UK business team due today

UNB, *Dhaka*

An 11-member delegation of the newly formed UK-Bangladesh Business Council (UKBBC) arrives here today to further the economic activities and co-operation between the two countries.

During the visit, the UKBBC team, led by its Chairman Syed Belal Ahmed, will call on Prime Minister Sheikh Hasina and the ministers for civil aviation and tourism, commerce, finance and education and the governor of Bangladesh Bank and some trade partners.

The UKBBC is also visiting Malaysia as part of its efforts to explore and strengthen the business and investment ties among the three countries in the environment of current global recession, said a British High Commission press release.

Welcoming the visit, Kevin Ringham, head of Trade and Investment at the British High Commission in Dhaka, said, "The UK remains one of the largest investors in Bangladesh, a strategic commercial player and a major employer across many sectors."

"I welcome the UK Bangladesh Business Council's objective to improve bilateral trade and investment relations. Opportunities for UK exporters and investors to do business with Bangladesh do exist and it is important that such opportunities are explored at this time," he said.

Kosovo offered IMF membership

AFP, *Washington*

The International Monetary Fund said Friday it had offered membership to Kosovo, which would become the 186th member of the global financial body.

"The Republic of Kosovo will become a member of the IMF when its authorized representative signs the IMF's Articles of Agreement" the statement said.

Businessmen demand buffer stock of essentials

FBCCI

Annisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), speaks at a joint meeting on 'review of price of essential goods and keep them stable' with importers, market associations' leaders and economists at FBCCI conference centre in Dhaka yesterday.

STAR BUSINESS REPORT

Businessmen yesterday suggested the government build a buffer stock of essential commodities at the Trading Corporation of Bangladesh (TCB) to be able to intervene in the market and curb unusual price hikes.

"The government should build stocks to ensure a smooth supply of commodities in the market. It can take steps to strengthen the TCB and intensify competition," said Annisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

His recommendation came after a meeting with traders and processors of essential commodities, such as edible oil, sugar and pulse to devise ways to keep prices within limits during the month of Ramadan, when the prices of these products surge.

Economists and government officials were also present at the meeting. Discussants said the market should be kept under check so that an artificial crisis in the supply chain of essentials is not created.

Further suggestions include bringing down bank interest rates and charges and provisions for bulk imports of products when the prices of such are low on the international market.

The FBCCI chief said the apex trade body would start monitoring the market as part of its move to keep the prices of essentials stable.

"We want to enjoy profits, but at the same time, we want to provide services to consumers," he said.

At the meeting, edible oil importers, citing an increase in the prices of soybean and palm oil on the global market, said the rising trend in prices may continue in the days to come.

At present, the country's total demand for edible oil stands at 14 lakh tonnes a year, which is met through imports by a couple of companies, such as City Group of Industries and Meghna Group of Industries.

Soybean oil, according to processors, is now sold at Tk 73 a kilogram at mill gate. According to an FBCCI market monitoring report, the wholesale price of the product was Tk 76.26 and the retail price was Tk 84 on May 7.

But importers fear that prices might rise due to rising import costs.

"The present projection for the price of edible oil is upward," said MA Rouf Chowdhury, president of the Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association, fearing that the price offered by the soybean millers may not be sustained.

Chowdhury also said the government should take the initiative to import essentials to stabilise prices. "It would be more effective if the government takes the initiative."

Fazlur Rahman, chairman of City Group of Industries, pointed to an increase in soybean oil prices and said the government should adjust duties in line with fluctuations of the commodity on the global market.

"The government should withdraw duties when prices are increase when prices are low," he said.

In the case of sugar, processors said prices might not rise till June from the present mill gate price of Tk 35 a kilogram.

"It's important to ensure an interrupted supply, even when prices are high. Any disruption to the supply chain creates havoc with price levels. The creation of an artificial crisis cannot be allowed," said Md Lokman Hossain Fakir, secretary of the Shantinagar Market Committee, a body of retailers.

MA Taslim, chief executive of the Bangladesh Foreign Trade Institute, suggested traders import commodities in adequate amounts to meet Ramadan-pashed demand and keep prices down.

US job losses slow, but unemployment hits fresh high

AFP, *Washington*

US labour market losses eased in April with 539,000 jobs axed, while the unemployment rate hit 8.9 percent, according to data Friday suggesting the economy remains weak but may be stabilizing.

The jobless rate hit its highest level since September 1983 but the pace of job losses slowed appreciably, offering another possible sign of an easing of the severe economic slump.

The number of job losses was not nearly as bad as the consensus Wall Street estimate of 600,000 in the Labour Department monthly payrolls report, one of the best indicators of economic momentum.

"Obviously the economy is still contracting, but the rate of decline is easing," said Jay Bryson, economist at Wachovia Securities.

"I would say that momentum is shifting. We're not in a freefall, and there are reasons to be optimistic going forward."

The department revised its estimates to show steeper job losses in February and March -- February cuts were 681,000 instead of 651,000 and March losses revised up to 699,000 from 663,000.

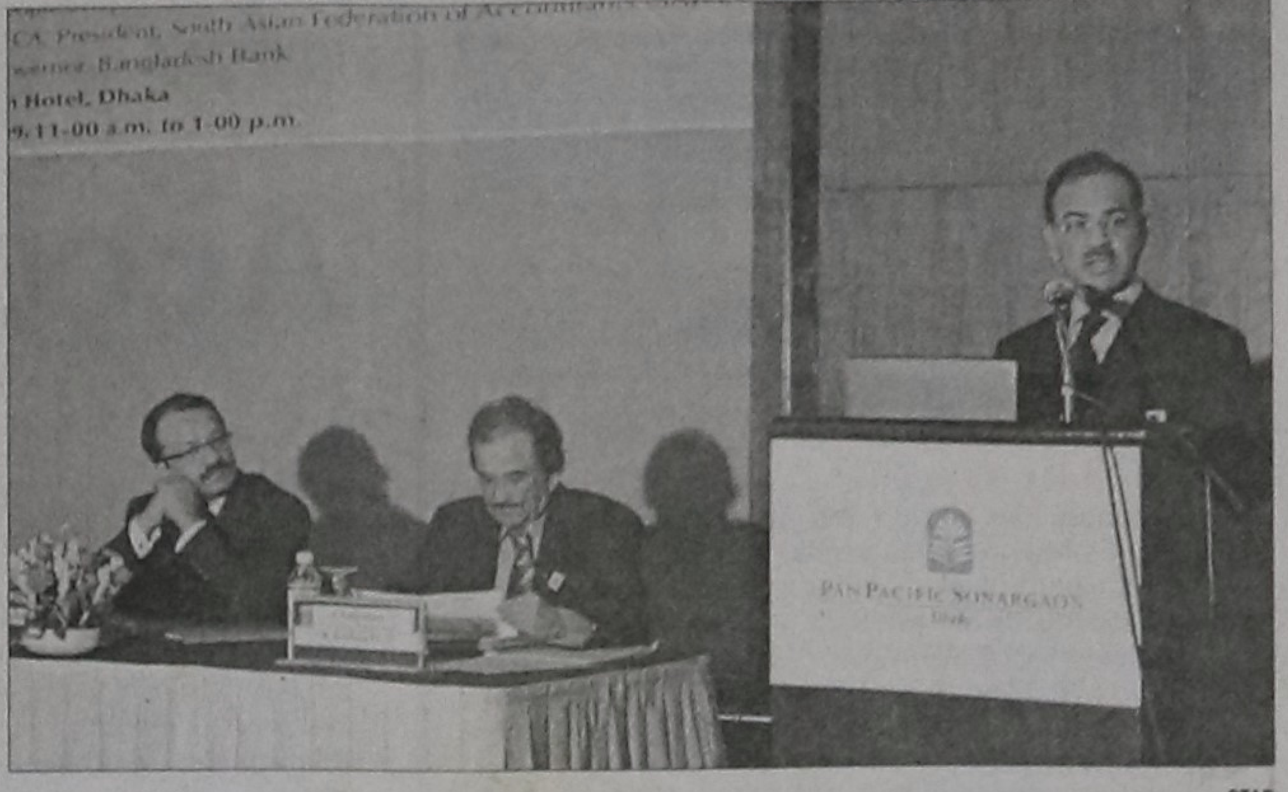
In April, the private sector lost 611,000 jobs but the overall picture was helped by a gain of 72,000 government posts.

Some analysts said the report showed only marginal improvement.

"It may have been better than expected but it still wasn't as good as it looks," said Avery Shenfeld at CIBC World Markets.

"When you add in the downward revisions to prior months and strip out an outsized gain in government employment, the overall trend still looks ugly."

Still, Shenfeld said a recovery is possible later this year "especially when we get back online sectors than have been shut down like autos and steel and see the impact of the government's stimulus programmes."



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Commerce Minister Faruk Khan speaks at a national conference of chartered accountants in Dhaka yesterday. (Story on B1)

BB governor calls for humanitarian banking

UNB, *Dhaka*

Bangladesh Bank Governor Dr Atiur Rahman has called upon the country's commercial banks to stand beside the poor with some sort of 'humanitarian banking'.

"Bangladesh Bank wants every bank to appear with a humanitarian face," he said, addressing a stipend distribution ceremony of Dutch-Bangla Bank Limitedat Hotel Purbani in the city yesterday.

Atiur distributed stipends among 102 students, who passed HSC last year, for bearing their academic expenses in the graduate level. Each of the students will get a monthly stipend of Tk 2,000 plus a lump sum amount of Tk 5,000 for reading materials.

Since beginning of the student's stipend programme in 2003, DBBL's annual expenditure on this head stood at around Tk 4 crore, while the number of beneficiaries stood at around 1,700.

The central bank chief called upon all the banks to come forward with similar programmes as a corporate social responsibility to help poor students complete their academic activities.

"The country will move forward if we can utilise unitedly our humanitarian strength and social capital," he said.

DBBL Chairman Sayem Ahmed and Managing Director Yesin Ali also spoke on the occasion.

DBBL

Dr Atiur Rahman (sitting 2-R), Bangladesh Bank governor, poses with the awardees at a scholarship giving ceremony sponsored by Dutch-Bangla Bank Ltd (DBBL) in Dhaka yesterday. Yeasin Ali (sitting 2-L), DBBL managing director, is also seen.

IMF approves second payment to Ukraine

AFP, *Washington*

The International Monetary Fund approved Friday a 2.8 billion dollar payment to Ukraine, the second portion of standby loan to help the country cope with a severe economic crisis.

The approval was given by the Washington-based IMF's executive board on completion of the first review of Ukraine's economic performance under a two-year stand-by credit arrangement totalling 16.5 billion dollars approved in November 2008.

The latest loan raised the total Fund disbursements to Ukraine so far to 7.3 billion dollars, the IMF said in a statement.

The IMF said Ukraine had revised its economic program "to mitigate the effects of the global crisis, restore confidence in the banking system, and preserve fiscal sustainability while protecting the most vulnerable segments of the population."

The revamped program, backed by the IMF, targets a government deficit of four percent of gross domestic product in 2009 compared to a balanced budget under the original program.

"This revision aims to strike a balance between cushioning the economic downturn and preserving medium-term fiscal sustainability," IMF's first deputy managing director John Lipsky said.

Philippines signals easing of monetary policy

AFP, *Manila*

Monetary authorities on Friday signalled a further easing of the central bank's policy rates to help the Philippines boost economic growth amidst a global downturn.

A central bank report said inflation had eased amid further declines in domestic commodity prices as well as global prices for petroleum products.

Philippine inflation slowed to 4.8 percent last month, from 6.4 percent in March and well down from the 8.3 percent inflation rate of April 2008.

The report noted slowing consumption, declining capital formation, a marked slide in exports and rising unemployment.

"While there are some tentative signs that the current global economic down cycle may be nearing the bottom, forward momentum remains weak" and "the restoration of the global financial system to normalcy may take some time," it said.

"The continued favourable inflation outlook provides scope for policy flexibility. This allows the (central bank) to balance price stability objectives with the need to support the financial system and the macroeconomy as economic headwinds continue," it said.

The bank's monetary board cut its policy rates by 75 basis points in the first three months of the year, bringing the cumulative monetary easing to 125 basis points since December 2008.