

Spinners may get cash incentive, Muhith hints



Workers busy at a spinning mill in Narayanganj. Finance Minister AMA Muhith hinted yesterday that spinning mills would be brought under the stimulus package as those were affected by the global economic meltdown.

STAR BUSINESS REPORT

Finance Minister AMA Muhith hinted yesterday that spinning mills would be given additional cash incentive from the recession package as those were also affected by the global economic meltdown.

"Yarn sub-sector has also been affected. But somehow it escaped my attention. I forgot the issue of yarn," Muhith told reporters at his secretariat while replying to a question.

He said: "Yarn may be brought under the package. The package is flexible. Steps will be taken as the situation

demand."

The government announced on Sunday a 2.5 percent additional incentive for jute, leather and leather goods, and frozen foods.

As garment sector leaders expressed dissatisfaction with their exclusion from the additional cash incentive, the finance minister, reiterating his Sunday's statement, said their growth is slow but not negative yet.

He said the door is not closed. If they are affected by the recession in future, they will be included in the incentive package.

Textile, RMG leaders urge review of stimulus package

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Primary textile sector (PTS) entrepreneurs yesterday urged the government to immediately review its stimulus package and extend incentives to the textile industry, to protect employments of thousands of workers in the sector.

At an emergency press conference in Dhaka, the textile entrepreneurs expressed grievance over the government's decision to provide a Tk 3,424 crore stimulus package that excluded the textile and RMG sectors, the highest export earning sectors.

"We will soon sit in a joint meeting with BGMEA, BKMEA and BTMA to chart out a programme to convince the government to bring the textile and RMG sectors under stimulus package," said Abdul Hai Sarker, president of Bangladesh Textile Mills Association (BTMA).

He asked the government how they could prove that they have been severely affected, as 10 textile mills have already faced closure because of the ongoing global recession.

"I do not know whether the government would realise the extent of the impact from the recession if all the factories are shut and thousands of workers take to the streets," Sarker said.

He said total investment in the PTS is Tk 45,000 crore and the sector would be under threat if the government does not provide any stimulus package for its survival.

If the government wishes to extend support in the national budget, it would be too late for the sector's sake, as there are still three and a half months to go to the implementation of the budget on July 1, Sarker

said.

"The government's stimulus package means we have handed over our textile and RMG sectors to our competitors like China, Pakistan and India, as they would now be stronger," Sarker said.

Former BGMEA president Anwar-Ul-Alam Chowdhury Parvez said they would not need any stimulus package if the government could ensure an adequate supply of gas, power, a single digit interest on bank loans and infrastructure.

"It is difficult for me to realise that the government has excluded the textile and RMG sectors from the stimulus package. I can say you (the government) only know politics, business is not on your (government) agenda," Parvez said.

He urged the government to immediately sit with the businessmen and revise its decision, as the government has taken its decision based on old export data from the state-owned Export Promotion Bureau (EPB).

The new statistics shows that Bangladesh is losing competitiveness everyday to its competing countries, such as China, India, Pakistan, Vietnam and Indonesia.

The government is creating an alarming situation for the textiles sector, said former BTMA president Mohammed Shajahan.

"If the textile and RMG sectors die, the country will die," he said.

A Matin Chowdhury, another former BTMA president, said the package was merely an eyewash, as the main sectors were deleted from the package.

"Bureaucrats have contributed to the preparation of the package to hide the mismanagement of public funds," he said.

REHAB seeks protection

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Real Estate and Housing Association of Bangladesh (REHAB) welcomed yesterday the government's stimulus package to protect different industrial sectors from the blow of global recession.

REHAB however expressed concern over non-allocation for the housing and construction industry.

In a press statement, it said the construction and housing industry is incurring a huge loss on high prices of construction materials and a topsy-turvy market.

"Also the sales of flats are decreasing alarmingly," REHAB said.

REHAB demanded a Tk 1,000 crore fund for the housing industry by reviewing the package, taking 20 lakh people involved in the industry and low sales of flats and plots into consideration.

Bangladesh Agro-based Product Producers and Merchants Association welcomed the government's move.

Sramik Karmachari Oikya Parishad (Skop) said the government's announcement would help business owners and entrepreneurs but the workers, who are the hardest-hit by the global downturn, will not benefit from it.

Skop leaders demanded a 50 percent dearness allowance for workers and employees and a worker-friendly policy.

E-governance reviewed

UNB, Dhaka

A review meeting on 'E-governance Quick Win' was held at the Prime Minister's Office yesterday.

The meeting was informed that at least 12 ministries and departments of the government are currently providing E-service to the people.

People of remote areas started getting information about earnings through Union Information Centre (UIC), and Agriculture Information and Communication Centre (AICC).



Jamuna Resort gets new DMD

STAR BUSINESS DESK

Jamuna Resort Ltd has recently appointed Sadique Ahsan as its deputy managing director, says a press release.

Ahsan, with his vast experience in the hospitality industry, will now lead the operations team of the resort.

EU launches anti-trust probe of airlines

AFP, Brussels

The European Commission launched a probe on Monday into pacts between airlines in two major alliances on suspicion the deals might constitute restrictive business practices on transatlantic routes.

One inquiry concerns existing and planned cooperation between four current or prospective members of the Star Alliance -- Air Canada, Continental, Lufthansa and United, the EU's top competition regulator said in a statement.

The second involves proposed cooperation between three members of the Oneworld alliance -- American Airlines, British Airways and Iberia of Spain.

"We think that there may be breaches of the anti-trust rules because of the very extensive levels of cooperation on transatlantic routes between these airlines," said competition issues spokesman Jonathan Todd.

"We are opening a formal anti-trust investigation. We would not do that unless we thought there was good reason to pursue this," he added.

Star Alliance was built in 1997 around German flag carrier Lufthansa, while Oneworld formed two years later, with British Airways at its centre. A third alliance,

SkyTeam, was launched in 2000 around Air France.

Companies benefit by harmonising flight times for smoother transit connections and having the possibility to sell seats on a partner airline under their own name.

Consumers can collect travel points leading to free tickets or goods.

Brussels said it was investigating whether the agreements between the seven companies would mean too much cooperation between them, mainly on routes between the EU and North America.

"In particular, the parties to each agreement intend to jointly manage schedules, capacity, pricing and revenue management on transatlantic routes, as well as share revenues and sell tickets on these routes without preference between these carriers," the commission noted.

"The commission is assessing whether these joint activities may lead to restrictions of competition on certain transatlantic routes."

The Star Alliance probe covers existing transatlantic cooperation between Lufthansa and United, and between Lufthansa and Air Canada, as well as a proposed four-party agreement between them and Continental.

Tech Mahindra, Satyam discuss takeover

AFP, Mumbai

Executives from India's Tech Mahindra, the firm set to take over scandal-ridden Satyam Computer Services, met their counterparts on Monday, with funding towards the buyout now complete.

Tech Mahindra paid nearly 600 million dollars for a majority share of Satyam, which has been struggling since its founder confessed to falsifying its accounts in India's biggest ever accounting scandal.

"Tech Mahindra is now ready to take over as new owners of Satyam," Kiran Karnik, chairman of Satyam, told media at Satyam's headquarters in the southern city of Hyderabad, where the executives met.

The takeover propels Tech Mahindra to the top tier of India's software companies.

"Satyam may not be a racing craft yet, but it is definitely not a sinking ship," Anand Mahindra, chairman of Tech Mahindra, told reporters.

Tech Mahindra officials said Satyam would remain a standalone entity, with "its leadership continuing to drive operations".

Industry speculation was that Satyam would be merged.

Dhaka Tourism Fair in August

STAR BUSINESS REPORT

A 3-day tourism exposition styled Dhaka Tourism Fair will begin on August 12 in a bid to promote the tourism sector of the country.

The third version of the fair will also give the tourists an idea of the services and attractions that different tourist spots offer, according to Parjatan Bichitra, a monthly tourism magazine that will organise the show.

"Maintaining sustainable growth of the tourism industry is not possible without developing tourism infrastructure, travel management and proper regulations," said Mohiuddin Helal, editor of the magazine, at a press conference in Dhaka yesterday.

He said the fair would take place at the Plaza Centre of Shilpakala Academy in the capital with the slogan of 'Show the country to its people'.

Different lucrative tourist destinations in the country will be promoted at the fair by displaying paintings and photographs of those spots, he added.

"Attractive travel offers by different tourist spots in the coming tourism season and special discounts on hotel or package bookings will be available at the show," Helal said.

Shafique Alam Mehedi, chairman of Bangladesh Parjatan Corporation, the national tourism body, at the press conference said the corporation has taken several measures to develop and boost the tourism industry.

"We are organising several attractive programmes including sand sculpture festival and marathon walk in the beach area that brought more visitors to Cox's Bazar in the recent months," he said.

"We are also planning to allocate at our own cost a room for one night for the

freedom fighters who cannot afford visiting Cox's Bazar," Mehedi said.

Hotels, motels, resorts, airlines, tour operators, travel agencies, tourism training institutes, tourism publications, travel shops, and youth and adventure clubs will take part in the fair, which will remain open from 11am to 7pm with an entry fee of Tk 10 per person.

Taufiq Uddin Ahmed, president of Tour Operators Association of Bangladesh, and MA Muhaimin Saleh, president of Association of Travel Agents of Bangladesh, were also present at the press conference.



Mohiuddin Helal, editor of Parjatan Bichitra, speaks to the press yesterday ahead of the "3rd Dhaka Tourism Fair", a three-day show scheduled to begin in the capital on August 12.



A file picture shows a woman walking past a monitor showing the stocks index in Taipei. Taiwan shares closed up 0.46 percent yesterday.

Asian markets slightly up ahead of results

AFP, Hong Kong

Asian markets edged higher Monday as investors prepared for the release of company reports as well as government data that could illustrate the extent of the global financial crisis.

Earlier losses were clawed back as dealers chose to buy up bargains during a quiet day.

Tokyo was 0.19 percent higher, helped by a slightly weakening yen and prior to the release of anticipated trade data that will show how the nation's battered exporters are faring.

Hong Kong added 0.96 percent and Seoul 0.56 percent.

The biggest gainer was Shanghai, which added 2.14 percent after a report said state-owned companies' profits shot up almost 86 percent month-on-month in February.

However, Sydney edged down 0.2 percent, weighed by selling in resources.

TOKYO: Up 0.19 percent. The Nikkei-225 rose 17.17 points to 8,924.75.

"Investors will likely stay cau-

tious this week as corporate earnings results are due out," Investrust chief executive Hiroyuki Fukunaga said.

Steel stocks continued a recent recovery on easing worries about the outlook for the sector. Nippon Steel gained 4.3 percent to 361 yen.

Consumer lender Promise plunged 14 percent to 1,338 yen after forecasting a net loss for the past fiscal year.

Toshiba fell 4.8 percent to 316 yen after reports that it plans to raise fresh capital of 500 billion yen (5.1 billion dollars) to strengthen its balance sheet, which could dilute the value of existing shares.

HONG KONG: Up 0.96 percent. The Hang Seng Index rose 149.64 points to 15,750.91.

The market was helped by property stocks following strong home sales figures at the weekend, dealers said.

Ben Kwong, a director at KGI Asia Securities, said the market is near the end of the recent run-up.

"After all, the six-week rally has taken the Hang Seng Index up

about 40 percent, which has factored in quite a lot of good news," he said.

SHANGHAI: Up 2.14 percent. The Shanghai Composite Index, which covers A and B shares, was up 53.52 points to 2,557.46.

Airlines and auto makers rose on expectations of improved earnings while government-owned firms gained on solid profit growth, traders said.

China Petroleum and Chemical rose 4.2 percent to 9.97 yuan and China Cosco Holdings soared 6.1 percent to 13.82 yuan.

Airlines rose after Air China said Friday it swung to a net profit of 981 million yuan in the first quarter, after a 9.3 billion yuan net loss in 2008.

TAIPEI: Up 0.46 percent. The weighted index rose 26.28 points to 5,781.66.

Bargain hunters emerged in late trade to recoup early losses, dealers said.

Microchip designers MediaTek added 2.73 percent to 319.50 Taiwan dollars and PixArt Imaging gained 6.91 percent to 209.00.

SEOUL: Up 0.56 percent. The

KOSPI ended up 7.39 points at 1,336.39.

Foreigners and local retail investors were net buyers of shares worth 194.9 billion won and 251.8 billion won, respectively, while domestic institutions unloaded a net 412.8 billion won worth of stocks.

SINGAPORE: Down 1.14 percent. The blue-chip Straits Times Index fell 21.71 points to 1,874.85.

Stocks fell due to a technical correction following a recent rally, dealers said.

DBS fell 15 cents to 9.17 and Oversea-Chinese Banking Corp shed 16 cents to 5.62.

KUALA LUMPUR: Up 0.33 percent. The Kuala Lumpur Composite Index gained 3.20 points to 968.37.

Dealers said there was select buying interest in automotive and plantation stocks which helped lift the bourse.

JAKARTA: Up 1.65 percent. The Jakarta Composite Index rose 27.05 points to 1,661.84.

Dealers said buying was fuelled by interest in stocks linked to wealthy Welfare Minister Aburizal

Bakrie of the Golkar party.

BANGKOK: Up 2.08 percent. The Stock Exchange of Thailand index gained 9.48 points to close at 466.28.

"The index rose with heavy trading today. The market carried on its positive sentiment from last week with growing hopes for the global economy," said Pichai Lertsupongkit, senior vice president at Thanachart Securities.

Thailand's top energy firm PTT Plc surged 9.00 baht to close at 178.00 baht while its subsidiary PTT Exploration and Production rose 2.00 to 102.00.

Siam Cement also gained 3.00 to 112.00. But coal mining firm Banpu fell 2.00 to 251.00.

The country's biggest lender, Bangkok Bank, rose 1.00 to 79.75.

MANILA: Down 0.4 percent. The composite index shed 7.41 points to close at 2,086.72.

Stocks went lower amid a dearth of any positive leads to spur buying, dealers said.

MUMBAI: Down 0.4 percent. The 30-share Sensex fell 43.59 points to 10,979.5.