

China manufacturing worsens in December

AFP, Beijing

China's factory activity shrank further in December, a private survey showed Monday, the 10th consecutive month of contraction with the world's second-largest economy set to post its weakest growth in a quarter of a century.

The Caixin Purchasing Managers' Index (PMI), tracking activity in the factory and workshop sector, came in at 48.2 in December, down from 48.6 the previous month, the Chinese media group said.

The sector is key to the health of the economy which is a major driver of global expansion. A PMI figure above 50 signals expanding activity while anything below indicates shrinkage.

The fall in PMI "shows that the forces driving an economic recovery have encountered obstacles and the economy is facing a greater risk of weakening", He Fan, an economist with Caixin Insight Group said in the statement. Overseas uncertainties are rising as the US Federal Reserve has started hiking interest rates, He warned.

"The government needs to pay more attention to external risk factors in the short term and fine-tune macroeconomic policies accordingly so the economy does

not fall off a cliff," he said.

China's economy grew at its slowest pace for 24 years in 2014 and eased further in 2015, as Beijing struggles to transform the country's growth model to a slower but more sustainable one driven by consumption rather than infrastructure investment.

In July-September the country logged its worst economic performance since the global financial crisis, with growth of 6.9 percent. Caixin's December reading was the 10th consecutive month the survey, compiled by financial information provider Markit, showed contraction. Falling production was driven in part by a further fall in total new work, leading firms to continue to cut jobs, it said.

An official PMI survey -- which has a larger sample base -- released on Friday also showed shrinkage at 49.7, although it improved from November's 49.6.

Economists have warned of downside risks faced by the Chinese economy even though the government is likely to achieve its 2015 growth target of "about seven percent".

President Xi Jinping said in November that annual expansion of only 6.5 percent would be enough to meet the government's goals, the clearest signal yet Beijing will lower its growth targets for the coming years.

New chief technology officer for DSE

STAR BUSINESS DESK

Md Ziaul Karim joined Dhaka Stock Exchange (DSE) as chief technology officer on Sunday, the premier bourse said in a statement yesterday.

Prior to joining DSE, he has been serving Fiber@Home, a telecom service provider.

He started his career with Bangladesh Army's signal core in 1988. He served there for 24 years in various departments like Bangladesh Military Academy, Military Institute of Science and Technology and the United Nations Contingent.

Karim is a fellow member of the Institution of Engineers, Bangladesh.



Anis A Khan, chairman of Association of Bankers, Bangladesh, leads a delegation of the association to meet Atiur Rahman, governor of Bangladesh Bank, at the latter's office on Sunday.

Samsung Electronics warns of tough 2016

REUTERS, Seoul

South Korean tech giant Samsung Electronics Co Ltd said it expects a difficult business environment in 2016 due to weak global economic conditions and heightened competition in key businesses including memory chips and smartphones.

In a statement on Monday, Samsung said Chief Executive Kwon Oh-hyun told employees in a New Year's address that low global growth will persist this year, with greater uncertainty stemming from issues such as financial risks for emerging countries.

The comments, which didn't disclose

specific forecasts, come amid growing concerns that October-December results for the world's biggest maker of smartphones and chips may be weaker than previously expected. By 0302 GMT, Samsung shares were down 3.4 percent, after earlier dropping 3.5 percent to a three-month low, while the broader Seoul market was off 1.5 percent.

"Negative impact from weak demand and falling sales prices for semiconductor and liquid crystal display industries was likely bigger than initially anticipated," brokerage Korea Investment said in a report issued separately on Monday.

New chief for billboard advertising owners' body

STAR BUSINESS DESK

Md Rashed has been elected as president of Bangladesh Billboard Advertising Owners' Association, the association said in a statement yesterday.

The association also elected Md Mizanur Rahman as general secretary, according to the statement. Rashed represents Century Art Publicity while Rahman belongs to Bangladesh Publicity.



Md Rashed

Indian state banks likely sold dollars to stem rupee fall

REUTERS, Mumbai

State-owned banks likely sold dollars on behalf of the Reserve Bank of India to prevent the local currency from weakening further, three FX traders told Reuters on Monday.

State-owned banks were spotted selling dollars after the local currency plunged to an over two-week low of 66.50 to the dollar earlier in the session.

The rupee fell in line with Asian peers after disappointing China factory data, while risk sentiment took a further hit due to ongoing geopolitical tensions in the Middle East.

At 11.44 a.m., the rupee was trading at 66.4650/4675 to the dollar compared with 66.1350/66.1450 on Friday.



AHM Mozammel Hoque, chairman of Hamid Fabrics, and Abdullah Al Mahmud, managing director, attend the company's 21st annual general meeting at Trust Milonayoton in Dhaka. The company declared 5 percent stock dividends for all shareholders and 15 percent cash dividends for general shareholders.



Rashed Khan Menon, civil aviation and tourism minister, and David Meale, chargé d'affaires of the US embassy in Dhaka, open a textile exhibition at the EMK Centre at Dhanmondi in the capital yesterday. The EMK Centre partnered with AJIYER, an organisation promoting community-based tourism, to hold the exhibition.

Singapore GDP growth drops to 2.1pc in 2015

AFP, Singapore

Singapore's trade-dependent economy grew by an estimated 2.1 percent in 2015, its worst performance since the 2009 recession, as global demand for Asian exports slumped, official data showed Monday.

The gross domestic product expansion figure, down from 2.9 percent in 2014, was based on advance estimates that GDP in the fourth quarter of last year rose 2.0 percent year-on-year.

The 2015 growth estimate was in line with the government's latest revised forecast for GDP to expand "close to 2.0 percent".

Singapore's GDP contracted by 0.6 percent in 2009 during the global financial crisis, but rebounded the following year with exceptional growth of 15.2 percent.

The trade ministry has projected GDP growth of between 1.0 and 3.0 percent in 2016.

Alliance strikes off 23 factories from its list

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Before the suspension, the platform tried to convince the factory owners by holding a series of discussions. It also served them notices informing them of the possible suspension if they do not go ahead with the remediation works.

The owners of the suspended factories said they are not interested in implementing them as they do not have any work orders from the US retailers, according to Rabin.

The Accord, which is a platform of mainly European retailers, or Alliance cannot suspend the factories unilaterally, said Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association. "We will talk with both the factory owners and Alliance on how to resolve the problem," Rahman said.

If any factory owner wants to sever relationship with a retailer, it is an issue between the two parties. "The Accord or Alliance has little to do with it," he added.

Usually, when any action is taken on safety issues or closure of any factory for poor safety, the concerned agencies inform the Department of Inspection for Factories and Establishments (DIFE) and the review panel.

Syed Ahmed, inspector general of DIFE, said he was not informed about the suspension of the factories from the Alliance list.

"Safety is a major concern for us. The Alliance could have given more time as financing is a big challenge in remediation of the factories."

"I do not know how the safety of the suspended factories would be improved as the Alliance is no longer with them," Ahmed added.

However, the DIFE will form a remediation coordination cell" soon to settle the disputes in safety improvements by the three agencies -- Accord, Alliance and National Action Plan.

The International Labour Organisation has been trying to collect funds for formation of the remediation coordination cell, he added.

Robust economy, immigration push German employment to record high

REUTERS, Berlin

Favourable economic conditions and an influx of foreign workers boosted employment in Germany to its highest since reunification in 1990, according to data published on Monday as the jobless rate hovers at a historic low.

Around 43 million people living in Europe's largest economy were in work last year, up 0.8 percent on 2014 and a 12th consecutive annual increase, the Federal Statistics Office data showed.

It said an inflow of workers from eastern European states including Romania, Bulgaria and Croatia as well as from countries hit hard by the euro zone crisis such as Greece, Portugal and Spain had boosted employment.

Meanwhile, more people already living in Germany had found jobs thanks to the robust economy.

Germany's unemployment rate has repeatedly reached monthly post-reunification lows in 2015 and fell in November to 6.3 percent from 6.4 percent the previous month, according to Federal Labour Office data. December's data is due on Tuesday. ECONDE

Croatian citizens have been able to work in Germany without restriction since the start of July, and Romanians and Bulgarians to take jobs in all European Union countries without a work permit since the beginning of 2014.

Germany saw a record influx of migrants last year, with 1.09 million entering the country according to one newspaper.

BTRC to study internet service costs to regulate prices

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But ITU recommended InCyte Consulting for the job, said senior BTRC officials. Earlier, BTRC also recommended the government to appoint a consultant for cost modelling of voice services, short and multimedia messaging, video calls and value-added services.

However, the regulator is yet to receive a response from the government on the issue. "All the prices of services are proposed by the telecom companies. We then negotiate to lower the prices based on those," said a senior BTRC official, on

condition of anonymity.

He said the government reduced the internet bandwidth price to as low as Tk 625 a megabyte last year, which was Tk 72,000 just seven years ago, but operators continued to charge higher rates from the subscribers. Operators said bandwidth is not the only pricing component, and they have other costs as well. "After launching the cost modelling study, we can learn the real picture and packages can be approved based on the report's findings."

The BTRC ran a cost modelling study on voice services in 2008.

Foreign funds fall in Dhaka bourse

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Foreign investors followed the news and reacted smartly by offloading Titas Gas shares from their portfolios, said market insiders.

Also known as portfolio investment, foreign investment accounts for less than 1 percent of DSE's total market capitalisation, which stood at Tk 314,900 crore at the closing of yesterday's trading.

Banks are the foreign investors' preferred sector, but non-bank financial institutions, power and energy, pharmaceuticals, multinationals, telecoms and IT also draw their attention.

Investors include fund managers such as Morgan Stanley, JPMorgan, Goldman Sachs and BlackRock.

Little cheer for state banks in 2015

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The operating profits of Agrani, Rupali and Bangladesh Development Bank Ltd also decreased last year.

Apart from the low credit growth, 22 percent of the loans of the state-owned banks are non-performing. These banks cannot convert the interest against these loans into income.

As of September last year, interest of Tk 4,616 crore of the banks have been suspended, meaning had they not been bad loans the amount could have been counted as income.



Md Yeasin Ali, chairman of Bangladesh Development Bank, cuts a cake to celebrate the sixth anniversary of the bank at its office. Md Zillur Rahman, managing director, was also present.



Najith Meewanage, chief operating officer of Commercial Bank of Ceylon, hands over blankets as donation to SK Sur Chowdhury, deputy governor of Bangladesh Bank, for distribution among the poor.

Bangladesh Lamps Limited

Sadar Road, Mohakhali
Dhaka - 1206

Price Sensitive Information

This is for information of all concerned that the Board of Directors of the Company at its meeting held on 04-01-2016 at 3:00 p.m., decided to set up a production line for assembling LED lights at its existing factory located at Sadar Road, Mohakhali, Dhaka. This new facility is likely to go into commercial production by April 2016.

The estimated cost of the project will be Tk.1.20 crore approximately. The cost of the project will be arranged from Company's own resources and bank financing. After completion of the project, it is expected to increase turnover of the Company by 4% approximately.

By order of the Board

Md. Ruhana

Dhaka
04-01-2016

Mohammad Ruhana Miah
Company Secretary

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