

## Stocks

DGEN	▲ 0.48%
	2,843.27
CSCX	▲ 0.46%
	6,241.06

## Asian Markets

MUMBAI	▼ 0.03%
	15,375.04
TOKYO	▲ 1.45%
	10,088.66
SINGAPORE	▲ 1.71%
	2,576.66
SHANGHAI	▲ 1.86%
	3,435.21

## Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	95.37	100.57
GBP	110.72	115.98
JPY	0.71	0.79

SOURCE: STANDARD CHARTERED BANK

## Commodities

Gold	▲
	\$956.03 (per ounce)
Oil	▲
	\$68.92 (per barrel)

SOURCE: AFP

(Midday Trade)

## More News

### Reform laws for insurers soon

The government is set to pass two insurance-related bills in the next parliament session, said the chairman of the parliamentary standing committee on finance ministry yesterday. The government also considers appointing an ombudsman to settle disputes between the insurance companies and their clients, said AFHM Mostafa Kamal.

B-3

## International

### US seeks action with China



Top officials of the United States and China said Monday they saw hopeful signs that the global economy was beginning to move into a period of recovery. Treasury Secretary Timothy Geithner said that the joint efforts of the nations to deal with the financial crisis with large stimulus programs marked a turning point in the relationship of the two economic superpowers.

### Taiwan's recession shows signs of further easing

Taiwan's economic contraction appeared to be further slowing as its key indexes in June staged a rebound for the fifth month in a row, the government said Monday. The June index of leading indicators rose 1.8 percent from May, when it posted a revised 2.6 percent increase, the Council for Economic Planning and Development said.

B-4

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# Stand together to get G20 fund share

## Muhith calls upon Asia Pacific countries at workshop on recession



Finance Minister AMA Muhith, seated middle, poses with delegates from 17 Asia-Pacific countries at the inaugural session of a four-day regional workshop on global recession at Sonargaon Hotel in Dhaka yesterday.

### STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday called upon the Asia Pacific countries to raise their voice together to claim their share from a G20 fund created to tackle the fallout of global recession.

He also demanded a proper distribution of the \$1.1 trillion fund generated by G20 leaders in April this year to help developing countries and stimulate world trade. Of the fund, developing and poor countries will receive only \$50 billion.

The World Bank and the International Monetary Fund are likely to manage the fund.

The minister also expressed dissatisfaction at the poor allocation of \$50

billion for the underprivileged countries to deal with the financial crisis that originated in the developed countries.

"There is a group of vulnerable countries and what kind of system should be followed to distribute this fund is very important," Muhith told the inaugural session of a four-day regional workshop on strengthening responses to the global financial crisis in the Asia-Pacific region at Sonargaon hotel in Dhaka.

United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the Bangladesh Bank jointly organised the programme to work out realistic and viable policy suggestions required for the region to weather the ongoing global recession.

Finance ministry and central bank

officials of 17 Asia Pacific countries, including China, India, Malaysia, Fiji and Russia, are taking part in the workshop.

Muhith also came down heavily on the global financial regulators -- IMF and WB -- for their 'sheer failure' to warn member countries about the recession.

"Early warning system has totally failed. We've to think about restructuring the system," said the minister.

He also urged the participating countries to work together for restructuring the global financial system that he said had failed to give the countries warning before the financial crisis.

The finance minister also felt the necessity to change the global attitude to use resources for trade financing in the

wake of the financial meltdown that has affected trade financing badly.

"Reserves could be used for trade financing such as purchase of fuel, fertiliser and food," Muhith suggested.

Easy access to trade financing is crucial to absorb financial shock, he said.

The minister however said keeping up the domestic demand is vital to absorb the shock following a decline in demand.

"Creating domestic demand is most obvious to mitigate the impacts of the crisis," he said.

More spending is needed for social and infrastructure development to keep the domestic demand up amid the crisis, he suggested.

Bangladesh Bank Governor Dr Atiur

Rahman presented a keynote paper at the session chaired by BB Deputy Governor Nazrul Huda. Nagesh Kumar, director of Macroeconomic Policy and Development Division of ESCAP, delivered the address of welcome.

Rahman called upon the regional countries to strengthen cooperation in response to the current crisis.

"To grow intra-regional trade is required to reduce dependence on North American and European markets," he said.

A strong regional bond market can also help channel regional savings into real sectors, he added.

The governor also echoed the finance minister for restructuring the global financial system.

## Ha-Meem makes Tk 100cr insurance claim

SAJJADUR RAHMAN

Ha-Meem Group, an apparel giant, has made insurance claims worth Tk 100 crore, the highest-ever of its kind, as coverage for its recently burnt factories in Ashulia.

The claims were placed with Sonar Bangla Insurance Ltd, a second-generation private general insurance company, confirmed the officials from both sides.

"We submitted our claims to the insurer recently," AK Azad, managing director of Ha-Meem Group, told The Daily Star yesterday.

"We received the papers for the claim. Now we will assess the extent of the losses caused," said Jahirul Haque, a senior official of Sonar Bangla Insurance Ltd.

Both sides however are uncertain over how long it would take to settle the claim, as it involves lengthy procedures. Garment workers burned down factories, warehouses and vehicles of Ha-Meem Group on June 29. According to the company's primary assessment, the amount of losses was Tk 150 crore.

Such attacks on garment factories are not new, but the extent of the damage incurred by Ha-Meem Group broke any past records, according to industry insiders.

Meanwhile, insurers are also tensed over the losses borne by the factory. Most of the 43 general insurers are unable to settle large claims with a paid-up capital

of about Tk 15-20 crore.

"This is a huge loss. We have to carry out a detailed survey on how we can support the affected apparel manufacturer," the Sonar Bangla Insurance official said.

The insurer has an authorised and paid-up capital of Tk 20 crore and Tk 15 crore respectively.

The damage comes under the purview of fire insurance and the affected company is supposed to report the insurer within 72 hours of the incident, he said, adding that Ha-Meem informed them in due time.

"Because of the nature of the claim, we need time to settle it," said Jahirul Haque, who has been working in the insurance sector for the past 13 years.

"We also have to sit with the Sadharan Bima Corporation on the issue of reinsurance," he noted.

Reinsurance is a must for insurance coverage. Sadharan Bima is the lone entity in Bangladesh where insurers have to reinsure at least 50 percent of the insurance coverage.

"There are several formalities and lengthy procedures in Bangladesh to settle insurance claims," said the Ha-Meem Group boss.

Ha-Meem Group is one of the largest apparel makers and exporters in the country with \$150 million in turnover in fiscal 2008-09, employing around 35,000 people.

[sajjad@thedailystar.net](mailto:sajjad@thedailystar.net)



The picture taken in June shows a Ha-Meem Group unit in flames in Ashulia on the outskirts of the capital.

## Sugarcane farming drops by half in the north



A sugarcane field under Setabganj Sugar Mill in Dinajpur. This year, farmers are not very upbeat on sugarcane cultivation.

KONGKON KARMAKER, Dinajpur

Sugarcane cultivation by four mills in the north is far from reaching the target as farmers have opted for other cash crops.

Sugarcane growers are complaining of harassment and delayed payment from sugar mill owners and unsupportive government policies. The four mills were able to reach the target only halfway.

The four sugar mills in Dinajpur, Thakurgaon, Panchagarh and Joypurhat, under the four sugar mills cultivate sugarcane, but the number has dropped to 22,000 this year.

"In fact, the land under sugarcane cultivation is much lower than shown," claimed Ali Mortuza, president of Setabganj Cane Growers Association.

Atul Chandra Roy, 45, from the village of Dollah under Chiribandar upazila in Dinajpur, said he had grown sugarcane every year in the past. "This year is an

exception." He said the farmers reduced sugarcane cultivation because of the difficulties in obtaining payment from sugar mill owners.

Last year, mill authorities purchased sugarcane from farmers at Tk 153 per maund. But farmers alleged that most farmers are yet to get their dues and refused to cultivate this year.

"Last year, we staged a series of protests to get our dues. Even government agencies supported sugar mill owners for their own interests," said Roy. "In such a situation, it becomes very difficult for us to make ends meet."

Roy said local farmers have now shifted their focus towards other cash crops and cultivation of vegetables instead of sugarcane.

Officials from the Department of Agricultural Extension suggested farmer-friendly policies and timely payment to save sugarcane cultivation.

exception."

He said the farmers reduced sugarcane cultivation because of the difficulties in obtaining payment from sugar mill owners.

Last year, mill authorities purchased sugarcane from farmers at Tk 153 per maund. But farmers alleged that most farmers are yet to get their dues and refused to cultivate this year.

"Last year, we staged a series of protests to get our dues. Even government agencies supported sugar mill owners for their own interests," said Roy. "In such a situation, it becomes very difficult for us to make ends meet."

Roy said local farmers have now shifted their focus towards other cash crops and cultivation of vegetables instead of sugarcane.

Officials from the Department of Agricultural Extension suggested farmer-friendly policies and timely payment to save sugarcane cultivation.