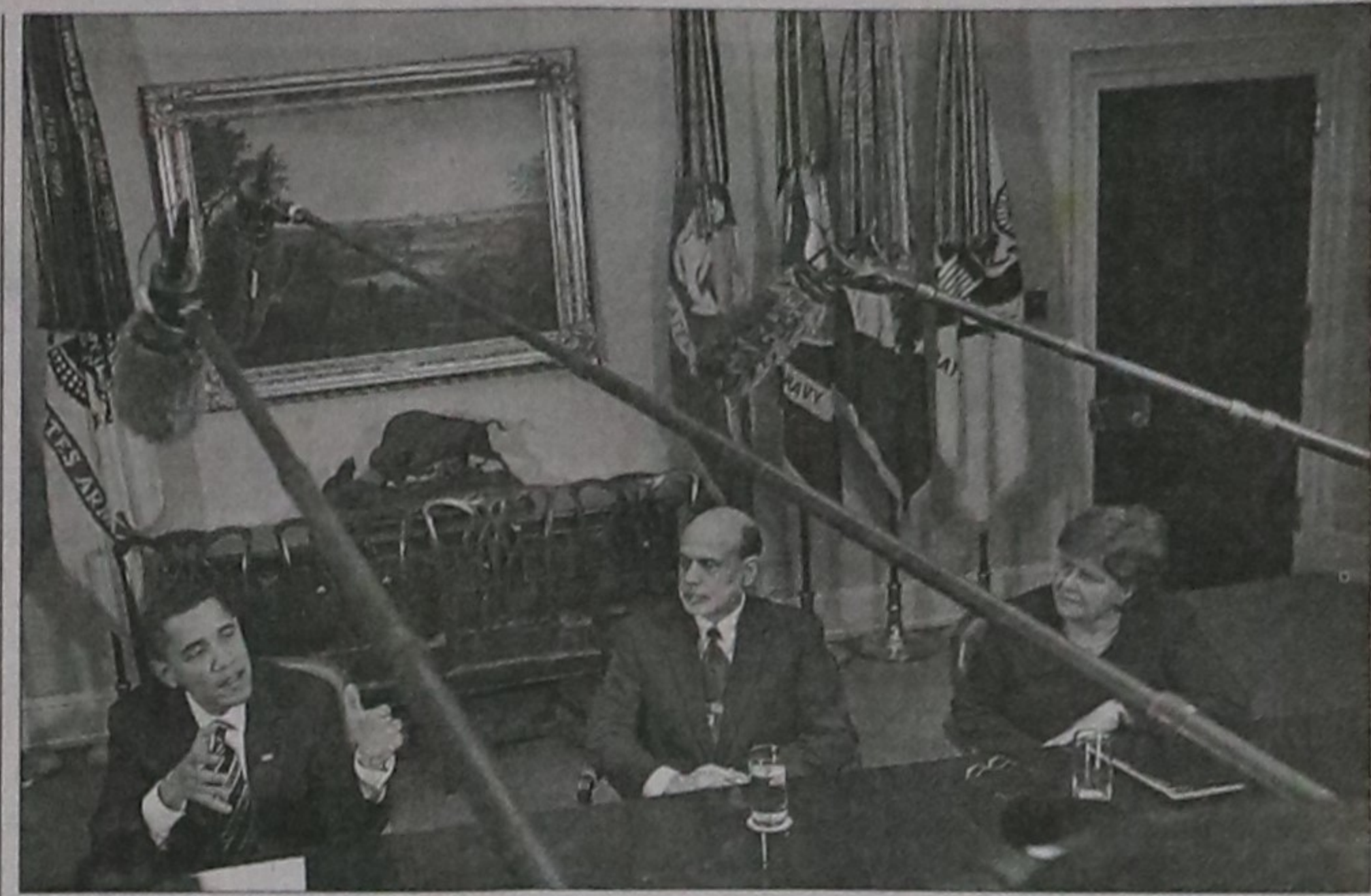
He said the number of outgoing migrant workers from Bangladesh decreased as the countries of their

destinations have been hit hard by the recession.

The situation worsened when the government of Malaysia, one of the major employers of Bangladesh migrant workers, cancelled visa of 55,000 workers. "The situation is changing rapidly and I'm sorry to say all are going against us," he said.

Local airlines usually rely on migrant workers to the Middle East and Southeast Asian economies like Singapore and Malaysia that employ majority of Bangladesh's five million-plus migrant workers.

But as the recession deepens and oil prices slide, the outflow of migrant workers records a gradual decline, while many are on the return.



US President Barack Obama (L), US Federal Reserve Chairman Ben Bernanke (C) and Chairwoman of the Council of Economic Advisers Dr Christine Romer (R) comment on the economy after a meeting in the Roosevelt Room of the White House in Washington, DC, on Friday. Obama huddled with top economic advisers at the White House Friday, amid hopes that the battered US economy may be wrestling free of a paralyzing and painful recession.

Asian markets lifted

AFP, Hong Kong

Asian stocks rose Friday as the few markets that were open cheered a rally on Wall Street after some rare good news in the financial sector.

However, Tokyo could only edge up 0.54 percent as fears set in about Japan's megabanks.

Taipei added two percent, Shanghai 2.7 percent and Seoul 1.5 percent.

Markets in Australia, Hong Kong, India, Indonesia, New Zealand, the Philippines and Singapore were closed for public holidays.

The gains followed a 3.14 percent jump on Wall Street after banking giant Wells Fargo projected a record first-quarter profit, spurring hopes of recovery in the financial sector.

Wells Fargo said it expected a "record" net income of some three billion dollars for the first quarter, thanks in part to a better-than-expected performance by its newly acquired bank, Wachovia.

Financial shares were under pressure after a profit warning from Sumitomo Mitsui Financial Group (SMFG), which said it had lost about 390 billion yen (3.9 billion dollars) in the year to March and would issue new shares worth up to 800 billion yen.

Adding to investor jitters, Fitch Ratings warned that it may downgrade its credit ratings on Japan's megabanks due to their worsening health.



A pedestrian walks past a share prices board in Tokyo. Japan's Nikkei stock index closed higher, boosted by some rare positive economic data and optimism over Tokyo's new stimulus spending package, dealers said.

TOKYO: Up 0.54 percent. The Nikkei-225 climbed 48.05 points to 8,964.11.

Japanese shares were at a three-month high.

Players were waiting for fresh US economic data due next week, including reports on the retail sector, industrial output and housing starts.

Shares in Mizuho Financial Group plunged 9.6 percent to 198 yen as fears

mounted that it may have to raise fresh capital to ride out the crisis.

Sumitomo Mitsui Financial Group (SMFG) was untraded at 3,110 yen, down nearly 14 percent from the previous close, amid a glut of sell orders.

Japan's biggest bank Mitsubishi UFJ Financial Group, which has also announced a capital hike, dropped 1.0 per-

cent to 517 yen. Shipping shares were at the vanguard of the rally.

Mitsui OSK climbed 6.6 percent to 580 yen and Nippon Yusen rose 4.9 percent to 447 yen.

SHANGHAI: Up 2.70 percent. The Shanghai Composite Index, which covers A and B shares, was up 64.35 points at 2,444.23.

Signs of a pickup in the economy and hopes of a recovery in domestic demand also spurred shares, traders said.

SEOUL: Up 1.5 percent. The KOSPI ended up 19.69 points at 1,336.04.

"Foreigners and individual investors snapped up stocks, leading to the upswing," Rhoo Yong-Seok, an analyst at Hyundai Securities Co, told Yonhap news agency.

BANGKOK: Up 2.21 percent. The Stock Exchange of Thailand (SET) composite index rose 9.81 points to close at 453.88.

However, further gains were limited by escalating anti-government protests in the kingdom, dealers said.

A mass rally spread to the Thai beach resort of Pattaya on Friday with demonstrators threatening to disrupt a summit of Asian leaders being held there.

But the group called off protesters who had congregated at various sites in Bangkok later in the day, while Prime Minister Abhisit Vejjajiva has refused to bow to their demands that he step down and call fresh elections.

Trade fair begins in Khulna

UNB, Khulna

A month-long international trade fair began at the Circuit House ground in Khulna yesterday.

Commerce Minister Faruk Khan inaugurated the fair, organised by Khulna Chamber of Commerce and Industry (KCCI).

State Minister for Labour and Employment Begum Monnujan Sufian, Khulna Mayor Talukder Abdul Khaleq, Molla Jalaluddin MP and KCCI President Saharuzzaman Mortaza were also present in the opening function.

Organisations from home abroad, including Pakistan, Iran, Thailand, China and Japan, are displaying their products at 150 stalls and 16 pavilions.

Boeing rating put on watch

AFP, New York

Standard & Poor's said Friday it had placed the credit rating on Boeing and its finance subsidiary on watch for possible downgrade as the US aerospace giant moved to cut production that could hit earnings.

US aerospace giant Boeing Thursday said it would slash production of its twin-aisle 777 aircraft and also delay plans to "modestly" increase production of its new 747-8 jumbo planes and 767 aircraft.

Obama sees 'glimmers of hope' for US economy

AFP, Washington

President Barack Obama said Friday he saw "glimmers of hope" that the US economy may be wrestling free of a paralyzing recession but warned of "a lot of work" ahead to nurse it back to health.

"We're starting to see progress, and if we stick with it, if we don't flinch in the face of some difficulties, then I feel absolutely convinced that we are going to get this economy back on track," Obama said.

But "we still have a lot of work to do, and over the next several weeks you'll be seeing additional actions by the administration," he said after talks with top officials steering the recovery effort.

Treasury Secretary Timothy Geithner, Federal Reserve chief Ben Bernanke, senior Obama economic adviser Lawrence Summers, and Christine Romer, who leads the White House Council of Economic Advisers, were present.

Federal Deposit Insurance Corporation head Sheila Bair, Securities and Exchange Commission chairwoman Mary Shapiro and Comptroller of the Currency John Dugan also attended.

Obama pointed to increases in loans to small businesses, tax cut checks going out, new investments in infrastructure and energy

projects and declared: "What we're starting to see is glimmers of hope across the economy."

But the president, now just three months into his term, was "careful not to promise the worried US public that the economy had turned the corner and was now on the way to recovery."

"We have always been very cautious about prognosticating, that's not going to change just because it's Easter. The economy is still under severe stress," said the president.

"And obviously during these holidays we have to keep in mind that whatever we do ultimately has to translate into economic growth and jobs and rising income for the American people," he said.

"And right now we're still seeing a lot of job losses, a lot of hardship, people finding themselves in some very difficult situations."

The president said he had received updates on efforts to stabilize the housing market, unlock frozen lending and plans to nurse the banking system back to health.

"We feel confident that even as we're dealing with the problems within the banking system, that we're also addressing some of the problems in the non-bank financial system that was such a huge proportion of our credit flow when it came

to things like auto loans and credit cards and so forth," he said.

The meeting had also been expected to touch on global efforts to pull out of the international economic slump, including strategies hatched at the Group of 20 summit the president attended in London last week.

Obama administration officials were poring over figures showing a plunge in the US trade deficit, projections of a record profit at US banking giant Wells Fargo, decent retail sales predictions for April, and a dip in jobless claims.

The talks came amid shy optimism about the US economy tempered by historically high unemployment and media reports that troubled US automaker General Motors may find bankruptcy to be the only path out of its crisis.

And the US Treasury revealed that the US budget deficit hit almost one trillion dollars in the first half of the current fiscal year that began October 1 -- 956.80 billion dollars.

The US unemployment rate jumped in March by 0.4 percentage point from February to 8.5 percent, its highest level since November 1983.

The White House budget plan released in February projects a 1.2 percent GDP contraction for this year.

China trade figures in March point to yearly gain

ANN/CHINA DAILY

They would have been bad figures half a year ago, but they are now regarded as light at the end of the tunnel.

Analysts say that China's latest import and export statistics, though still in negative territory, point the way toward gains later in the year.

China's imports fell 25.1 per cent year-on-year in March to \$71.73 billion, the fifth consecutive month to witness a double-digit decrease, according to figures released on Friday by the General Administration of Customs.

Meanwhile, the country's exports fell 17.1 per cent to \$90.29 billion, a milder fall than the previous month's record of 25.7 per cent.

The trade surplus stood at \$18.56 billion, up 41.2 per cent on a yearly basis, and up as much as 287 per cent compared with the previous month.

Exports of products from labour-intensive industries, including gar-

ments, bags, shoes and furniture, showed net increases, with bags leading the pack with 11.7 per cent year-on-year, and garments notching up 9.9 per cent.

Exports of electrical machinery, grain, fertilisers and steel continued to fall in year-on-year terms, although they were up on the previous month.

Dong Xian'an, an economist from Southwest Securities, a major Chinese securities brokerage, said the change in March was largely due to the US economy.

The analyst cited US Department of the Commerce figures showing that the sales volume of residential properties in the US rose 4.7 per cent from a month earlier, the highest in the past 10 months, and orders for durable consumer goods surged 3.4 per cent, the first monthly growth since last August and the highest since December 2007.

Dong remarked that, as the US economy starts to become more stable this

should be reflected in China's trade figures.

Indeed, as shown by the March figures, China's trade with its three largest partners, the European Union, the US and Japan, all increased from a month earlier.

Trade with the EU increased 21.2 per cent to \$26.45 billion, with the US, 25.8 per cent to \$22.65 billion, and with Japan, 19.1 per cent to \$17.52 billion.

Commenting on the significance of the March trade figures, Su Chang, an economist with China Economic Business Monitor, predicted that China's foreign trade would begin to see positive growth around the last quarter of the year.

Dong said the first half will see a drop in foreign trade ranging from 10 to 15 per cent, "but for the second half, there will be growth up to 10 per cent."

As for the trade surplus, Dong said the yearly record would be no less than last year, and will be around \$300 billion.



Containers are loaded onto delivery trucks after being unloaded off a cargo ship at Tianjin port in Tianjin, 170km southeast of Beijing. China's trade surplus jumped 41.2 percent year-on-year in March to \$18.56 billion. The figure came despite a 17.1 percent drop in China's vital exports, which marked the fifth straight monthly fall, as imports slumped by 25.1 percent.

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