

Donors pledge \$100m for skill building

STAR BUSINESS REPORT

International development partners will invest more than \$100 million to update the technical and vocational training systems in the country in the next five to six years, Bangladesh Investment Climate Fund (BICF) said yesterday.

BICF Programme Manager Laura Watson unveiled the plan while presenting "Donor Mapping Report 2009: Skills Development Initiative in Bangladesh" at a seminar at Dhaka Sheraton hotel.

A number of reforms under

some projects are targeted for the migrant workers' training, she said.

BICF, managed by the International Finance Corporation (IFC), in collaboration with Bangladesh Enterprise Institute (BEI) organised the seminar, supported by the UK Department for International Development (DFID) and European Union.

Laura said new opportunities for exporting skilled or unskilled manpower are opening up for Bangladesh all over the world, but the country will be unable to bene-

fit from these opportunities unless the appropriate skills development efforts are mounted for migrant workers.

With proper training and skill development, the remittance earning can almost be trebled, but currently, the donor projects attach less priority to improve skills of migrant workers in the areas of law, health and language. The remittance was \$9.6 billion last fiscal year.

The basic infrastructure needed for skill development in Bangladesh is missing at the

moment, Laura said, recommending immediate establishment of a secretariat of the National Skills Development Council (NSDC).

According to the report, 29 percent of firms viewed skill shortage as serious problem in 2007 compared to 14 percent in 2002.

Speaking as the chief guest, Expatriates' Welfare and Overseas Employment Minister Khandaker Mosharraf Hossain said he will take initiative to establish the NSDC secretariat soon and make it functional to coordinate the skill development issues involved with vari-

ous ministries.

"To prepare data on the supply and demand of workforce in the domestic and overseas market, the NSDC can play significant role," he said, adding that the donors also need to have coordination in financing projects on skill development.

BEI President Farooq Sobhan moderated the seminar, which was also addressed by DFID Country Director Chris Austin, Swiss Ambassador Urs Herren, Labour Secretary Ataharul Islam and Expatriates' Welfare Secretary Elias Ahmed.



Brac Chairperson Fazle Hasan Abed goes round the relocated Aarong outlet at Biman Bhaban near Sholoshahar Gate No. 2 in Chittagong after its inauguration yesterday. Aarong's Eid-ul-Fitr collections will be available at the outlet from the beginning of Ramadan.

Commodity prices soar in Khulna

QUAZI AMANULLAH, Khulna

With only two days left for Ramadan, the prices of most essentials continued to soar on local kitchen markets yesterday.

The prices of sugar, pulses, spices and edible oil increased by 30 percent from last week.

The prices of yellow-pea, chickpea and lentil shot up to Tk 62, Tk 54 and Tk 108 a kilogram respectively from Tk 55, Tk 40 and Tk 100 in the last one week.

Packed Rupchanda soybean oil sells higher by Tk 7 a litre on local markets.

A five-litre container of the oil was sold at Tk 432 yesterday, up from last week's Tk 425.

On the other hand, the prices of loose soybean oil have increased from Tk 82 to Tk 86 a kilogram. Sugar sold at Tk 48, up from Tk 36-40.

Imported garlic was up for sale at Tk 70 a kg while local garlic costs Tk 96, which is almost Tk 45 to Tk 55 higher than the previous prices.

The prices of both imported and local onions have also soared by Tk 10 to Tk 15 per kg.

Prices of most vegetables increased by 20 to 30 percent.

A 15-member committee has been formed by Khulna

City Corporation (KCC) Mayor Talukder Abdul Khaleque to monitor the market.

The committee headed by KCC Secretary Kazi Faizur Rahman has directed all traders to follow price charts.

As per new rates, chickpea is to sell at Tk 24, sugar at Tk 44, onion at Tk 16 and yellow-pea at Tk 46 a kg at the retail level.

KCC has opened a control room to monitor the market. But no shops at Khulna Bazaar were found hanging price charts.

Khulna Trading Corporation of Bangladesh (TCB) is yet to start open-market sales of soybean oil, onion, sugar and chickpea.

Rabul Moshed, regional director of Khulna TCB, said no dealer has yet been appointed for open-marketsales.

"We are yet to get any of these items from Dhaka to stock in our silos here," he added.

But preparations are underway as the district administration and KCC have sent two separate lists of dealers to the head office of TCB in Dhaka.

"At present, there are 45 tonnes of sugar and 4,500 litres of soybean oil in Khulna TCB storage. This year we will not sell onion," Moshed said.

India inflation falls but food prices up

AFP, New Delhi

India's inflation rate stayed in negative terrain for the 10th week, official data showed Thursday, despite food prices rising amid a widening drought.

Annual inflation declined 1.53 percent for the week ended August 8 after dropping 1.74 percent the previous week, according to the Wholesale Price Index (WPI), India's most watched cost-of-living benchmark.

But food prices climbed as a result of the weakest monsoon since at least 2002 that has hit harvests.

Fruit prices rose by 2.6 percent and pulses rose by two percent during the week while spices rose by one percent, according to the commerce ministry data.

The rise in food prices has worried the Congress-led government as it has hit India's poor masses, its biggest supporters.

On a year-on-year basis, the cost of vegetables has risen by nearly 40 percent, cereals by 11.6 percent, pulses by 17.6 percent and spices by 4.7 percent.

The Wholesale Price Index is used by India as a measure for inflation as it is calculated more frequently than other indices and is more comprehensive.

But it has long been criticised by economists as a flawed barometer of the cost-of-living.

China Mobile reports H1 profit up 1.5pc

AFP, Hong Kong

China Mobile, the nation's largest mobile phone operator, on Thursday reported a 1.5 percent rise in half-year net profit, as it was hit by strong competition and a slow economy.

Net profit rose to 55.3 billion yuan (\$8.09 billion dollars) in the January-June period, up from the 54.5 billion yuan reported at the same point last year, it said in a statement to the Hong Kong Stock Exchange.

The figure was lower than the average forecast of 56.44 billion yuan predicted in a Dow Jones Newswires poll of 10 analysts.

Operating revenue was up 8.9 percent at 212.9 billion yuan from 195.5 billion yuan a year earlier.

Hasina urges facilities for Bangladeshis in Malaysia

UNB, Dhaka

Prime Minister Sheikh Hasina urged the Malaysian government to ensure all necessary facilities for the Bangladeshi expatriates in the Southeast Asian country and import high-grade products from here to reduce the trade gap.

Hasina made the call when Malaysian High Commissioner in Dhaka Jamaluddin Bin Sabeh met her at the Prime Minister's Office yesterday.

Hasina and Jamaluddin discussed the issues of bilateral, regional and international developments during the meeting.

The prime minister emphasised reducing the trade gap between the two countries, with the balance

currently tilted towards Kuala Lumpur.

She told the envoy that Malaysia can import from Bangladesh pharmaceuticals as Bangladesh produces high-quality pharmaceutical products, which are being exported to more than 50 Asian and European countries.

Besides, Malaysia can also import leather goods, light-engineering products, jute products, frozen fish, knitwear, woven garments, agro and ceramic products, Hasina said.

She further requested the Malaysian government to facilitate duty-free entry of Bangladeshi products to the Malaysian market to reduce the huge imbalance.

Hasina expressed gratitude to the Malaysian government for hosting approximately five lakh Bangladeshi nationals employed in different professions who are contributing to the economic development of both Malaysia and Bangladesh.

She also urged more Malaysian investment in Bangladesh as now an investment-friendly environment is prevailing in the country.

During the meeting, Hasina recalled her bilateral talks with Prime Minister of Malaysia Najib Bin Tun Haji Abdul Razak on the sidelines of the 15th Nam Summit held last June in Egypt.

The Malaysian high commissioner assured Hasina of giving necessary cooperation from his government to various development sectors of Bangladesh.

News in Brief



A pedestrian passes before a share prices board in Tokyo yesterday. Japanese share prices rose 179.41 points to close at 10,383.41 points at the Tokyo Stock Exchange, tracking gains on the US and Chinese markets as worries eased about the outlook for the global economy.

Rio Tinto profits slump 65pc

AFP, London

Anglo-Australian mining giant Rio Tinto posted Thursday a 65-percent slump in half-year net profits to 2.45 billion US dollars (1.72 billion euros) that it blamed on sharply falling commodity prices.

The firm said the drop in metals and minerals prices during the worst downturn in decades meant profit after tax in the six months to June fell from the 6.95 billion dollars recorded at the same point in 2008.

Chairman Jan du Plessis said prices had risen recently as the world economy recovers but the company was wary about the short-term outlook.

"We remain cautious about the recent rally in prices," he said in the earnings statement.

"However, the expectation that development in emerging markets will generate underlying strength in minerals and metals demand over the long term remains broadly unchanged," he said.

Du Plessis said Rio Tinto was working closely with BHP Billiton on the firms' iron ore joint venture in Australia's Pilbara region, which Rio chose earlier this year over a 19.5 billion US dollar cash injection from China's Chinalco.

Meanwhile Rio said its revenue in the first half dropped 30.7 percent to 18.85 billion dollars.

Underlying earnings were down 54 percent to 2.4 billion dollars, roughly in line with market expectations. Rio said it would not pay an interim dividend.

US to lower budget deficit estimate to \$1.58 trillion

AFP, Washington

The White House will next week cut the estimated 2009 US budget deficit to 1.58 trillion dollars, around 262 billion dollars lower than forecast, an Obama administration official said yesterday.

President Barack Obama's Office of Management and Budget (OMB) will make the announcement when it releases its delayed annual mid-year review next week, the official said, on condition of anonymity.

Obama is facing intense political pressure over the huge budget deficit, as opponents charge programs like his ambitious health care reform plan and economic rescue efforts will saddle future Americans with huge debts.

In May, the administration projected a 3.998 trillion dollar budget for 2009 with a deficit of 1.841 trillion dollars, reflecting swollen spending amid the worst economic crisis on record.

The lower-than-expected figure for 2009 was attributed to the administration spending less money than it had projected on bank failures and aid to the financial industry.

Euro gains as Chinese stocks rebound

AFP, London

The euro rose on Thursday as a rebounding Chinese stock market led to investors buying the single currency in preference to the dollar and yen which are viewed as less risky currencies, traders said.

Approaching midday trade in London, the euro climbed to 1.4230 dollars from 1.4221 dollars in New York late on Wednesday.

Against the Japanese unit, the dollar rose to 94.37 yen from 94.03 yen late Wednesday.

"Correlation between improving risk sentiment and a weaker dollar remains in place," said Lee Hardman, currency analyst at The Bank of Tokyo-Mitsubishi UFJ in London.

Hong Kong prices fall in July

AFP, Hong Kong

Hong Kong's consumer prices fell 1.5 percent year-on-year in July, government figures showed Thursday, mainly as a result of one-off subsidies for electricity charges.

The July figure marked the second consecutive monthly fall, which was bigger than June's 0.9 percent year-on-year decline, the Census and Statistics Department said in a statement.

A survey of analysts by Dow Jones Newswires had predicted a fall of 1.4 percent.

Excluding all one-off measures, underlying inflation was minus 0.3 percent, lower than June's growth of 0.4 percent and 1.3 percent in May.

The change was mainly due to a bigger decrease in food prices and smaller increase in private housing rentals, the department said.

A government spokesman said consumer prices eased further in July due to the absence of local and external price pressures.



Dr Atiur Rahman, governor of Bangladesh Bank, hands over the Sonar Manush Sheba Award to Nurun Nabi, senior assistant vice president of Sitakundo branch of AB Bank Ltd, at the Remittance Festival in Dhaka recently. AB Bank was awarded for its "exemplary performance" in grassroots banking.



Maxus celebrates its fourth year of operations by re-launching itself with a new logo and inspiring brand guideline in Dhaka on Wednesday. Maxus, a GroupM company, began operations in Bangladesh in affiliation with Media Consultants Ltd, a company of Asiatic 360. Aly Zaker, chairman of Asiatic Group, Asaduzzaman Noor, director of Asiatic Group, Sara Zaker, executive director of Asiatic Group, Syed Fahim Munaim, managing editor of The Daily Star, Monowarul Islam, director (sales) of Bangladesh Television, Nowfel Anwer, head of marketing for Nokia EA Ltd, Soumendra Sankar Das, head of marketing for Marico, Morshed A Chowdhury, general manager of Finlay, Mukul Roy Choudhury, general manager of GroupM, Shikdar Akhtar-Uz-Zaman, associate director of Maxus, were also present.