Star Business
DHAKA THURSDAY JULY 16, 2009

Stocks

DGEN	▼	1.15%	2,883.36
CSCX	▼	0.37%	6,332.95

Asian Markets

MUMBAI	▲	2.88%	14,253.24
TOKYO	▲	0.08%	9,269.25
SINGAPORE	▲	3.41%	2,389.42
SHANGHAI	▲	1.38%	3,188.55

Commodities

Gold ▲ $929.10 (per ounce)

Oil ▲ $60.58 (per barrel)

SOURCE: AFP

(Midday Trade)

More News

Tea workers await better days

Tea plantation workers are expected to see a ray of hope as the government is on course to fix minimum wages for the sector for the first time. Ikteder Ahmed, chairman of Bangladesh Minimum Wage Board, informed The Daily Star that a draft recommendation was prepared on Sunday.

B-4

International

China forex reserves hit record $2.13 trillion

China's foreign exchange reserves surged to a record 2.13 trillion dollars at the end of June, the central bank said Wednesday, as money poured into the country while the economy strengthened. The reserves, already the world's largest, grew by 185.6 billion dollars in the first six months of 2009, a rise of 17.8 percent year-on-year, the bank said in a statement.

Philippines says remittances still growing

Filipinos working abroad sent home a record 1.48 billion dollars in May, up 3.7 percent from a year earlier, the central bank said Wednesday, giving Manila hope it could avoid recession this year. Remittances for the five months to May grew 2.8 percent to 6.98 billion dollars.

Australian bank asks workers to take unpaid leave

Bendigo Bank on Wednesday became the first Australian financial institution to ask its workers to take unpaid leave because of the economic downturn. It said asking its 4,000 workers to take two weeks unpaid leave over the next 12 months "represents the next generation of thinking" on managing expenses in tough times.

B-4

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

DSE blames stock rout on central bank

STAR BUSINESS REPORT

Dhaka Stock Exchange, the premier bourse, sees the central bank's recent intervention in the market as the main reason for a downward trend in trade.

"The Securities and Exchange Commission is the regulator of the capital market which can intervene, if necessary. Bangladesh Bank should not meddle in," DSE President Rakibur Rahman told reporters after a meeting with NBR Chairman Nasiruddin Ahmed, who visited the Dhaka bourse yesterday.

"None should go beyond jurisdiction," Rahman said.

In his reaction, a deputy governor of the central bank, said: "As a regulator of banks, it's our duty to monitor the banks and the DSE observation was not correct."

Bangladesh Bank (BB) had earlier asked all banks to submit monthly reports on their stock portfolios.

The market continued to fall yesterday. The benchmark DSE General Index declined by 33.7 points, or 1.15 percent, to 2,883.36.

The latest BB initiative will ultimately hamper the growth of the market, the DSE chief said.

"We request the central bank to withdraw the latest circular," he said.

The central bank's directive came following unearthing of irregularities in share business by a DSE investigation.

Banks from now on must submit detailed information about their stock portfolios by categories of purchase, mortgage and deposit, according to the BB circular issued to the chief executives of all banks.

The monthly reports must be submitted within seven days of the next month to the Department of Off-sight Supervision of Bangladesh Bank on a regular basis.

For the month of June 2009, the banks were scheduled to submit the report by yesterday.

When contacted, BB's Deputy Governor Murshid Kuli Khan said the DSE observation on the central bank's directive is not correct.

"We wanted to know about the banks' stock portfolio as part of the risk management of banks on the back of global financial meltdown," Khan said.

"It's a routine job for safety and soundness of our banks," he said.

Recently, a DSE investigation found that two privately run commercial banks -- AB and IFIC -- made hefty profits from investments in Z category shares of a company with weak fundamentals.

On the trading floor, like the benchmark index, the DSE All Share Price Index also declined by 25 points, or 1.02 percent to 2,417.85.

The advancers however beat the losers 114 to 99. Fourteen securities remained unchanged.

A total of 3,52,47,853 shares worth Tk 490.01 crore were traded on the prime bourse.

Chittagong stocks also continued to fall yesterday. The CSE Selective Categories Index slid by 24.14 points, or 0.37 percent to 6,332.95. The CSE All Share Price Index dropped by 27.83 points, or 0.27 percent to 10,110.55.

A total of 63,59,526 shares worth Tk 68.31 crore changed hands on the Chittagong Stock Exchange. Of the traded securities, 63 advanced, 80 declined and eight remained unchanged.

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L-R, Dr Debapriya Bhattacharya, distinguished fellow of Centre for Policy Dialogue, Commerce Minister Faruk Khan, CPD Chairman Prof Rehman Sobhan and Executive Director of the think-tank Mustafizur Rahman attend a dialogue in Dhaka yesterday.

Trade union debate heats up

STAR BUSINESS REPORT

Labour leaders yesterday emphasised trade unionism in the apparel sector to ensure workers rights, while owners expressed their concerns over the role of such unions in the industry.

However both the sides were unanimous on bringing the culprits to book, who are responsible for the damage caused to the prime foreign exchange earning sector. A vested quarter is behind the recent labour unrest, they told a discussion in Dhaka.

The Centre for Policy Dialogue organised the dialogue on "Investment scenario and the recent incidents in the industrial sector."

Chaired by CPD Chairman Professor Rehman Sobhan, it was addressed by Commerce Minister Faruk Khan as chief guest. Dr Debapriya Bhattacharya, the distinguished fellow of the private think tank moderated the discussion, aimed at suggesting ways and means to resolve frequent RMG workers' unrest.

"Why do you (owners) fear trade unionism?" questioned politician and a labour leader Shahidullah Chowdhury. "Look at the issue positively and things will improve," he said.

Dr Wajedul Islam Khan blamed factory owners for not following the ILO convention ratified by Bangladesh, which allows trade unionism.

Politicians Haider Akbar Khan Rono, Monjurul Ahsan Khan and Saiful Haque also agreed with them on trade unionism.

"There are genuine reasons for workers' demonstration. They are deprived of due wages and overtime payment," Rono said.

"Healthy trade unionism can resolve many of the problems faced by the garment sector," said Monjurul Ahsan Khan.

Tuhin Chowdhury, a garment worker, said retired army officials who are employed at almost every factory often create constraints for workers, instead of helping them.

President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Annisul Huq, also a garment factory owner, said they are afraid of trade unionism because their experience in this regard is not good.

He also smelt outsiders' involvement in the recent destruction in some garment factories.

Fazlul Hoque, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) echoed the FBCCI chief's view.

Rokia Afzal Rahman, a former adviser to the caretaker government, said, "It seems that some incidents are instigated from outside."

Abdul Hye Sarker, president of Bangladesh Textile Mills Association, and AK Azad, the owner of the recently burnt Hameem Factory, urged the government to investigate when and why an owner failed to pay wages to his or her workers.

The commerce minister said the Awami League-led government is pledge-bound to allow trade unionism to ensure workers rights in all sectors.

"We want it. We have mentioned it in our election manifesto," Faruk Khan said.

AFP

Fifty-five heads of state and commission members fill the session room moments before the inauguration ceremony of the 15th summit of the Non-Aligned Movement in the resort town of Sharm El-Sheikh in Egypt yesterday.

Calls for 'new world order' at NAM summit

AFP, *Sharm El-Sheikh, Egypt*

More than 50 heads of state from the developing world met Wednesday in Egypt to tackle the fallout from the global economic meltdown, with calls for a "new world order" to prevent a repeat of the crisis.

Cuban President Raul Castro said in a speech at the opening session of the Non-Aligned Movement summit that the financial crisis had hit developing nations the hardest.

"Every country in the world must seek just solutions to the global economic crisis," Castro told the 118-member body at the gathering in the Red Sea resort of Sharm el-Sheikh.

"We call for a new monetary and economic world order... we must restructure the world financial system to take into consideration the needs of developing countries."

Global power dynamics also need to be addressed, Libyan leader Moamer Kadhafi said, demanding a restructuring of the UN Security Council which he branded a form of terrorism "monopolised by a few countries that are permanent members."

"This represents a danger toward international peace. We have suffered all sorts of harm from the Security Council, it has become a sword over our necks," he said. "The Security Council is terrorism."

Kadhafi said he wanted to correct the imbalance at the Security Council, demanding a permanent seat for the 53-member African Union, which he chairs.

But the developing world's military ambitions looked set to steal the summit limelight, with nuclear-armed South Asian foes India and Pakistan to hold talks on Thursday aimed at relaunching stalled peace talks.

New Delhi and Islamabad's fraught relations deteriorated after terror attacks in the Indian commercial capital Mumbai in November last year which killed 166 people.

The attacks were blamed by India on the banned Pakistani militant group Lashkar-e-Taiba, and Pakistan has acknowledged they were partially planned on its soil.

Indian foreign secretary Shiv Shankar Menon met his Pakistani counterpart Salim Bashir on Tuesday ahead of the meeting between Indian Prime Minister Manmohan Singh and Pakistani Prime Minister Yousuf Raza Gilani.

Singh has voiced hope that Pakistan will promise action against those behind the attacks when he meets Gilani for only the second high-level contact between the two sides since the Mumbai bombings.

Pakistan said on Saturday that it would "probably" put the five accused of involvement in the attacks on trial next week.

The attacks left in tatters a fragile peace process launched in 2004 to resolve all outstanding issues of conflict, including a territorial dispute over the divided Himalayan territory of Kashmir.

India, along with host Egypt, is one of the founding members of the NAM, the largest grouping of countries outside of the United Nations, aimed at giving a voice to the developing world.

The summit will "provide a chance for discussions over the international economic crisis, which first started in the industrialised countries, and greatly impacted the developing countries, especially Africa," Zimbabwe Foreign Minister Simbarashe Mumbengegwi said on Tuesday.

He said industrialised states "should not be given free rein to manage such a crisis."

Founded in 1955, NAM's 118 member states represent around 56 percent of the global population. NAM states consider themselves not formally aligned with or against any major power bloc.

Set up during the Cold War, the movement sought to distance itself from both the Western and Soviet blocs, but today its raison d'etre is questioned after the collapse of the Soviet Union and the ensuing shift in power politics.

PM urges Bahrain to recruit more Bangladeshis

UNB, *Sharm El-Sheikh*

Prime Minister Sheikh Hasina requested Bahrain to recruit more manpower from Bangladesh and make investment in the country's various prospective development sectors.

She made the call when Prince of Bahrain Sheikh Salman bin Hamad Al Khalifa paid a courtesy call on the PM on the sidelines of the 15th NAM Summit being held at Maritim Congress Centre in this Egyptian resort city on the Red Sea.

Prime Minister's Press Secretary Abul Kalam Azad said Sheikh Hasina and the Bahrain Prince discussed various bilateral issues, including development and economy.

Sheikh Salman greeted the Prime Minister for the Awami League-led Grand Alliance's massive victory at the December 29 parliamentary polls and on her assumption of office as the Prime Minister.

The prince hoped that under the leadership of Sheikh Hasina Bangladesh's people would be able to attain the desired development and prosperity.

Foreign Minister Dr Dipu Moni and Secretary Mijarul Quayes and former Ambassador M Ziauddin were present.

Govt moves on safe shrimp exports

STAR BUSINESS REPORT

The government yesterday announced a plan of action to detect nitrofuran in shrimp exports to avoid any ban on the item by major importers in the EU and US.

The plan, which is to be implemented in three phases until June 2013, also aims to develop mechanisms to ensure traceability by documenting all stages of value addition.

A code of conduct will also be developed for the more than $500 million worth export earning industry, which now suffers from slowing exports due to global recession.

Exports of fresh water shrimp, which creates employment for more than 10 lakh people, also face a ban imposed by the government, following detection of nitrofuran in more than 50 consignments to the EU. This accounts for nearly 60 percent of Bangladesh's annual shrimp exports.

"There is good demand for Bangladeshi prawns in international markets, which are larger in size and taste better. But contamination puts exports at stake," said Fisheries and Livestock Minister Md Abdul Latif Biswas at a programme in Dhaka.

The Department of Fisheries and Bangladesh Shrimp and Fish Foundation organised the programme at Bangladesh-China Friendship Conference Centre.

The government said it would analyse detection, improve local testing facilities, organise temporary pre-shipment testing, and prevent entry of health-hazardous feed and feed ingredients.

"If we want to reduce poverty, we must protect this sector," said Commerce Secretary Feroz Ahmed.

Chaired by Parikshit Datta Chowdhury, Fisheries and Livestock Secretary Mohammad Shah Alam, Canadian High Commissioner Robert McDougall, FAO Representative Ad Spijkers also spoke.