



Retailers line up at a sales centre of Deshbandhu Sugar Mills Ltd at Karwan Bazar in Dhaka yesterday as the company has moved to offer the sweetener for Tk 2,100 per 50kg bag ahead of the Eid-ul-Fitr. The move came as sugar prices soared on the local market.

Global economy to remain on shaky ground

Says ICC survey after finance ministers meet at G20 summit

STAR BUSINESS DESK

The global economy is still on shaky ground and despite budding signs of recovery, evidence is not strong enough to conclude that the current recession is waning, the International Chamber of Commerce (ICC) said in an interim report on trade and finance which was released yesterday.

According to a press statement, the interim report cautioned against excess optimism and calls for renewed attention to be given to the G20 trade finance agenda following findings that there had been no significant sign of relief in capital requirements for trade assets, which the ICC had previously stated was

curbing bank incentive to offer trade finance.

About 86 percent of the survey respondents attested that they had experienced no relief in the requirements under the international capital adequacy regime known as Basel II, said the report.

Increased capital costs continue to constrain trade finance volumes, particularly in developing economies, it said.

The report recommended exempting trade finance products from the one-year maturity floor applied to lending facilities in most countries and allowing key risk attributes to be determined on the basis of industry benchmarks reflecting the low risk nature of trade

finance, according to the release.

It also suggested further enlargement of multilateral trade facilitation programmes to expand both capacity and coverage, especially for low income and export-dependent countries, and the rapid implementation of national programmes to guarantee trade and provide refinancing options, the statement said.

Quoting Gary Collyer, technical adviser to the ICC Banking Commission, the report said: "The costs of obtaining traditional trade finance products are still rising but they are seen as affordable costs given the additional security that the products offer the parties."

A majority of the survey respondents acknowledged that the G20

decision in April to support trade worth \$250 billion over a two-year period was a major step towards absorbing the shocks to trade resulting from the economic crisis, the report said.

The report warns, however, that a recovery in demand for merchandise trade without a corresponding increase in the ability of the banks to provide credit would risk a significant dislocation of trade, thus hampering global recovery.

The report, compiled by ICC Banking Commission officers, concludes that despite an anticipated return to positive growth, problems relating to the availability of trade finance can be expected well into 2010.

French bank chief in town



STAR BUSINESS DESK

René Carron, chairman of Credit Agricole SA and Grameen-Credit Agricole Microfinance Foundation, arrived in Dhaka yesterday, the company said in a statement.

He came with a 19-member delegation from France for the third board meeting of Grameen-Credit Agricole Microfinance Foundation hosted by Grameen Trust tomorrow.

Carron will make a courtesy call on Finance Minister AMA Muhith on the day. Credit Agricole, leading French banking group, joined forces with Grameen in 2007. The creation of the Foundation came after Credit Agricole's CEO Georges Paquet travelled to Bangladesh in July 2007 to meet with Nobel Laureate Professor Muhammad Yunus and visit Grameen's microcredit and social business operations in the country.

The group has endowed \$73 million to the Foundation, which is working with Grameen to provide financial guarantees and expertise to help launch micro-finance institutions around the world.

The delegation is expected to leave on September 11.

News in Brief

Gulf to push for maintaining Opec output

AFP, Kuwait City

Gulf producers will push to keep oil output unchanged at Opec's meeting this week after a sharp rise in prices and will urge better adherence to production quotas, analysts said.

Opec kingpin Saudi Arabia along with the United Arab Emirates, Kuwait and Qatar -- happy with the current prices -- will seek to reduce overproduction by urging the cartel to comply with output quotas agreed in December, they said.

"Their first priority will be to maintain output levels. Every producer is happy at the current oil price. They never expected prices to rebound to this high level so fast," Kuwaiti oil analyst Kamel al-Harami told the news agency.

Oil prices, which peaked above 147 dollars in July last year before tumbling to 32 dollars in December, have doubled since the start of 2009 and touched the 75 dollar mark last week for the first time in 10 months.

Kuwait's Oil Minister Sheikh Ahmad Abdullah al-Sabah said in August that Opec should maintain its output levels because prices were satisfactory.

Taiwan August exports fall but demand picks up

AFP, Taipei

Taiwan's August exports dropped from a year earlier, but in a sign of improving demand it also hit the highest level in 10 months, the government said Monday.

Shipments last month totalled 19.01 billion US dollars, down 24.6 percent from a year earlier, the finance ministry said.

However, the figure was up 10.0 percent from July, and also marked the biggest monthly figure since October 2008, the ministry said.

Imports for August fell 32.3 percent year on year to 17.04 billion dollars leaving a trade surplus of 1.97 billion dollars, the ministry said.

Exports to China and Hong Kong in August fell 17.3 percent from a year earlier to 8.29 billion dollars, the ministry said.

Sales to the US declined 34.4 percent to 1.94 billion dollars and shipments to Japan lost 22.0 percent to 1.29 billion dollars.

Kuwait central bank to monitor troubled investment firm

AFP, Kuwait City

Kuwait's central bank on Monday decided to appoint a temporary administrator to monitor business at Investment Dar, an Islamic company that owns half of British luxury car-maker Aston Martin.

Central bank governor Sheikh Salem Abdulaziz al-Sabah said the monitor will also oversee talks with debtors and the restructuring of the company, which defaulted on some of its debts, the official KUNA news agency reported.

The company's shares have been suspended from trading on the Kuwait Stock Exchange since April 1 for failure to report its 2008 financial results, which must be first approved by the central bank.

The governor said that auditors have been unable to verify certain information in the company's financial statements, and that the central bank has received complaints from the firm's debtors and shareholders.

Iran inflation dips to 20.2pc in August

AFP, Tehran

Iranian inflation, one of the country's biggest economic challenges, fell to 20.2 percent in the Iranian month ending August 22, the Fars news agency reported on Monday quoting a central bank report.

The figure is down from 21.5 percent in the previous month.

Inflation in Iran, OPEC's second biggest oil exporter has fallen since September last year when it peaked at 29 percent.

Several economists blame newly re-elected President Mahmoud Ahmadinejad for stoking inflation with his expansionary policies during his first four-year term.

Economists accuse him of directly fuelling price rises by ploughing huge amounts of cash into the economy for local infrastructure projects and by offering low-interest loans.

Bangladeshi fair in New York in Oct

STAR BUSINESS REPORT

A Bangladeshi exhibition will be held in New York next month to promote local products in the United States.

First Multipurpose Services (FMS) LLC, a New York based event management company, in association with local advertising firm Mattra, is organising the 5-day international fair at Manhattan's Penn Plaza Pavilion Exhibition Hall.

Foreign Minister Dr Dipu

Moni would inaugurate the 2nd "Made in Bangladesh" fair that will be held on October 2-6, said organisers.

"The exposition aims to explore newer avenues for Bangladeshi products with export potential to the US markets. At the same time, the fair will increase existing trade volume and enhance the image of the country in global markets," said Hossain Jabbar, president of FMS.

"Last year, our first show

received a huge response. We hope it will increase manifold this year," he said, informing that the company also organised another such miniature fair in 2007.

He was speaking at a press conference jointly organised by FMS, Mattra and Channel 1 at the National Press Club in Dhaka.

"We have started the registration process as the participants have to face the visa process individually," said Jabbar. "Last year's

participants will not face difficulties in applying for the visa, as they returned to the country."

A total of 60 participants with diverse products and services will take part in the exposition. A total of 34 participants took part in 2008.

Afzal Hossain, managing partner of Mattra, said the first show was a success, as many exhibitors received further US orders for exportable items.

"A local company that

produces environment-friendly jute shopping bags was awarded a four-year contract to supply their products to the US. Simultaneously, Shada Kalo, a local boutique shop, opened its first-ever shop in New York after participating in the fair," he said.

Dutch-Bangla Bank Ltd is the title sponsor of the event, while Globe Soft Drink, Home Stone Ltd and Mousumi Industries Ltd are co-sponsoring the fair.

Russian oligarchs in tough times

AFP, Moscow

Businessmen are treated like unwanted outcasts in Russia, one of its top oligarchs lamented Monday, as the country's super rich grapple with the financial crisis and loss of political clout.

Metals and banking tycoon Vladimir Potanin said that acceptance of business by Russian society was now the biggest issue for entrepreneurs after doubts over 1990s privatizations had been settled.

Meanwhile Russia's onetime richest man Oleg Deripaska -- humiliated in a televised dressing-down by strongman leader Vladimir Putin -- acknowledged that his debts had not been reduced much from spring levels of 20 billion

dollars.

"No one wants to be an outcast," Potanin, a billionaire who owns an array of interests through his Interros investment holding, told the Vedomosti daily in an interview published Monday.

"Any normal person must feel comfortable in his own country and see himself as respected and someone who brings benefits. This is a very important feeling. Sometimes this is more important than credit, ratings, shares and so forth."

"I think that the law-abiding businessman deserves respect because he makes new things, creates jobs and pays taxes."

"But we (in Russia) don't have such attitudes. And this means that businessmen will stay unwanted in

society," said Potanin, rated in May Russia's 19th-richest man with a fortune of 2.1 billion dollars by Forbes magazine.

Deripaska, whose net worth plunged 25.1 billion dollars in the crisis, according to Forbes, told Vedomosti that the total debts of his Basic Element holding company -- some 20 billion dollars -- had not fallen significantly.

But he expressed confidence that in four or five years "Basic Element will not have debts."

Deripaska also spoke for the first time about the extraordinary scenes in June this year in the Russian town of Pikalyovo when Putin effectively forced him to sign a contract to resume production at a closed cement plant.

Putin's move, which came after Pikalyovo residents blocked a highway in protest, was seen as a humiliation for the high-flying oligarch.

"What actually happened and what the television showed did not coincide," Deripaska said of the meeting where Putin apparently threw his pen in anger. "The pictures were edited."

"In fact it was a very productive meeting... Somebody just wanted to use the situation for their own personal interests, I don't know who it was," he said.

Russia's super-rich built up vast fortunes in the wild privatizations of the 1990s when assets were sold at knock-down prices but then became the target of a backlash of resentment from ordinary Russians.

Poultry farmers protest egg imports

UNB, Comilla

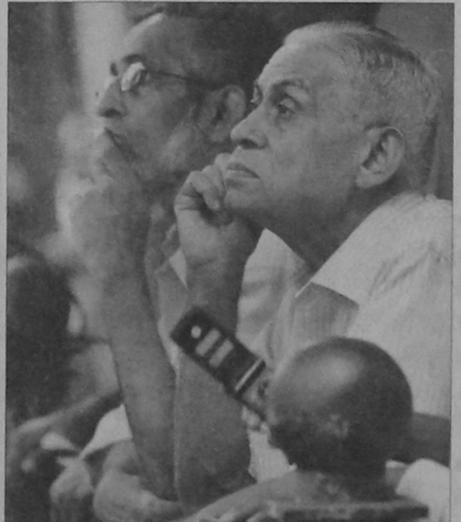
Poultry farmers formed a human chain at Padua Bazar on Dhaka-Chittagong highway in Sadar South upazila on Sunday protesting the government's decision to import eggs from India.

Leaders of the district unit of Bangladesh Poultry Farm Protection National Sangram Parishad also addressed a rally.

They condemned the official decision to import eggs from India, which are mostly affected by bird flu.

They called upon the government to withdraw its decision for protecting country's poultry sector and sought government assistance for sustaining this sector.

Abdul Malek Bhuiyan, president of the parishad, Anwar Hossain, general secretary, and Abu Taher, spoke among others.



Onlookers standing outside the Bombay Stock Exchange (BSE) watch the Sensex index on the digital broadcast in Mumbai yesterday. Indian shares rose 2.09 percent to hit their highest level in 15 months as Asian markets firmed on positive US jobs data last week that boosted economic recovery hopes, dealers said. The benchmark 30-share Sensex rose 327.2 points to 16,016.32, a level last seen in June 2008.



Tofazzal Hossain, chairman of National Life Insurance Company Ltd, presides over the insurer's 24th annual general meeting in Dhaka yesterday. The company declared 50 percent stock dividend for 2008.