

Govt still eager to consider stimulus for RMG: Minister

STAR BUSINESS REPORT

The government would provide a financial package to assist apparel exporters, if required, as room for discussion is still open, said the LGRD minister yesterday.

Syed Ashraful Islam was addressing the BGMEA leaders at a meeting at his secretariat.

Islam, also a member of the taskforce committee on recession, assured the garments sector delegation that the government is actively considering how to help them offset losses from the global recession.

Abdus Salam Mursedy, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), led the business delegation.

The government excluded the RMG

sector, the highest export earner, from the proposed Tk 3,424 crore financial package that was announced on April 19 by Finance Minister AMA Muhith.

Under the package, the government has earmarked Tk 1,500 crore for the agriculture sector, Tk 500 crore for farm loan re-capitalisation, Tk 600 crore for power sector, Tk 374 crore for social security (food) and Tk 450 crore for export sector.

Jute and jute goods, leather and leather goods and frozen foods will be beneficiaries of the stimulus package to the exports sector.

"We are still open for discussion. The matter has already been discussed with Prime Minister Sheikh Hasina," Islam said.

At the meeting, Mursedy again submitted a letter to the minister, demanding financial and policy support from the government to combat

the global recession.

In the letter, Mursedy reiterated the sector's demand that the government provide bank loans at a single digit interest rate, relaxation of the Credit Information Bureau rules, termination of the 0.25 percent tax at source, extension of loan rescheduling from the three-and five-year terms to seven and 10 years and withdrawal of VAT on utilities.

Mursedy also urged the LGRD minister to construct a drain in the Ashulia industrial zone for quick removal of stagnated water during the rainy season from the area.

"It becomes quite difficult for the manufacturers and workers to navigate through the Ashulia industrial zone due to water on the roads during the rainy season. So we demanded that the minister take measures to construct a drain," he said.

Asian stocks slide

AFP, Tokyo

Most Asian stock markets fell sharply Tuesday following heavy losses on US and European markets, where fresh jitters emerged over the health of the US banking sector.

Worries about rising bad debts overshadowed news of record earnings at Bank of America, prompting what analysts described as long overdue profit-taking.

Tokyo ended down 2.39 percent, Sydney dropped 2.43 percent and Hong Kong was down 3.72 percent at midday, after the Dow Jones Industrial Average slumped 3.56 percent in New York on Monday.

European bourses were mixed in early trade, a day after losing between two and four percent. Paris shed 0.18 percent but London opened 0.08 percent higher.

Investors appeared to shrug off roaring profits from government-rescued Bank of America -- the latest in a line of encouraging corporate results from US banks including Citigroup, JPMorgan Chase and Goldman Sachs.

Some analysts warned that markets have further to fall before the current correction ends.

"The rally in risky assets, in particular stocks, since early March has been excessive and only partially justified by fundamentals," said Dariusz Kowalczyk, chief investment strategist at SJS Markets in Hong Kong.



Sin-bee Han, an IATA expert, poses with participants from Biman Bangladesh Airlines at the carrier's training centre in Dhaka recently. Twenty high officials from Biman participated in an Airline Management Integration course under the IATA Fellowship programme.

Singapore stopover for \$1

STAR BUSINESS DESK

Singapore Airlines, the Singapore Tourism Board and Singapore Changi Airport will offer its customers a stopover package for just \$1 for the first night stay in the city state, says a press release.

"Aiming to stimulate tourism in economic downturn, the package offers Singapore Airlines customers an opportunity to stop over in Singapore for almost nothing," the airline says.

The stopover package covers exclusive deals on hotel accommodation, airport transfers and entry to some of Singapore's leading tourist attractions.

"We hope this special \$1 deal will entice the Bangladeshi travellers to stop over in Singapore and experience the buzz and unique attractions that this country has to offer. For those already thinking of going on a holiday, this attractive package will give them the extra 'push' to travel with Singapore Airlines and stopover," said Jessica Sim, area director of Northern and Eastern India, Pakistan, Bangladesh and Nepal of the Singapore Tourism Board.

This package is valid for travel and hotel stay from April 15 to September 30. The worldwide sales of this special package were launched on April 15.

Changi Airport. They can also take advantage of free ground transfers to and from Changi Airport and unlimited use of the Singapore Airlines' "Hop-On Bus" -- an air-conditioned bus service.

The package also includes free admission to over 20 major attractions in Singapore and a 50 percent dining discount at designated food outlets at selected hotels, a free SingTel Prepaid Mobile hi!Card, and Singapore Airlines Boarding Pass Privileges.

Each customer will be given a \$10 Changi voucher, which they can use to pay for purchases at retail and food and beverage outlets at

Private jute mill shut in Khulna

UNB, Khulna

Mohsin Jute Mill, a mill under private management, at Shiromoni in the city was laid off for 90 days yesterday.

The lay off was announced through a notice signed by Anwarul Momin, deputy general manager of Mill, on Monday night.

The mill at first was laid off for 45 days on March 7. The 45-day lay off expired on Monday.

Local sources said the authorities laid the mill off for labour unrest and financial losses.

Meanwhile, frustration gripped the workers following the lay off second time.

Call to save natural resources

STAR BUSINESS REPORT

The National Committee to Protect Oil, Gas, Mineral Resources, Power and Port yesterday urged the government to protect energy and mineral resources from foreign company lobbyists.

"We should remember that the people of this country are owners of our natural gas, mineral resources, including oil and coal and power," said Sheikh Muhammad Shahidullah, convener of the committee.

"So the government needs to take their permission before signing any deal to lease gas blocks out to multinational corporations," he said.

"The government should take decisions for the betterment of the people and according to their demands," he added.

Shahidullah was speaking at a discussion on the "electricity crisis", organised by the National Committee to Protect Oil, Gas, Mineral Resources, Power and Port at the National Press Club in Dhaka.

"The government should develop and strengthen Bapex to explore gas, oil and coal," Shahidullah said. "Additionally, the government needs to reduce system loss to ensure an uninterrupted supply of power."

Professor Anu Muhammad asked people to resist any move to lease out the country's natural resources and maritime blocks to foreign multinational companies.

Robust profits mask problems in bank sector

AFP, Washington

A string of surprisingly strong earnings reports suggests US banks are emerging from a near-death experience, but some analysts say the troubled sector faces more pain.

Bank of America on Monday joined the parade of financial firms reporting robust results -- a profit of 4.2 billion dollars in the first quarter, beating its performance for all of 2008.

Last week, Citigroup, JPMorgan Chase and Goldman Sachs all topped expectations with strong profits, a hopeful sign for an industry critical to recovery from the severe recession. Wells Fargo said its results would show "record" profits in the January-March quarter.

The apparent renewed health of banking sector comes in part from record-low interest rates from the

Federal Reserve, which has cut its base rate to near zero as part of an effort to stimulate lending and growth.

"The banks are benefiting from a jump in mortgage refinancing as well as the fact that with interest rates so low, they are able to borrow cheaply and therefore profit more from lending," said John Wilson at Morgan Keegan.

"It ought to be difficult for a bank not to make money in this environment."

But banks are also setting aside large chunks of cash for bad loans, suggesting they anticipate more mortgages and credit card debt may sour.

Bank of America for example added a hefty 6.4 billion dollars to its loan loss reserve. Citigroup charged off some 4.6 percent of its loans.

Although Citi managed to show a profit of 1.6 billion dollars in the first quarter

after losses of more than 18 billion in 2008, some analysts were unimpressed.

Citi's results included "several one-time items which muddied the waters in assessing the franchises underlying performance," said Goldman Sachs analyst Richard Ramsden.

Some analysts say that below the surface, banks are still fragile and may face another round of deep problems ahead, especially if the economy remains weak.

Martin Weiss at Weiss Research called the surge in earnings "bogus," and a result of tricks including an easing of mark-to-market accounting rules.

Regulators have now agreed to let banks cover up their toxic assets by booking them at fluffy-high values, bearing little resemblance to actual market prices," he said. "Like magic, the bad assets are suddenly worth more."



Md Jahangir Alam, general manager of Bangladesh Bank (Sylhet), speaks at a workshop on Anti-Money Laundering Ordinance 2008, organised by the bank's human resources department, in Sylhet recently.

Bibir Bazar landport opens tomorrow

UNB, Comilla

Newly constructed Bibir Bazar landport at Comilla border opens tomorrow with traders hoping of increased volume of trade with Tripura and adjoining states of India.

earned from the landport.

The customs office managing cross border trade at Bibir Bazar will now be shifted to the newly constructed port, which has all the facilities including ware-

houses.

Traders said boulders, cement, polythene, cosmetics are now exported, while onion, ginger, bamboo

imported through Bibir Bazar customs station. They are hopeful of increased volume of trade, reaching adjoining states of Tripura.

Manager of Shepherd Landport Limited Golam Maula said roads linking the port with Chittagong and Dhaka need to be improved.



Two Mercantile Bank officials become DMDs

STAR BUSINESS DESK

Mercantile Bank Ltd has recently promoted two of its senior vice presidents, Md Abdul Jalil Chowdhury and Monindra Kumar Nath, to the bank's deputy managing director's post, says a press release.

Chowdhury, a postgraduate in physics from Rajshahi University, joined the bank in 2000 and was assigned as the head of credit risk management and corporate banking division at the bank's head office.

Nath, a postgraduate in management from Dhaka University, joined Mercantile Bank in 1999 and took over as the head of central accounts division at the bank's head office.

Czechs expect contraction of up to 2pc

AFP, Prague

The Czech National Bank (CNB) and the finance ministry said Tuesday they expected the country's economy to contract by up to two percent in 2009 and to recover next year, the CTK news agency reported.

German economic indicator positive

AFP, Berlin

Germany's ZEW economic sentiment index posted its first positive reading in almost two years on Tuesday, pointing to a possible pick-up in Europe's biggest economy in the second half of 2009.

The index, which measures the confidence of players in financial markets, rose by 16.5 points from minus 3.5 points in March to 13 points in April, the sixth consecutive rise and the first positive reading since July 2007.

The result was much better than expected, and suggested that it was "even becoming more likely that the economy will slowly recover in the second half of this year," the ZEW's president Wolfgang Franz in a statement.



Muhammad A (Rumee) Ali, chairman of BRAC Bank Ltd, hands over a cheque for Tk 50 lakh to Dr Alejandro Cravioto, executive director of the International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B), at a special ceremony in Dhaka on Monday. BRAC Bank donated the amount as part of its corporate social responsibility programme.

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