

International Business News

World Bank unveils \$4.3b in loans to India

AFP, Washington

The World Bank on Tuesday announced 4.3 billion dollars in loans to India, including 2.0 billion for the banking sector, to help strengthen its economy amid the global economic crisis.

The World Bank said its executive board approved loans for projects in five countries, with the loans for India by far the largest.

The four projects worth 4.3 billion dollars to India are "designed to support the government's infrastructure agenda and bolster its economic stimulus program," the Washington-based development lender said.

The bank noted that after a period of high economic growth -- which reached 9.7 percent in 2006-07 -- the onset of the global financial crisis in 2008 saw a decline in India's growth rate to about 5.0-6.0 percent in the fourth quarter of 2008-2009.

The bank projected a "realistic" growth rate of between 5.5 and 6.5 percent for 2009-2010 for Asia's third-largest economy, after Japan and China.

"This is a crucial time to support India," Roberto Zaghera, World Bank country director for India, said in a statement.

"While the worst of the crisis seems to be behind us, doubts linger about the strength of the comeback, partly because the strength of the global recovery is uncertain. Today's support will help maintain credit growth and continued infrastructure investments," he said.

Britain to exit recession this year: Industry body

AFP, London

The battered British economy will emerge from a deep recession in the second half of this year, but 2010 will be tough, the Confederation of British Industry forecast on Wednesday.

"The UK economy is expected to emerge from recession through modest growth in the third and fourth quarters of this year, but constraints on demand will ensure that growth in 2010 is fragile," the CBI said in a statement.

Britain's biggest organisation of employers forecast that gross domestic product (GDP) will grow by 0.3 percent in the third quarter from the previous three months, and expand 0.4 percent in the fourth quarter.

"Near-term economic prospects are brightening," said the major business lobby group.

"A recovery is underway in the global economy, which has been boosted by substantial fiscal and monetary stimuli, and the inventory cycle is starting to turn, both at home and abroad, which is helping to lift production.

"However, the pace of recovery in 2010 is expected to be slow," it added.

The economy will experience anaemic growth of just 0.1 percent in the first three months of 2010, and 0.3 percent in the second quarter, the CBI also predicted.



AFP

Bollywood film actress Karishma Kapoor holds California almonds during their launch in New Delhi yesterday. The Almond Board of California announced the launch of its products in India.

Russia to relaunch privatisation drive

AFP, Moscow

Russia is to embark on a new programme of privatization, two-and-a-half years after its last major sale of state assets, officials were quoted as saying on Wednesday.

After the chaotic asset sales of the 1990s under the Boris Yeltsin presidency created a class of super-rich oligarchs and a major public backlash, the government has lately preferred to increase its stakes in firms.

But the financial crisis has blown a major hole in the Russian budget, with the deficit predicted to be around 8.0 percent of Gross Domestic Product (GDP) in 2009 and 6.9 percent in 2010.

Finance Minister Alexei Kudrin told the Vedomosti financial daily that with the income from privatization, Russia could reduce its use of reserve funds and cut the volume of planned bond issues needed to make up the budget shortfall.

"In other words, the sum (from privatization) will go to reducing the deficit," he added.

Taiwan export orders post 11th straight fall in August

AFP, Taipei

Taiwan said Wednesday August export orders fell 11.96 percent year-on-year -- the 11th consecutive fall -- as higher demand from China failed to offset plunging US demand for electronics.

Export orders last month totalled 28.29 billion US dollars, the ministry of economic affairs said.

Electronic product orders declined 12.2 percent from a year earlier, it said.

But orders from China, including Hong Kong, which is Taiwan's biggest export market, rose 7.27 percent year-on-year to 8.55 billion dollars.

Orders from the United States -- Taiwan's leading electronics market -- declined 19.27 percent year-on-year while orders from Europe tumbled 21.56 percent from a year ago to 4.77 billion dollars.

In the first eight months of the year, export orders came in at 196.86 billion dollars, marking a 19.95 percent drop from the same period in 2008.

FESTIVAL

Eid to RMG workers

SAYEDA AKTER

Eid was a relaxed and uneventful day for garment worker Kanika Begum, 23, of Shaymoli.

As hype over the major religious festival in the country is ebbling away, Kanika prepares to get back to work on Friday.

This year, she received a large sum of money prior to the holidays -- a festival bonus worth Tk 1,300 and her accumulated salary over the last two months -- amounting to a total of Tk 10,700.

On the utilisation of this money, she decided to help her father, Shah Alam Mridha, 50, to pay the instalment over his mortgaged 10 decimal land in Barisal, his lone asset. He had to mortgage his land in 2007 to pay for his daughter's wedding.

"Setting aside a portion for house rent, food, new attires on Eid for her siblings and the launch fare to commute to Barisal, I used the remaining chunk to pay a loan instalment over the mortgage," she said.

"I receive a large sum of money only two times a year. It is vital that I invest cautiously."

Mridha, a security guard in Pallabi, Dhaka, mortgaged his land at Tk 25,000 to a local rich man. Kanika has been paying the instalments on the loan for the past 3 years. She is hoping to pay back the loan by 2010 and then finally, her father would be able to get back the land, where he plans to grow vegetables on commercial basis.

Kanika is one of three million garment workers in the country, for whom Eid comes twice a year as an opportunity to think about bettering their future, as they receive their salaries and bonuses.

The ready-made garments (RMG) sector accounts for more than 80 percent of the country's total export earning in the last two decades.

Presently there are more than three million people, 80 percent of whom are women, working in the 4800 woven, 1700 knitwear and 1300 spinning, dyeing and



SHAFIQUIL ALAM

OTHER SIDE OF THE COIN: Sheer dismay grips a worker following announcement of the closure of her garment factory at Banani Chairmanbari in Dhaka, just a few days before Eid, as her hopes for salaries and bonuses dashed.

sizing factories operating in the country.

In 2006, garment manufacturers and exporters implemented a government order to ensure minimum wages at Tk 1,662.50 for workers under the labour law. At present, most garment factories have ensured compliance with the law.

The average income of a worker ranges between Tk 3,500 and Tk 7,500, with skilled workers drawing higher wages.

With minimum wages standing at poor levels, the poor workers' only hope of making ends meet is overtime. And when it comes to

getting a little extra before Eid, most workers made plans in advance to utilise the money.

Instead of buying new clothes for his family on Eid, Mobinul Alam, another garment worker in Kafrul, used his bonus to send his brother to a driving school.

"I received a bonus worth Tk 4,500 and I used it to enrol my brother in a driving school. If he is able to learn how to drive a car and obtain a driving license, he can get a job as a driver. It will help us overcome many of our miseries."

"Last year, I spent my bonus arranging tuition and exam fees for my brother's SSC exam, with

hopes that he would one day get a good job," he added.

However, Alam and Kanika were among the lucky ones.

With many others waiting to be paid their dues, several garment manufacturers and exporters do not pay workers on time.

"The main problem is that factory owners fail to see our urgency and need. We do not use this money to purchase expensive dresses on Eid. Instead, we use the money to make investments on our future," said Kulsum Sultana, another worker from Magura.

The 36-year-old RMG worker bought a pair of gold earrings with

her bonus. "My husband did not buy gold jewellery for me in the past four years of our marriage. So this year, I decided to buy a pair for myself and I can always sell it off in times of need."

RMG workers in the country lead a life of misery and hardships, toiling 12-14 hours a day on average. With no recreation or plans for the future, this segment of the society rarely dreams about improving their condition. If bonuses and salaries are properly paid on time, workers get a chance to take a step into a better future.

sayedat@thedailystar.net

COLUMN

HABIBULLAH N KARIM

How Dhakaiites can save Tk 100cr a day

In this age that calls for ever-increasing productivity, we the Dhakaiites are missing out on a grand opportunity. Every single day 15 million of us in this fast-growing metropolis are to twiddle our thumbs for up to four hours a day, as we travel back and forth between our workplace and home. The traffic jams are so commonplace and frequent that people here have resigned to accepting this most unbecoming of cityscapes -- a city gridlocked in never-ending traffic jams.

My friends from abroad tell me "oh, don't feel bad, Bangkok used to be far worse ten years back". That does not change the fact that we are definitely ten years behind when it comes to managing inner city traffic. Our city masters and government planners are napping, sometimes in the same traffic or in their offices and homes paid for with taxes from our hard-earned money. And we are expending our sweat for nothing as we wait out there in the sun and the rain to catch a bus, rickshaw or taxi or better yet, wait inside our transports in bumper-to-bumper traffic haltingly crawling along the pitch-dark roads of Dhaka with only the jerks of potholes to break the monotony of lethargy.

That our roads are inadequate, city population and number of vehicles are rising and people's mobility are also rising as incomes rise, are all well-known facts that have not been lost on our city planners as long as we care to remember. Then how come adequate steps and measures have not been taken progressively to keep pace with the trends?

Of course the city planners and government functionaries will fault the lack of funds and know-how for their lack of sufficient initiatives in this regard. Go to any after-work (sometimes even 'at-work') get-togethers over a cup of tea, coffee or whatever drink the Dhakaiites fancy these days, you will find plenty of sure-fire solutions to our traffic problem. Some of them are of course hilarious enough to be included in the book on 'Dhakailite



STAR

Many residents in Dhaka really look forward to the Eid holidays when they get a brief respite from the maddening traffic and smog. Dhaka is at its best during the long holidays.

jokes' but most are truly tested and proven common-sense approaches to solving any modern city traffic situations. So the excuse of lack of know-how does not stand up to reason. That leaves the issue of funding such measures. With Dhakaiites paying the lion's share of the revenue collections of the government amounting to more than seventy thousand crore taka (Ten billion US dollars) annually, coming up a few thousand crore taka to solve the city's chronic traffic problem should be as easy as a song. Of course you must pitch the right song to the right audience. But with the World Bank, ADB and IDB of the world waiting in the wings to lend billions and our own ever-more-courageous entrepre-

neurs eager to pump in money in public-private-partnership initiatives, there cannot be dearth of funds either.

That leaves no excuses for the city gods, whoever they are, in shirking from their responsibility to remove the impediments and bottlenecks of vehicular traffic in and around the city of Dhaka. The present situation is simply unbearable. Sometimes when I feel guilty about not doing enough exercise I let my driver go home with the car in the afternoon as I venture out in the streets for a brisk walk along the crowded, littered-broken pavements. The journey on foot takes me about 50 minutes. But these days it takes twice as long to go the distance by

car. The other day my cousin, who teaches at North South University, got home in Dhanmondi from Basundhara in four hours. That's right folks, f-o-u-r hours. You can fly to Singapore in less time than that. I figure on average the city-dwellers here lose two hours of productive time per day due to the crippling traffic situation. Out of the 15 million souls living in the city I reckon at least a third are working as professionals or daily wage earners that would put the number at 5 million. We have low-end wage earners who make 10 taka an hour to high-end professionals who make in excess of 2,000 taka an hour. Way may assume the average income per hour to be around taka 100. That

computes to around Taka one hundred crore a day in lost productivity. Does it take any donor-funded consultants to let us know that we have to fix the traffic? It's easy to see in the math if not felt in the discomfort of sweating on city streets for endless time. As for me I really look forward to the Eid holidays when the likes of me get a brief respite from the maddening traffic and smog. Many of my friends get busy going abroad or away from the city during the holidays; bad move, Dhaka is at its best during the long holidays.

The author is the founder CEO of Technohaven Co Ltd and the current president of Bangladesh Association of Software and Information Services. He can be reached at hnkarim@gmail.com.