

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | | |
|----------|----------|-------------|--------------|---------------|----------|-----------|----------|------------|--------|--------|--------|------|
| DGEN | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | JPY | |
| 0.93% | 0.37% | \$1,729.40 | \$88.50 | 0.45% | 0.03% | 0.79% | Flat | 81.15 | 102.21 | 128.24 | 0.98 | |
| 4,344.62 | 8,473.12 | (per ounce) | (per barrel) | 18,902.41 | 8,972.89 | 3,043.27 | 2,105.73 | BUY TK | 82.14 | 106.25 | 132.27 | 1.10 |

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DHAKA THURSDAY NOVEMBER 8, 2012, e-mail:business@thedailystar.net

Obama victory brings hopes for Bangladesh

MD FAZLUR RAHMAN and REFAYET ULLAH MIRDHA

The reelection of Barack Obama as the US president can enhance the economic and political ties between Dhaka and Washington, economists and experts said yesterday.



Govt should go for economic and political diplomacy to better ties with

Zaid Bakht

Dr Zaid Bakht, a research director of Bangladesh Institute of Development Studies, hopes there would be progress in the issues pertaining to duty-free access for garment products and the Trade and Investment Cooperation Framework Agreement, which have been lingering for years.

"Lately, a political dimension has been added to the economic policies. We do not have the 'best of relationship' with the US at the moment for various reasons," he said.

The onus now lies with Bangladesh to improve relationship with the US, Bakht said.

He, however, is doubtful whether the relationship would have improved if there had been a change in leadership in Washington.

"Any Republican government would be

more conservative in terms of opening up the economy. Bangladesh could benefit from outsourcing jobs in the near future, which would have been difficult if a Republican was in power."

Bangladesh's garment exporters have been seeking duty-free access to the US market for years now as they have to pay on average 15.30 percent duty, whereas some developed and developing countries pay below four percent.

America is the single largest garment export destination of Bangladesh.



Bangladesh will have to remain mindful about the US concerns on labour and

Debapriya Bhattacharya

Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue, a local think-tank, said the implementation of Obama's plans to revive the US economy is also linked with Bangladesh's interest.

"It is expected to enhance the American economy's growth rate, improve its employment record and investment scenario. As a result, there will be more income for the American citizens, which would expand the market for Bangladeshi garments and other items."

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In the end, Obama won on the economy

REUTERS, Washington

In the end, President Barack Obama won re-election on the issue that was supposed to send him packing: the sluggish US economy.

The United States is still digging out from the deepest recession in 80 years, and employers are barely adding enough jobs to keep pace with population growth. Trillions of dollars of household wealth have vanished in the housing bubble, while the gap between rich and poor widens.

But historically, voters have given a second term to incumbent presidents who preside over even modest economic growth during an election year.

That pattern appears to have held for Obama. If the economy is not exactly roaring ahead, it improved steadily over the course of the year.

"It was never going to be a landslide," said John Sides, a political science professor at George Washington University. "But it was always his race to lose."

The Democratic president took major steps to boost the economy, but they did not seem to help him much in the eyes of voters. Polls show deep divisions on the merits of his 2009 stimulus, his Dodd-Frank financial reforms and the auto industry bailout.

But they made a difference in one important place. Obama campaigned heavily on the auto bailout in Ohio, where 1 in 8 jobs is tied to the industry.

That may have helped him limit his losses there among white men, a slice of the electorate that Romney won heavily elsewhere.

According to Reuters/Ipsos exit polls, Obama lost white men nationwide by 21 percentage points. In Ohio, he lost white men by only 12 points.

Obama was also helped by the fact that voters largely blame the recession on his Republican predecessor, President George W. Bush. Obama made that a central part of his campaign message as he argued that Romney would bring back policies that precipitated the crash.

If the Romney campaign wanted to focus the election on Obama's economic stewardship, the Obama



Indian painter Jaggot Singh Rubal gives final touches to a painting of re-elected US President Barack Obama, which he plans to mail to Obama as a gift, in Amritsar yesterday.

AFP

campaign wanted to make it a choice between two candidates.

Obama's campaign attacked early with a barrage of negative advertising that painted the multimillionaire former private-equity executive as a corporate raider with little concern about the fortunes of ordinary people.

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Fiscal cliff: the challenge ahead

REUTERS, New York

US investors hit trading floors last morning with the same president and the same problems in gridlocked Washington. First up: a looming budget crisis that could send the US economy reeling.

President Barack Obama will still have to contend with a Republican-controlled House of Representatives that could make forging a compromise on pressing issues like the coming "fiscal cliff" difficult.

"There will be an immediate shift to government gridlock and the fiscal cliff issue, and that will be a headwind for stocks," said Michael Yoshikami, chief executive officer and founder of Destination Wealth Management in Walnut Creek, California.

The fiscal cliff is a \$600 billion package of automatic tax increases and spending cuts, scheduled to take effect at the end of 2012, that could severely strain economic growth.

Obama is expected to demand tax increases for the wealthy. Many investors thought that Romney as president-elect would have had a smoother time in negotiations.

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FBCCI polls take a new turn as a fresh panel comes in

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry's (FBCCI) biannual election took a new turn with the announcement of a strong panel to contest with the Kazi Akramuddin Ahmed-led panel.

Till yesterday, Kazi Akramuddin Ahmed's panel was in the race and it seemed that he would be elected easily.

Annisul Huq, a former FBCCI president, is backing the new panel named Ganotantrik Parishad, which gave a full panel of 30 directors' posts -- 15 from chamber and 15 from association -- for the trade body's election for the 2012-14 term.

Huq, also a former president of SAARC Chamber of Commerce and Industry and Bangladesh Garment Manufacturers and Exporters Association, however, is not contesting in the election but supporting the panel.

He introduced the candidates at a press briefing at the capital's Ruposhi Bangla Hotel.

"We want a competitive election for the FBCCI, so we floated the panel. We want to serve the businessmen," said Huq.

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Hasina stresses better trade links with Laos

UNB, Vientiane, Laos

Prime Minister Sheikh Hasina yesterday stressed the need for enhancing the two-way trade volume between Bangladesh and Laos by harnessing the countries' untapped resources.

The export of Bangladesh and Laos to other countries is doing reasonably well, but it is still negligible between the two countries, she said at a luncheon hosted by Laos Prime Minister Thongsing Thammavong in Laos.

"During our official talks, we've emphasised finding ways and means for increasing our mutual flow of trade and investment," Hasina said.

Laos can now import quality pharmaceuticals, ceramics and porcelain, readymade garments, textiles, leather and footwear from Bangladesh, which now exports pharmaceuticals to 93 countries, and ceramics and porcelain to 61 destinations in Europe, Americas, Africa and Asia, she said.

"I invite investors from Laos to come and consider the possibilities of investment in Bangladesh."

She said Bangladesh's investment policies are among the most liberal ones in the region, with fiscal incentives as tax holiday, duty concessions, full repatriation of dividends and capital and legal protection.



Rokia Afzal Rahman, former caretaker government adviser; ASM Mainuddin Monem, deputy managing director of Abdul Monem Group, and Sajid Iqbal, president of CHANGE, a youth-based organisation, attend the launch of solar bottle light at the city's Edward M Kennedy Centre yesterday. Story on B3

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BB asks banks to send quarterly reports of internal control

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked all scheduled banks to assess their respective anti-fraud internal controls and forward reports on a quarterly basis from December.

The report must be signed by the managing director/chief executive officer and chairman of the board of directors of the respective banks.

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