

# ILo warns of jobless recovery

AFP, Geneva

Global unemployment climbed by five million people in 2013 to 202 million despite green shoots in the world economy, signalling a jobless recovery, the International Labour Organisation said on Monday.

Business activity is picking up but the misery of unemployment continues to pile up.

"We continue to be on an upward trajectory in terms of unemployment in the world," Guy Ryder, the UN labour agency's director general, told reporters.

"What is perhaps equally concerning is that, on current trends, and notwithstanding the modest recovery in growth that we are seeing, unemployment will continue to increase in coming years," Ryder said as he released the ILO's annual employment report.

By 2018, about 215 million people worldwide are expected to be unemployed, according to the ILO.

"At current rates of growth, we're simply not able to produce any improvement in these figures. Indeed, they're going to get worse," Ryders said.

"We believe that employment needs to be put at the centre of inter-

national policy-making," he underlined.

"There is a clear linkage between these unacceptable levels of unemployment in the world, and growing inequality," he added, noting that inequality functions as a "brake on growth".

A global labour market recovery is being held back by a shortfall in demand, the ILO said, noting that in many developed economies, cuts in public spending and increases in income and consumption taxes were weighing heavily on businesses and households.

In addition, the financial sector remains troubled, credit is still hard to obtain for small businesses in many economies, and wage rises have lagged behind increases in productivity.

North Africa remained the hardest-hit region of the globe in 2013, with an unemployment rate of 12.2 percent, followed by the Middle East on 10.9 percent.

Europe, North America and other developed economies followed on 8.6 percent, ahead of ex-Yugoslavia and the former Soviet Union's 8.2 percent, and Sub-Saharan Africa's 7.6 percent.

The rate in Latin America and the Caribbean was 6.5 percent.

In East Asia -- a label covering China -- the level was 4.5 percent, while the rates in Southeast Asia and the Pacific, and South Asia, were 4.2 percent and 4.0 percent respectively.

Youth unemployment -- which the ILO counts as covering potential workers aged between 15 and 24 years -- remained a major concern.

It stood at 13 percent last year, far outstripping the 6.0 percent average global rate of joblessness.

"Young people continue to be on the front line," Ryder said, warning of the impact on social stability.

He urged governments to pay particular attention to the so-called "NEETS" -- young people who are neither in employment, education nor training -- whose levels he said had reached "epidemic proportions" in hard-hit nations.

"The lesson is not to fall into any fatality, that we are in some way condemned to jobless growth," said Ryder.

"It is absolutely to intervene to make sure jobs are stimulated as the way out of the crisis. The definition of the exit from the crisis is when people are back at work," he added.

## Air India seeks up to \$230m loan for Dreamliner buy

REUTERS, New Delhi

Air India Ltd is seeking a bridge loan of up to \$230 million for taking delivery of two Boeing 787 Dreamliner aircraft from an ongoing order, according to a tender document on the carrier's website.

Air India, which is due to take delivery of two 787 aircraft in February and March, has invited offers from banks or financial institutions to arrange the bridge financing for a period of six months to one year.

The state-run airline is offering the aircraft as security, and will repay the loan after it concludes a sale and leaseback arrangement, it said, adding there will be no government guarantee for the loan.



Muklesur Rahman, managing director of NRB Bank, distributes blankets among the cold affected people of Burunga Bazar in Sylhet recently. Shahrukh Ahmed, head of human resources, was also present.

## Tata Motors unveils new petrol engine

REUTERS, Mumbai

Tata Motors Ltd on Monday showed off the first variant from its new series of petrol engines, expected to power some of its future cars, as the company looks to capture a return shift in consumer preference for the fuel.

With the government allowing fuel retailers to gradually increase the price of diesel - a popular fuel in India thanks to government subsidies - the gap between the prices of petrol

and diesel is narrowing, causing demand to slowly gravitate back towards petrol cars.

Tata Motors, which has seen sales plunge this year amid a wider slowdown in the auto market, generates the bulk of its passenger vehicle sales through diesel-powered vehicles.

"Petrol represents a big opportunity for us. Our play in petrol has been lower than we have in diesel," Ranjit Yadav, president of the company's passenger vehicle business unit, told reporters.



Md Billal Hossain, deputy commissioner of Sirajganj, opens the 94th branch of Mutual Trust Bank (MTB) on Station Road in Sirajganj recently. Sami Al Hafiz, group chief communications officer of MTB, was also present.

## World's rich threaten democracy: Oxfam

AFP, Paris

The world's elite have rigged laws in their own favour undermining democracy and creating a chasm of inequality across the globe, charity Oxfam said in advance of the annual get-together of the world's most powerful at Davos.

Inequality has run so out of control, that the 85 richest people on the planet "own the wealth of half the world's population," Oxfam said in an introduction to a new report on widening disparities between the rich and poor.

The report exposes the "pernicious impact" of growing inequality that helps "the richest undermine democratic processes and drive policies that promote their interests

at the expense of everyone else", the statement said.

Inequality has recently emerged as a major concern in countries around the world, with US President Obama prioritising a push to narrow the wealth gap in his second term.

In China, the new government there has cracked down on the elite perks and privileges and Germany seems set to adopt a minimum wage.

The World Economic Forum, which organises the Davos talkfest, warned last week that the growing gulf between the rich and the poor represents the biggest global risk in 2014.

"The chronic gap between the incomes of the richest and poorest citizens is seen as the risk that is most likely to cause serious damage globally in the coming decade," the

WEF said.

But many of the corporate giants and world leaders set to confer at Davos, a posh ski resort tucked on the eastern reaches of Switzerland near Liechtenstein, are implicitly pointed at by Oxfam.

"Policies successfully imposed by the rich in recent decades include financial deregulation, tax havens and secrecy, anti-competitive business practice, lower tax rates on high incomes and investments and cuts or underinvestment in public services for the majority," Oxfam said.

WEF however has decided to put the inequality theme up front during the five-day event with closed doors seminars and public key talks scheduled to mull over the hot-button issue.

## Saudia to begin Los Angeles, Manchester flights

STAR BUSINESS DESK

Saudia will launch flights to Los Angeles in America on March 31, the airline said in a statement yesterday.

The carrier will also re-launch its flights to Manchester in the United Kingdom on April 1, according to the statement.

Both the flights will be operating on a non-stop basis from Saudi Arabia and are expected to benefit the sizable contingent of Bangladeshi immigrants, students, business travellers, and tourists.

## Detroit: The branding of a bankrupt city

BBC NEWS, Washington

Detroit's history of industrial decline and financial failure has culminated in bankruptcy. So why have some companies been using the city's name to sell their products?

Detroit's woes are well documented - an economic powerhouse reduced to a shrinking, impoverished and decaying shell of its former self.

It is a story one might expect marketing and branding departments going out of their way to avoid.

But several companies have been trying

to turn the brand of Detroit to their advantage, in a trend that marketing experts expect to gather pace.

The most striking example is Shinola, a resurrected shoe polish brand now being used to sell watches, bicycles, leather goods and journals, which plays heavily on its Detroit base.

The company, backed by the financial muscle of venture capital firm Bedrock, says it is the first in decades to produce watches on a large scale in the US. It uses local labour and, where possible, materials - though it sources many watch components from Switzerland and China.

## Govt to cut GDP growth forecast to 6.3pc

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Capital machinery import rose 18.13 percent and industrial raw materials 10.80 percent in the first five months of the current fiscal year.

But import of these items fell by 28.02 percent and 6.31 percent respectively in the same period last fiscal year.

A finance division official said they think 6.3 percent GDP growth could be achieved despite severe political violence in the last three months. The country's economic performance was good even amid the climate of fear in the first six months of the current fiscal year, Muhith said.

He said the critical indicators showed two-digit growth. Economy was not so much battered as was apprehended, Muhith said. "We can be proud."

"We are making downward revision of Tk 222,491 crore budget for the current fiscal year, as the real achievement was lower than their estimate last fiscal year."

"Last year, we had an estimate that the budget implementation would be Tk 189,000 crore, but finally it was Tk 174,000 crore."

So the target has to be revised, as it became over ambitious compared to the real achievement, he said. Bangladesh achieved more than 6 percent economic growth on an average in the last five years, which made the country one of the best performers in the world, Muhith said.

Except the countries rich in mineral resources, Bangladesh is in the fifth place in achieving such a growth rate, Muhith said.

## Discounts galore at Dhaka trade fair

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Sony Rangs is offering cash discounts between Tk 3,000 and Tk 1 lakh on purchase of full high-definition 4KTV, a new arrival.

Singer Bangladesh, which is an authorised dealer of a number of global brands such as Samsung, Dell and Siemens, is giving a 5 percent discount on its products at the fair, said FM Mainul Hassan, district manager of the company.

Esquire Electronics Ltd, a distributor of Japanese Sharp Corporation, is selling newly launched TVs at prices that are Tk 20,000 to Tk 30,000 lower than those in the outlets. It is also offering discounts on refrigerators.

Fit Elegance, a leading tailoring house, is selling suit at Tk 3,000 apiece which has outlet price of between Tk 11,000 and Tk 24,000.

The price of a blazer has been brought down to Tk 2,400 from Tk 5,000 and for trousers to Tk 900 from Tk 2,000-Tk 4,000.

## HC asks Union Bank not to transfer shares for six months

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According to the agreement, once the bank is incorporated, Ershad would give 6 percent share and cash premium of Tk 6.33 crore to Moshi.

The bank was incorporated with the Office of the Registrar of Joint Stock Companies and Firms on March 7, 2013, but Ershad did not give any share and cash pre-

said Golam Rabbani, manager of its Bailey Road branch.

Electronics maker Walton is offering 2-15 percent discounts on mobile handsets and Tk 1,800 to Tk 6,400 on refrigerators.

Runner, a local bike maker, is displaying 14 models of motorcycles, with Tk 5,000 discount on each model.

Food processors such as Nabisco, Pran and Abul Khair Group are also offering special packages at prices much lower than regular prices.

Although turnout has improved a bit now compared to the first week, traders and companies were not happy as sales at most stalls and pavilions were sluggish. Most traders reported poor sales compared to the first 10 days of the fair last year.

The 19th edition of the annual fair will remain open from 10am to 10pm daily till February 10.

## HC asks Union Bank not to transfer shares for six months

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mium to Moshi, who had also contributed to establishing the bank, the lawyers said.

In the meantime, Ershad reportedly expelled Moshi from his party on November 1 last year. Then Moshi joined the Jatiya Party of Kazi Zafar Ahmed, and was elected secretary general of the fraction on December 20 last year.



Officials of Real Estate and Housing Association of Bangladesh distribute blankets among the winter affected poor people in Dhaka on Saturday.



REAZUL HAQUE CHOWDHURY, cluster head of Reckitt Benckiser Bangladesh-Sri Lanka, attends the annual sales and marketing conference 2014 along with the management team at Ocean Paradise Hotel in Cox's Bazar recently.



Mahbub-E-Sobhani, executive vice president of AB Bank, hands over 5,000 blankets for distribution among the poor as part of the bank's corporate social responsibility to AFM Asaduzzaman, general manager of Bangladesh Bank, at a ceremony recently.



M AZIZUL HUQ, Islamic banking scholar, chairs the first Shariah committee meeting of Alliance Capital Asset Management Ltd (ACAML) at the company's office in Dhaka on Sunday. Wali Ul Maroof Matin, managing director of ACAML, was also present.



HBM Iqbal, chairman of Premier Bank, speaks at the bank's annual management conference-2014 in Dhaka on Friday. KAM Majedur Rahman, managing director, was also present.