

US retail sales hit Bangladesh RMG exports: IMF

UNB, Dhaka

Plunging US retail sales are leading to reduction in garment export orders as the global economic crisis has now started hitting Bangladesh, which had showed some initial resilience, like in other low income countries (LICs) in Asia.

It is also causing a severe compression of profit margins through aggressive price reductions by Bangladesh and a few other countries in the region, said a new IMF study released in Washington yesterday.

"After showing initial resilience, LICs are starting to feel the impact of the global economic crisis," said the May issue titled 'Global Crisis: The Asian Context' of the IMF's Regional Economic Outlook for Asia and the Pacific.

The report said commodity exporters were first to take the hit, as the fall in export prices weakened external and

fiscal positions while slowing growth in more advanced countries is beginning to show up in lower tourist arrivals and spending.

Slowing regional growth is reducing low-skilled employment opportunities in emerging markets and developed countries with detrimental effects on remittances, the report added.

"As a result, the growth forecasts for Asian LICs have been marked down relative to the April 2008 Regional Economic Outlook, albeit less so than for emerging markets, reflecting the lower degree of sophistication of exports in LICs."

About policy interventions to face the challenges, the report said policymakers in LICs face a difficult trade-off between supporting growth and employment and safeguarding macroeconomic stability, in particular, the presence of highly vulnerable groups and large development needs must be weighed against stubbornly

high vulnerability.

"Asian LICs face equal challenges, and strides toward reducing poverty made during the global boom are now clearly at risk," it said.

"The currency depreciation may have little effect in boosting exports when trading partners are contracting," the report said.

It said government revenues are coming under strain. The low and narrow revenue base faced by most LIC governments leave them vulnerable to a reduction in trade and turnover taxes, and in some cases lower tax payments by a few large multinationals operating in their countries.

In the absence of additional sources of finance, it added, domestically financed public investment programmes are coming under pressure.

The report said the decline in food and fuel prices have reduced inflationary pressures in many LICs and liquidity conditions have tightened.

Adoption of 3G tech stressed to boost broadband

STAR BUSINESS REPORT

Ericsson Bangladesh Limited, one of the leading telecom vendors, said yesterday the country should go for 3G (third generation) technology as soon as possible to accelerate the growth of broadband market.

Officials of the Swedish telecom equipment maker said WiMax (Worldwide Interoperability for Microwave Access) and 3G technologies should hit the market at the same time to ensure a fair competition among the operators.

"Introducing 3G technology will be a milestone on the road towards making a digital Bangladesh by 2021," said Giles Vincent, vice president of marketing and communications for Ericsson South East Asia.

He said Bangladesh will lag behind in technology development if it does not introduce 3G soon as some of its neighbours such as Sri Lanka, Bhutan and Nepal have already launched 3G.

He was presenting a keynote paper on "Digital Bangladesh: Accelerating development with mobile broadband" at a programme organised by Ericsson Bangladesh in Dhaka.

Issuance of 3G licences has become a crucial talk in the telecom industry as government awarded WiMax licences last year, but any good news for awarding 3G licences is yet to come.

Mobile phone operators have been seeking 3G licences for the last few months, saying both the 3G and WiMax technologies should be launched together to

ensure a level playing field. However a debate on which one -- 3G or WiMax -- would be the best in terms of providing services is surfacing on the market.

"Let the people decide what the best technology is," said Vincent.

Bangladesh Telecommunication Regulatory Commission (BTRC) is yet to finalise the 3G licensing guidelines although it had a commitment to launch 3G technology by March 2009.

As per the BTRC's earlier announcement, three licences would be issued among the six mobile operators. But the Tk 215 crore hefty licence fee for WiMax settled by an auction last year has become a cause for concern among the prospective 3G licensees.

"3G licences should be awarded in a way that matches the WiMax licensing process. The price level should be the same," said Arun Bansal, managing director of Ericsson Bangladesh.

He said the operators are ready to introduce 3G although telecom business is on a downward curve now. But the market is completely ready for 3G, he added.

3G is the third generation of telecommunication hardware standards and general technology for mobile networking, superseding 2.5G. Bangladesh's mobile operators now offer 2.5G technology to the 44 million customers.

Ericsson provides communication services and manages networks that serve more than 250 million subscribers around the world.



Indian media agency top official in town

STAR BUSINESS DESK

Satyajit Sen, managing director of Zenithoptimedia, a leading media agency in India, arrived in Dhaka yesterday, says a press release.

Sen, during his stay in Bangladesh, will meet the telecom and consumer product clients to enhance business relationships.

He has a wealth of experiences in planning over his 19-year career, across diverse categories from telecom, financial and automobiles to FMCGs which include service brands like American Express, Aviva Life Insurance, Vodafone, Bharat Sanchar Nigam Ltd to corporates like Nestle, Hyundai, Dabur, Reckitt Benckiser, Glaxo Smithkline, Procter & Gamble, LG Electronics, Suzuki.

US reviews trade preferential schemes

STAR BUSINESS DESK

The new US administration is reviewing its trade preferential schemes to make it more effective for the poorest countries, US Trade Representative Ronald Kirk said.

The international trade minister was speaking at a meeting in response to a request by Debapriya Bhattacharya, distinguished fellow of Centre for Policy Dialogue (CPD). Bhattacharya called for duty-free-quota-free market access for all exports from the Asian least developed countries, says a press release.

Bhattacharya called on Kirk at his office along with a group of high-level trade negotiators from developing countries on Tuesday.

In his exchanges, Bhattacharya urged the US trade establishment to provide meaningful support to the low-income countries that have demonstrated success in using international trade for economic growth and poverty alleviation.

Kirk maintained that the conclusion of the WTO nego-



Ronald Kirk, middle, US trade representative, poses with Debapriya Bhattacharya, 3-L, distinguished fellow of Centre for Policy Dialogue, and other global trade negotiators, at his office in Washington DC, on Tuesday.

tiations have become particularly important in the face of global economic crisis. He however drew attention to the need to reflect on the Doha agenda as it failed to deliver results in the last eight years.

The US trade minister also appraised the visiting group about President Barack Obama's commitment to conclude Doha trade talks of the WTO at an early date.

Moreover, the meeting also disclosed bilateral free trade agreements with Panama, Columbia and South Korea are awaiting approval of the US Congress. The "fast track authority" of the US president will be solicited from the US Congress as soon as new trade agreements will be ready.

Pak team talks textile venture

STAR BUSINESS DESK

A Pakistani textile delegation, led by S Muhammad Aasim, met yesterday the leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at the trade body's office in Dhaka.

During the meeting, the two sides discussed various possibilities of investment and joint ventures in the textile industry and importing materials from Pakistan for the Bangladeshi garment industries, according to a press release.

The BGMEA side was led by its Vice President Faruque Hassan. It raised various problems that the association members face while importing textile products from Pakistan.

The meeting concluded with the decision to exchange of visits from the two countries to sort out problems and improve trade relations.

US private sector cut 491,000 jobs in April

AFP, Washington

and small-size businesses indicate that the recession continues to spread beyond manufacturing and housing-related activities to almost every area of the economy," ADP said.

The government's last weekly jobless claims report on April 30 said new claims for unemployment benefits fell far more than expected.

The Labor Department said the number of initial claims in the week ending April 25 fell to a seasonally adjusted 631,000 from the previous week's 645,000, a level revised up by 5,000.

The 2.2 percent decline in new claims was more than double the 1.0 percent forecast by most analysts.

The weekly initial claims data, a snapshot on the labor market, has shown new claims above the 600,000 level for nearly three months as the country grapples with a severe recession.

The four-week moving average, which smooths out volatility, fell to 637,250 new claims, compared with a revised 648,000 in the preceding week.

Economists are divided over whether the weekly initial claims, which have doubled since the recession began in December 2007, have peaked.

The department is to publish April unemployment and payroll data on Friday.

In the March report, unemployment rose to a 25-year high of 8.5 percent.

France's economy doing better than neighbours: Minister

AFP, Paris

France is doing better than its European neighbours when it comes to weathering the economic crisis, Economy Minister Christine Lagarde said Wednesday.

She cited European Commission forecasts showing the French economy would shrink by three percent this year compared to 5.4 percent in Germany.

"The French economic model is clearly resisting better for 2009 than many other countries, neighbours, friends and competitors, which are being hit much harder by the international crisis," Lagarde told a parliament commission.

On a broad range of indicators such as inflation and unemployment, France appeared to be over, with growth declines likely to slow during the second quarter.

The French government expects the economy to shrink by 2.5 percent this year but is banking on a

Uttara Bank's new DMD

STAR BUSINESS DESK

Uttara Bank Ltd has recently promoted one of its assistant managing directors, Abu Ahmed, to deputy managing director, says a press release.

Ahmed started his banking career with Uttara Bank as a probationary officer in 1977. He was promoted to general manager in 2005 and assistant managing director in 2008.

He performed in various capacities, such as heads of different zones and divisions of the bank.

"The employment declines among medium-

turnaround in 2010.

French economic activity picked up slightly in April compared to March, suggesting the recession in France was starting to bottom out, the research group Markit said.

It said an index covering the manufacturing and service sectors and compiled by company purchasing managers rose to 43.8 points last month from 40.2 in March.

While the April reading was the highest in six months, it was still well below 50 points, a level that signals an expansion in activity.

Jack Kennedy, a Markit economist, nonetheless said the worst of the recession in France appeared to be over, with growth declines likely to slow during the second quarter.

But he added that demand remained fragile and that lay-offs were showing no sign of easing.



Indian labourers load mangoes onto a truck for supply to other parts of the country at a makeshift wholesale mango market in Bangalore on Tuesday. Hundreds of trucks filled with mangoes are graded and sent to retail markets in southern and western India. India is the largest producer of mangoes in the world and accounts for nearly 50 percent of the world production of the fruit.

The World's Tallest Test Tower Opens

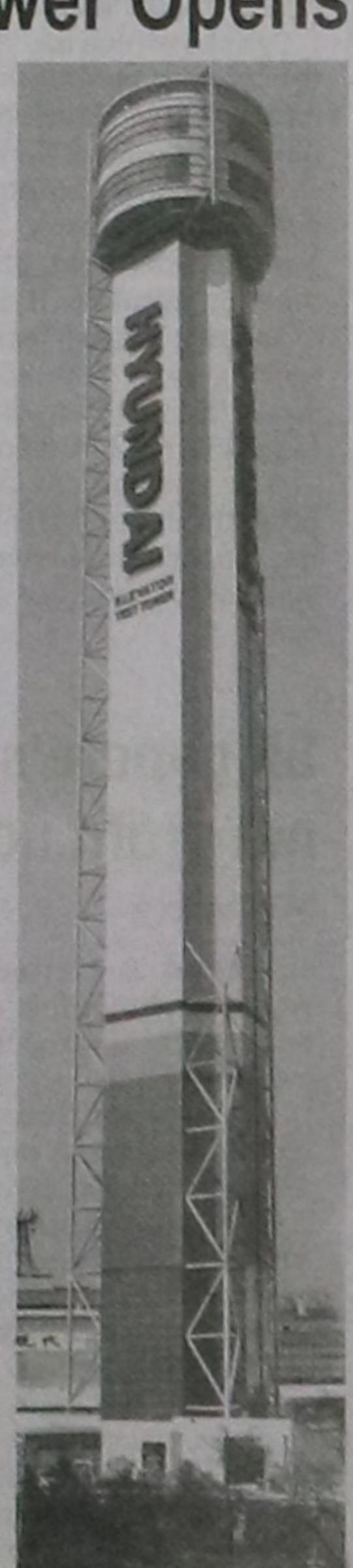
Hyundai Elevator Co., Ltd. has completed the world's tallest (205m) test tower for ultra high-speed elevators, "Hyundai Asan Tower" and its "Chung Mong-hun R&D Center". Their ceremony of the completion was held at Icheon Headquarter in Gyeonggi Province on April 15, 2009.

Hyundai Elevator Co. has completed a 205-meter tower to test its elevator cars. It is the tallest elevator test tower in the world. The tower, located in Icheon, Gyeonggi, was named "Hyundai Asan Tower" after the pen name of the late Chung Ju-yung, the founder of the Hyundai Group, and the laboratory on the structure's first floor was named the Chung Mong-hun R&D Center after the former chairman of the conglomerate who died in 2003.

Hyundai Elevator held the completion ceremony participated by 300 guests including governor of Gyeonggi-do Kim moon-soo, Icheon city mayor Joh Byung-don, Hyundai Group chairwoman Hyun Jung-eun and Hyundai Elevator CEO Song Jin-chul at Hyundai Elevator's headquarter office located in Icheon city.

"Hyundai Asan Tower" is now the world's tallest elevator-testing tower measuring 205 meters in height beating Mitsubishi's elevator-testing tower of 173 meters followed by 169 meter Fujitec and 157 meter German Thyssen Krupp. Hyundai elevator testing tower constructed at the cost of US\$ 56.3 million in 14 months. Now it is the world's tallest tower which has broken all the previous world record.

The Korean tower is now equipped with three elevator cars that move up and down at 600 meters per minute and two that travel at 420 meters per minute. Two cars set to move at 1080 meters per minute, the world's fastest pace, will be added in September.



Information Source : Report published in the JoongAng Daily and Maeil Daily Economy, Korea on 16 April, 2009.