

Stocks	
DGEN	▲ 1.28% 5,310.74
CSCX	▲ 1.54% 10,014.46

Asian Markets	
MUMBAI	▼ 2.92% 16,289.82
TOKYO	▼ 0.71% 10,252.08
SINGAPORE	▼ 1.24% 2,706.26
SHANGHAI	▼ 1.09% 2,986.61

Currencies		
	Buy Tk	Sell Tk
USD	68.55	69.55
EUR	95.13	99.32
GBP	109.21	113.61
JPY	0.75	0.80

Commodities	
Gold	▲ \$1,094.93 (per ounce)
Oil	▲ \$74.60 (per barrel) (Midday Trade)

ILO warns of threat to jobless recovery

AFP, Geneva

The UN's labour agency on Tuesday warned of the threat of a "jobless recovery," as it revealed that global unemployment had surged in the economic crisis to leave a record 212 million people jobless.

The International Labour Organisation forecast that unemployment rates would remain high through 2010 despite the economic recovery and continue rising in developed economies, while in east Asia they would moderate quicker.

"As the World Economic Forum gathers at Davos, it is clear that avoiding a jobless recovery is the political priority of today," said ILO Director-General Juan Somavia ahead of the annual meeting of corporate and political elites.

"We need the same policy decisiveness that saved banks now applied to save and create jobs and livelihoods of people.... This can be done through strong convergence of public policies and private investment," he added.

The ILO's Global Employment Trends report also said the average global unemployment rate reached 6.6 percent last year.

"The number of jobless worldwide reached nearly 212 million in 2009 following an unprecedented increase of 34 million compared to 2007."

The report was compiled before the International Monetary Fund (IMF) forecast on Tuesday that world economic growth would climb to a better than expected 3.9 percent this year after last year's contraction.

Young entrants to the jobs market face a particularly hard ride after the number of unemployed youth worldwide increased by 10.2 million in 2009 compared to 2007, the largest increase since 1991 according to the ILO.

The report highlighted major differences in the impact of the financial and economic turmoil on job markets worldwide.



AMRAN HOSSAIN

Visitors take a look at equipment kitted with bobbins at a garment machinery fair in Dhaka recently. A hike in yarn prices has worried apparel exporters.

Yarn price hike rattles exporters

Makers blame pricey raw cotton on world market

REFAYET ULLAH MIRDHA

Yarn prices that witnessed a hike of more than 20 percent one and a half months back have emerged as a major concern for apparel exporters.

Textile millers' data shows the widely used 30-count yarn in Bangladesh, was selling at \$3.20-\$2.95 a kg yesterday. The previous rates hovered around \$2.80-\$2.90 a kg.

Industry insiders see the situation as a result of higher domestic demand for the item and surging prices of raw cotton on the international market. Also, yarn makers blame the increasing cost of production, as they had to go below

their capacity because of a scarce supply of gas to their factories.

Yarn users -- apparel makers and exporters -- consider the item's price spiral as a blow to their business at a time when foreign buyers are placing more orders, buoyed by the signs of global economic recovery.

Abdul Hai Sarker, president of Bangladesh Textile Mills Association, said now raw cotton sells at 78-85 cents per pound on the international market, showing a 20 percent rise in its prices.

"Moreover, production cost increased due to inadequate pressure of gas in factories. Gas scarcity

has forced us to go below our capacity," Sarker told The Daily Star. However, he expects an improvement in gas pressure on the introduction of rationing system.

Abdullah Al Mahmud Mahin, managing director of Mahin Group, alleged that local spinners now make windfall profits in an excuse of a hike in raw cotton prices on the international market.

"It is true that global market price soared, but the spinners imported such cotton at least four months ago at a lower rate. Then why are they taking an extra price from users?" Mahin argued.

A senior official of DBL Group, a

bulk consumer of yarn, however, sees the situation in a different way. Pointing to the fact that 30-count yarn did not show any upward trend over the last two or three days, he said the price may fall in near future.

Meanwhile, knitwear makers' trade body expressed concern over the yarn price rise. "We are under pressure for the price hike at a time when apparel demand is picking up globally. Yes, the pricey yarn is a concern for us," said Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association.

reefat@thedailystar.net



STAR

Amadou Diallo, centre, chief executive of DHL Global Forwarding for South Asia Pacific, speaks at a press conference at Radisson Water Garden Hotel in Dhaka, while Thomas Tieber, right, the company's chief executive for South Asia, and Mustaque Ahmed, left, managing director of DHL Global Forwarding Bangladesh, look on.

DHL to firm up foothold in logistics business

STAR BUSINESS REPORT

DHL Global Forwarding formally launched its operations in Bangladesh yesterday with a promise to invest \$10 million over the next few years.

The company plans to shore up its foothold in the country's logistics market that is growing on a steady rise in exports every year.

DHL, the world's leading express and logistics services provider, has already formed a joint venture -- DHL Global Forwarding Bangladesh -- with a local company, Trade Clippers Cargo Ltd, keeping hold of 85 percent stake.

DHL, which also offers mail express service in Bangladesh in addition to over 220 countries, made its formal entry in logistics business after providing services through representative.

It handled over 15,000 shipments in 2009 from Bangladesh.

The logistics service provider has also announced the opening of a fashion and apparel centre here to cater to the needs of the country's biggest export earner -- apparel

industry.

DHL said it will invest the money to upgrade its warehousing and cargo handling facilities, develop fashion and logistics industry and improve information system.

"We see opportunities arising out of Bangladesh because of consistent growth in exports and imports. It is also the opportunity because consumer spending is rising here based on economic growth and remittance inflows," said Amadou Diallo, chief executive of DHL Global Forwarding, South Asia Pacific.

Diallo was speaking at a press conference at Radisson Water Garden Hotel in Dhaka. DHL arranged the press meet before the launch of its fashion and apparel centre.

Thomas Tieber, South Asia chief executive of DHL Global Forwarding, and Mustaque Ahmed, managing director of DHL Global Forwarding Bangladesh, were also present.

Diallo said Bangladesh's huge population has also created opportunities for a lot of companies across the globe.

Referring to the consistent growth in apparel sector, he said DHL wants

to capitalise on the fashion logistics industry not only in Bangladesh but in entire South Asia where the total spending on logistics services is estimated at around \$3.9 billion per year.

"South Asia remains as a key sourcing, manufacturing and distribution base for the global fashion industry and the region offers tremendous growth to the fashion logistics sector," Diallo said.

"Bangladesh, India, Pakistan and Sri Lanka alone are estimated to account for well over \$2.4 billion in this growing industry," added Diallo.

Thomas Tieber said Bangladesh's clothing industry grew by 5.7 percent in 2009 and was forecast to grow by 6.4 percent in the current year.

DHL launched its fashion and apparel centre here after opening similar centres in India, Sri Lanka and Pakistan.

"The investment in Bangladesh will go towards strengthening the joint venture, employee training, upgrading information system, enhancing and expanding infrastructure and introducing a range of new services for businesses," said Mustaque Ahmed.

Titas starts gas rationing

STAR BUSINESS REPORT

Titas Gas Transmission and Distribution Company Ltd, the country's main gas supplying company, yesterday started rationing gas supply to its fourth zone to ensure supply for industrial and household use, said a top official of the company.

M Abdul Aziz Khan, managing director of TGTDC, gas pressure, both in households and industrial plants, improved on the first day of gas rationing.

"We did not yet assess how much we could save from gas rationing in the industrial plants. But on the first day, we did not receive complaints from households or industrial users of gas."

The industrial plants under Narsingdi, Ghorashal, Palash, Keraniganj, Munshiganj, Gulshan, Banani, Badda, Uttara, Kafrul, Biman Bandar, Dakkhin Khan and Zoarsahara came under the rationing system on the first day.

Petrobangla divided Dhaka and its adjacent areas into seven zones to provide gas with adequate pressure.

As per the decision, the industrial plants located in Bhulta, Gaosia, Ruppang, Arahazar, Barpa, Kanchpur, Sonargaon, Meghna Ghat, Kalyanpur and Mirpur will come under the rationing system today.

The industrial plants located in Narayanganj, Fatullah, Siddhirganj and Tangail areas will come under the system on Friday.

Gas rationing will start in the plants located in Demra, Sarulia, Postogola, Shyampur, Jurain, Narinda, Sayedabad, Wari, Chakbazar, Bangshal, Nababpur, Banglabazar and Palashi on Saturday.

Bank spread comes down

19 banks still beyond the limit

REJAUAR KARIM BYRON

The overall spread in the banking sector has come down to five percent following a central bank directive, but it is still above the cap in 19 private and foreign commercial banks.

The Bangladesh Bank (BB) in early 2007 directed all banks to bring down the spread (the difference between lending and deposit rates) below five percent to reduce high interest on loans.

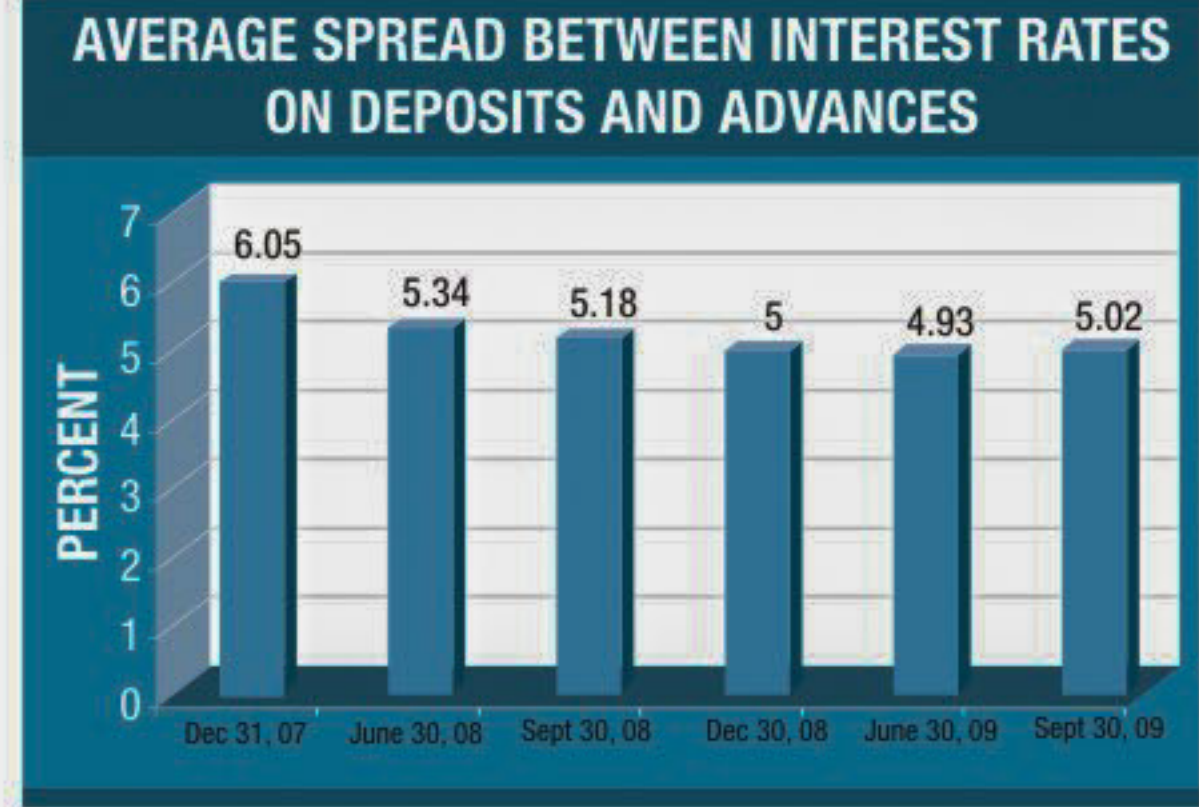
According to BB statistics as of September 2009, the overall spread in 48 commercial and specialised banks was 5.02 percent, which was 5.18 percent in September 2008 and 6.05 percent in December 2007.

Among the private commercial banks, the highest spread of 8.72 percent is of BRAC Bank and among the foreign banks Standard Chartered Bank has the highest at 11.38 percent.

The spread is between 2 percent and 4 percent in the state-owned commercial banks and specialised banks.

Among the 30 private commercial banks, the spread in 14 are still above 5 percent.

These banks are: The City Bank (5.21 percent), IFIC Bank (5.69 percent), United Commercial Bank (5.54 percent), Pubali Bank (6.67 percent), Uttara Bank (5.95 percent), Prime Bank (6.05 percent), Southeast Bank (5.47 percent), Dhaka Bank (6.30 percent), Social Investment Bank (6.32 percent), Dutch-Bangla Bank (7.08 percent), One Bank (5.79 percent), Premiere Bank (5.79 percent), Trust Bank (5.19 percent) and BRAC Bank (8.72 percent).



Among the nine foreign commercial banks, the spread in five is above the limit. These are: Standard Chartered Bank (11.38 percent), Habib Bank (6.86 percent), Citibank NA (7.36 percent), Woori Bank (12.12 percent) and HSBC (9.04 percent).

The central bank capped the lending rate at 13 percent except for consumer credit and credit cards early last year in a bid to cushion the blow of global recession and cut the costs of business.

Most of the banks following the central bank directive brought down their average lending rate below 13 percent. They also lowered the spread by cutting the deposit rate.

However, many banks have failed to bring down the spread because of their higher administrative cost.

A BB high official said they will review why the banks failed to lower their spread. He, however, said it is a good sign that most of the banks have succeeded in lowering their spread. The central bank also hopes that the other banks will also bring down their spread gradually.

Managing Director of Pubali Bank Helal Ahmed Chowdhury said they are trying to lower the spread gradually. He said: "We brought down the lending rate to 13 percent but couldn't lower the deposit rate."

Chairman of BRAC Bank Mohammad A (Rumi) Ali said their business cost is much higher. They have 429 units dedicated for small and medium enterprises in the rural areas. When other banks go for corporate banking and provide loans as high as Tk 50 crore, BRAC Bank provides small loans across the country and so requires more manpower. The bank has around 6,000 persons on the payroll.

The BRAC Bank chairman said they do banking following a different model, which pushed up their spread.

Additional Managing Director of Social Investment Bank Abu Sadek Md Sohail said their spread was above five percent in September 2009 but it went down in December.

Biman gets new look today

STAR BUSINESS REPORT

A new-look Biman will show off today as the national flag carrier rebrands to emerge as a commercially viable airline by winning the hearts of domestic and international travellers, officials said yesterday.

Prime Minister Sheikh Hasina is expected to unveil the new logo and livery of Biman, which offers promises to improve both the onboard and ground services.

The premier is likely to see for herself the two leased aircraft -- Boeing 777-200 ER and Boeing 737-800 -- with the new livery and logo at Zia International Airport, said Muhammad Zakiul Islam, managing director and chief executive of Biman Bangladesh Airlines.

The Biman MD said the new livery and modified logo of Balaka will be seen in the aircraft to be inducted in the coming days through lease and purchase.

Three leased planes, which are likely to join Biman fleet this year, will get the new look.

But DC-10, Airbus and F-28 planes will bear the legacy of previous look of the 38-year old carrier.

Under the rebranding move, Biman comes with the promises of offering what it calls 'hospitality', 'safety', 'reliability' and 'world class' services.

Visit any MTB Branch or SME Service Centre to avail the facilities.
sme@mutualtrustbank.com
www.mutualtrustbank.com