Poor aid flow threatens MDG achievement

Graft also a big challenge, says planning minister

STAR BUSINESS REPORT

The development partners should release their promised funds for Bangladesh, as the country requires $15 billion per year to achieve the millennium development goals (MDGs) by 2015.

Speakers at a dialogue on 'MDG 8: Partnership for development' made the appeal yesterday.

They said resource constraint has become one of the major drawbacks for Bangladesh in attaining the MDGs on time.

They criticised the developed countries for their failure to provide committed assistance to the least developed countries (LDCs).

The developed countries promised to give 0.7 percent of their gross national income to the LDCs to help them achieve the MDGs.

Planning Minister AK Khandker, Member of the Planning Commission Dr Shamsul Alam, government officials, experts and representatives of the development partners attended the discussion at the National Economic Council in Dhaka.

According to a joint needs assessment report of the government and the United Nations Development Programme, Bangladesh requires more than $104 billion during 2009-15 or annually $14.9 billion to attain all the MDGs by 2015. The annual per capita cost stands at $98.

The official development assistance (ODA) inflow into the country has been declining sharply over the years.

The MDG Progress Report 2008 shows the ODA inflow into Bangladesh has gone down significantly -- from $1.24 billion in 1990 to just $110 million in 2006.

"It's unfortunate that the developed countries have so far failed to provide their promised ODA to us," said AK Khandker.

The planning minister urged the developed countries to come forward and cooperate with the LDCs in exploiting the potential of international trade and to accomplish their obligations as the signatories to the MDGs.

"The ODA is required for building the much needed infrastructure," said Musharraf Hossain Bhuiyan, secretary to Economic Relations Division.

Stefan Priesner, UNDP resident representative, also said the international community should increase the ODA to help the poor countries achieve their MDGs.

On poverty and hunger, the minister said corruption is one of the main challenges for achieving the MDGs.

"We are trying hard to eliminate corruption from the government and other organisations concerned to pave the way for achieving the MDGs by 2015."

Qazi Kholiquzzaman Ahmad, chairman of Palli Karma-Sahayak Foundation, stressed increasing farm and industrial production, and creating employment to help attain the MDGs.

John Aylieff, representative of World Food Programme, said Bangladesh has received impressive results in reducing poverty.

The country made notable progress in attaining the MDGs during 1990-2000. The advancement is evident in human development, such as attainment of gender parity in primary and secondary school enrolment.

Bangladesh is making strong stride in reducing poverty, already bringing down the poverty gap ratio to 9 against the 2015 target of 8 with annual reduction rate of 1.34 percent.

Bangladesh has done remarkably well with regard to infant and child mortality rate, containing the spread and fatality of malaria and tuberculosis, reforestation and access to safe drinking water.

However, maternal health still remains as a major challenge. The country is also struggling to protect wetlands and bio-diversity.

PID

Prime Minister Sheikh Hasina receives audit reports from Comptroller and Auditor General Ahmed Ataul Hakim at her secretariat office in Dhaka on Wednesday.

Remittance crosses $10b in 11 months

BSS, *Dhaka*

Remittance for the first time has crossed the $10 billion mark in the first 11 months of the current fiscal year, according to statistics released by Bangladesh Bank.

The inflow was $876.5 million in the same period (July 2009-May 2010) last year, meaning that remittance has increased by $1.32 billion over the last 11 months.

Bangladesh Bank analysis said the inflow grew steadily beating all negative speculations despite the adverse impacts of global recession and the country's shrinking job market abroad.

The central bank statistics said the volume of total remittance by the expatriates was $9.7 billion during the previous fiscal 2008-09, while this year's first 11 months' inflow has clearly exceeded that of last year's total by a big margin.

The bank statistics showed the amounts of remittance during 2007-08 and 2006-07 were $7.91 billion and $4.80 billion respectively.

Digital TV expo kicks off

STAR BUSINESS DESK

A three-day exposition to display the latest in televisions and allied products began at Dhaka Sheraton Hotel yesterday.

Former national footballers Rummon Bin Wali Sabbir and Imtiaz Sultan Johny inaugurated the fair. Mizanur Rahman, director of Walton, was also present.

Digital TV Expo, the first of its kind in Bangladesh, is being organised by EventPro Ltd.

Sponsored by Walton and co-sponsored by Panasonic and Daewoo, the expo is showcasing liquid-crystal display (LCD), light-emitting diode (LED), plasma and CRT televisions. It is also displaying DVD players, home theatre systems, computer monitors, and TV cards.

The fair will remain open to all from 10am to 8pm without an entry fee.

International Business News

US automakers post double-digit sales jump

AFP, *Washington*

US auto firms notched a double-digit jump in sales in May as they cashed in on an economic recovery while Japanese giant Toyota saw volume modestly rise despite a recall crisis, data showed Wednesday.

Chrysler, which together with General Motors emerged from bankruptcy about a year ago, posted the largest increase in year-on-year sales, which surged 33 percent.

It was the firm's second straight monthly gain, with sales climbing to 104,819 units from 79,010 units in May last year.

Company executive said it was the first time monthly sales topped the 100,000 threshold since March last year, when the market was depressed after a financial crisis plunged the world's largest economy into recession.

"May was another positive sign as sales momentum continues to build for Chrysler Group, exceeding the 100,000-unit threshold for the first time in more than a year," said Fred Diaz, Chrysler's president and chief executive.

'Significant' Asean trade barriers remain: Study

AFP, *Hanoi*

Singapore is the best place in the world to carry out business but significant barriers remain in the rest of the Asean region, a study released in Vietnam on Thursday said.

The World Economic Forum index ranked 125 countries based on their performance in four main areas: market access, border administration, transport and communications infrastructure and general business environment.

Singapore kept the top rank it held in last year's study, but five other members of the Association of Southeast Asian Nations (Asean) fell.

Vietnam improved from 89th to 71st largely because of its accession to the World Trade Organization three years ago, Thierry Geiger, a co-author of the study, told a news conference.

But he said barriers to trade in Asean "remain many and significant", primarily in border administration and transport infrastructure.

BP rocked by ratings downgrades over oil spill

AFP, *London*

British energy giant BP was hit Thursday by two ratings downgrades over the Gulf of Mexico oil disaster and admitted that it had been ill-prepared for the worst spill in US history.

International ratings agency Fitch said it had cut BP's long-term issuer default rating and senior unsecured rating from AA+ to AA and had placed them on negative watch, citing risks from the enormous oil spill.

"The downgrade of BP's ratings reflects Fitch's opinion that risks to both BP's business and financial profile continue to increase following the Deepwater Horizon accident in the US Gulf of Mexico," Fitch said.

"The company has so far repeatedly failed to stop the resultant oil leak and has instead reverted to containment methods that are yet to be fully implemented and are subject to potential weather related disruption."

Moody's Investor Service also lowered BP's long-term debt ratings, from Aa1 to Aa2 and placed them on review for further possible downgrade.

US economy adds 55,000 private sector jobs in May

AFP, *Washington*

The US economy created 55,000 new private-sector jobs in May, the fourth consecutive month of increases amid a slow recovery from recession, payrolls firm ADP said Thursday.

The seasonally adjusted number was shy of the 60,000 new jobs expected by most analysts.

But ADP revised sharply higher the April jobs gain, to 65,000, from its original estimate of 32,000.

According to ADP, the service sector, which accounts for about 70 percent of output in the world's largest economy, spawned 78,000 jobs in May, the fourth month running of increases.

The goods-producing sector saw the only decline in employment, shedding 23,000 jobs.

The average increase over the past four months was a "modest" 39,000, said Joel Prakken, chairman of Macroeconomic Advisors, ADP's partner in the report.

"The slow pace of improvement from February through May is consistent with the pause in the decline of initial unemployment claims that occurred during the winter months," he said.

DBBL

Sayem Ahmed, chairman of the executive committee of Dutch-Bangla Bank Ltd, hands over a payment order to one of the representatives of the 13 organisations engaged in rehabilitation, education and healthcare of the underprivileged and disabled that will get the bank's financial assistance, in Dhaka yesterday. Md Yeasin Ali, managing director, was also present.

G20 aims to reduce red ink and keep recovery on track

REUTERS, *Busan, South Korea*

Disagreements over how quickly to reduce billowing budget deficits and restore balance to the global economy risk straining high-level Group of 20 talks that started on Thursday.

A plunge in the euro and in global stock markets, triggered by fears that Greece's debt woes could spread to other euro zone countries, has added urgency to the meetings of G20 finance ministers and central bankers in this southern port city.

With officials ruling out agreement in Busan on key financial and regulatory reforms, including a mooted global bank levy, the need to strike the right balance between trimming deficits and sustaining economic growth will take center stage. "Countries with high budget deficits need to make sure they can deal with those deficits," Britain's finance minister, George Osborne, said in Beijing before flying to Busan.

"Surplus countries also need to play their part contributing to global growth and that will be one of the big topics for discussion in South Korea," he said.

US Treasury Secretary Timothy Geithner said the need to get the balance right was a "shared imperative" recognised by all G20 members.

"As the IMF says, we want those fiscal reforms to happen in a way that's growth-friendly," Geithner told reporters in Washington on Wednesday. "Some countries are in a very strong position. Some countries need to move much more quickly."

oordinated fiscal tightening more graphically: the euro zone crisis had shown that some countries would have to withdraw stimulus earlier than expected, but not everyone should run to the other side of the boat at the same time, the official said.

G20 nations to date have merely discussed the timing of unwinding the super-loose monetary and fiscal policies they launched to cushion the crisis, but the Bank of Canada on Tuesday became the first G7 nation to raise its key interest rate.

"I would think we are coming to a time where we could move forward with the implementation of exit strategies," Canadian Finance Minister Jim Flaherty said in Beijing on the way to Busan.

Deputy ministers were holding preparatory talks on Thursday, a day ahead of the start of the main meeting, which is itself clearing the ground for a June 26-27 G20 summit in Toronto.

Putting down a firm marker, Flaherty restated Canada's firm opposition to the idea of a bank levy to pay for any other financial bailout.

Flaherty said G20 countries needed to "keep our eye on the ball" in reforming the financial sector, focus on capital requirements and steer clear of a global bank levy.

He said he had written to his G20 counterparts last week detailing Canada's proposal of "embedded contingent capital" to shore up banks' balance sheets as an alternative to a global tax.

The G20, the premier international economic policy coordination forum, brings together the world's systemically important rich economies and emerging markets. Together they account for 85 percent of global output.

Anxious to soothe global markets, the group is expected to back the euro zone's deficit-cutting strategy, even though China and Brazil fret that the bloc has not acted more decisively.

"The euro zone crisis is of great concern and I think I'm not saying too much when I say it came up in the meetings I've had here. There's clearly a lot of Chinese concern about the euro zone," Osborne, Britain's chancellor of the exchequer, said after talks with Vice Premier Wang Qishan.

However, differences of emphasis on how fast to plug the hole in public finances are close to the surface within the euro zone itself.

French Finance Minister Christine Lagarde brushed off concern in some G20 capitals that Germany is preparing fresh belt-tightening even though its deficit, while above 5 percent of GDP, is modest by European standards.

REHAB gets new senior VP

Sultana Shaheda Islam

STAR BUSINESS DESK

Sultana Shaheda Islam has been elected senior vice-president of Real Estate and Housing Association of Bangladesh (REHAB), the organisation said in a statement yesterday.

Shaheda, managing director of SS Builders and Developers Ltd, is the first woman entrepreneur to take over such responsibility since inception of the realtors' body.

The election took place at REHAB's executive committee meeting on Wednesday.

Md Abdur Rashid, chairman of Kingdom Builders, was also elected as a member of the executive committee.

IOE

Asif Aftab, chief operating officer of International Office Equipment (IOE) Bangladesh Ltd, and Quazi Ahmed, managing director of In4Future Bangladesh Ltd, shake hands after signing a deal in Dhaka yesterday. In4Future will launch a mobile value added service platform to help IOE reach its prospective clients.

India to slamp 40pc duty on sugar import

REUTERS, *New Delhi*

The government may impose an import tax of at least 40 percent on white sugar to arrest a sharp fall in local prices of the sweetener, industry officials said on Thursday.

India, the world's top consumer of white sugar, had last year withdrawn a 60-percent import tax on the commodity when output fell 44 percent to 14.7 million tonnes, turning the country into a big importer and helping New York raw sugar futures surge to their highest in 29 years in February.

"Imported sugar sells much lesser than our production cost," said M.N. Rao, deputy director general of the Indian Sugar Mills Association.

"At least a 40 percent duty will give some respite," he said, and added the millers would not mind the earlier duty rate of 60 percent.