

Defying global slump, US hiring surges in February

AFP, Washington

US employers defied a global slowdown and pumped up hiring in February, fending off worries about financial market turmoil and the oil industry crash.

The Labor Department reported Friday that companies and government authorities added a much better-than-expected 242,000 jobs last month, and the figures for the previous two months were revised higher.

Steady growth in consumer spending underpinned the strong jobs gains in the retail and health-care sectors, easily offsetting the slowdown in international trade and huge oil company layoffs.

The unemployment rate meanwhile held steady at 4.9 percent, the lowest since February 2008 at the beginning of the Great Recession. The new data underscored the resilience in the US economy amid worries that it was beginning to stall early this year, though analysts still expect growth to ease in the coming months.

The report came as the 2016 race to succeed President Barack Obama heats up with Republican White House hopefuls repeatedly charging that the US economy is sickly.

Citing the fact of unbroken jobs gains for 72 straight months, Obama countered Friday that the country "is showing the kind of strength and durability that makes America's economy the envy of the world,

despite the enormous headwinds."

"There seems to be an alternative reality out there, from some of the political folks, that America's down in the dumps," he told reporters. "It's not. America is pretty darn great right now."

But the details of the data raised a challenge to the Federal Reserve, which has been looking for more concrete signs of tightening in the labor market -- and by extension inflationary pressure -- to justify plans to continue raising interest rates this year.

While overall hiring was unexpectedly strong, two-thirds of the new jobs were in the relatively low-paid hospitality, retail and health-service sectors, while the better-paying manufacturing and mining sectors continued to bleed jobs.

The number of people forced to work part-time because of the lack of full-time positions hardly budged. And there was a rise in the number of long-term unemployed.

Meanwhile, average wages, which had begun to pick up healthily over the past few months, fell in February, as did average hours worked.

Year-on-year wages were up a modest 2.2 percent, when they had been trending at around 2.5 percent in previous months.

On the other hand, the data indicated that new hiring pulled back into the jobs market hundreds of thousands of people who, discouraged, had dropped out.

Caab trains officials in e-procurement

STAR BUSINESS REPORT

The Civil Aviation Authority of Bangladesh (Caab) yesterday organised a skills development workshop for its officials in electronic-government procurement system, at Hazrat Shahjalal International Airport.

The civil aviation watchdog has been working to start the e-tendering system by May this year, officials said.

Chairman of Caab Air Vice Marshal M Sanaul Haque asked the participants to learn the new system properly so that Caab can introduce the system without any hitch.

The government has introduced Caab's electronic procurement system as part of the Government Performance Management System, in a move towards building a digital Bangladesh, Caab said in a statement.

Pedrollo celebrates 30 years in Bangladesh

STAR BUSINESS DESK

Pedrollo has completed 30 years of operations in Bangladesh and celebrated the landmark with a grand programme in Chittagong recently.

Giulio Pedrollo, Abagnato Andrea and Eliseo Franchetto from Pedrollo SpA (Italy), and Nader Khan, managing director of PNL Holdings and Pedrollo in Bangladesh, attended the event, the company said in a statement yesterday.

Pedrollo also honoured employees who have stayed with the company for 10 and 20 years, recognising their contribution to Pedrollo's success.



MULTIFABS

Fritz Ingvar Larsson, chief executive of Swedish brand Lindex, presents the Gold Certificate for being the company's largest supplier in 2015 to M Mahiuddin Faruqi, chairman of Multifabs Ltd, an export-oriented knitwear garment factory. Karin Elisabeth Ulrika Hedberg, director, and Sumon Tripathi, South Asia regional manager of Stockmann Group, were also present.

Oil prices rally to two-month highs

AFP, London

Oil prices rallied to two-month high points Friday on hopes that producers will shortly strike a deal to tackle a global supply glut.

Positive US jobs data handed a further boost to crude futures and commodity prices in general, which enjoyed a strong week overall as gold hit a 13-month peak at just under \$1,280 (\$1,164) an ounce.

The pick-up in oil prices this week comes after crude recently wallowed near 13-year lows below \$30 a barrel, also owing to a strong dollar and tepid demand growth.

Brent North Sea crude reached \$38.72 a

barrel on Friday -- the highest level since early January. US benchmark West Texas Intermediate hit a two-month high of \$35.94.

"The price rise was boosted by reports of declining supply" from Opec (Organisation of Petroleum Exporting Countries) and the United States, according to Commerzbank analyst Carsten Fritsch.

"What is more, efforts are ongoing to persuade other countries to cap their oil production, as Saudi Arabia, Russia, Venezuela and Qatar (have) agreed to do."

Nigeria on Thursday said key crude producers plan to meet this month in Russia to discuss a proposed output freeze.



EBL

M Nazeem A Choudhury, head of consumer banking at Eastern Bank, and M Anisul Haque, chief financial officer of Shanta Holdings, exchange documents of a payroll banking agreement at an event in Dhaka.



AAMRA

Md Iftikhar-uz-zaman, managing director of Investment Corporation of Bangladesh; Khwaja Shahriar, deputy managing director of LankaBangla Finance, and Syed Farhad Ahmed, managing director of Aamra Networks (ANL), pose at the signing of an agreement at ICB office in Dhaka on Wednesday. ANL has appointed LankaBangla Investments as the issue manager for its initial public offering and ICB Capital Management as the registrar.

UK business chief suspended in Brexit row

REUTERS, London

The director general of the British Chambers of Commerce has been suspended after he called for Britain to leave the European Union, against the wishes of most of the organisation's members, the Financial Times reported on Saturday.

The newspaper said John Longworth had told reporters on Thursday that Britain would be better off leaving the 28-member bloc, comments directly at odds with the majority of BCC members who want to stay in, according to its own research.

The FT said that after an emergency board meeting on Friday Longworth was suspended for breaching the BCC's official position of neutrality on the issue.

A spokesman for the BCC, which represents thousands of British businesses, declined to comment.

Britain will hold a referendum on whether to stay in the EU on June 23. Opinion polls show voters split almost 50-50 on whether to stay in the bloc or leave.

Better connectivity key to higher trade with India: analysts

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The Friends of Bangladesh organised the two-day event in association with the foreign ministry of Bangladesh and India Foundation.

Politicians, academics, think-tanks, former diplomats and senior journalists of both the sides attended the seventh edition of the dialogue.

Veena Sikri, a former Indian ambassador to Bangladesh, said although Saarc was founded three decades ago and a number of agreements were signed in the following years, the member countries could not benefit from it because of poor implementation and a lack of connectivity.

She said Myanmar should be brought on board of the BBIN (Bangladesh, Bhutan, India, and Nepal) framework through the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) to boost regional cooperation.

"India and Bangladesh can lead the process of cooperation."

Sikri, also the founder of the South Asia Women's Network, said South Asia is less connected, not only physically but also financially.

She said it takes a lot of time to transact money, as the funds have to come through New York or

Singapore, not directly from New Delhi to Dhaka. "This is very sad. We need to work on this."

Sikri also said Bangladesh has the potential to become a regional hub for short-haul air flights.

Tawfiq-e-Elahi Chowdhury, energy affairs adviser to the prime minister, said Nepal and Bhutan have to be brought on board to boost energy cooperation and harness natural resources to the optimal level.

Mustafizur Rahman, executive director of the Centre for Policy Dialogue, thinks connectivity in the areas of trade, investment, transport, energy and people is crucial for taking the relations between the two countries forward.

He said he is not worried about the trade deficit with India, as imports from the neighbouring countries help consumers get goods and products at comparatively low prices and also help producers, export-oriented industries and investors get raw materials at cheaper rates.

"I am, however, worried about Bangladesh's exports to India as it is only one-fifth of 1 percent of India's imports," he said.

The economist said the cost to move goods from the western part of India to the northern part is \$150

per tonne. "But it costs \$50 per tonne if it goes from Bangladesh, meaning we can save \$100 per tonne. We can share this savings."

Rahman said although India allows duty-free access of 5,000 products from Bangladesh, Dhaka has failed to benefit from the preferential trade treatment because of a lack of functional supply chain.

He said Indian investors would benefit immensely if they invest in Bangladesh as Dhaka enjoys duty-free market access to most of the developed markets.

"It is not just goods and products; the services sectors would get waiver until 2030 and the pharmaceutical sector until 2033."

Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry, and a number of speakers at the event criticised the stringent visa policy of India.

Ahmad said although travellers get long-term visa to travel to India, Bangladeshis have to go through a single land port all the times.

On the other hand, Indian travellers can enter Bangladesh through any port.

"If this is the situation, how can we make the BBIN successful?"

Sripriya Ranganathan, joint secretary of the external affairs

ministry of India, said: "We will have to address the issue."

Gowher Rizvi said: "We need to go back to it."

He said when the revised travel agreement was signed the spirit was that there would be no restrictions.

Ranganathan also said the Indian government is trying to restore the rail link that existed before the 1965 Indo-Pak War.

She said the coastal shipping agreement would become a transformative deal for Bangladesh and India, as water vessels would be able to directly go to Kolkata from Chittagong, instead of going through Singapore.

She said the two countries are also looking forward to deepening cooperation in the areas of IT and railway.

"There is so much we can do." Foreign Secretary Md Shahidul Haque touted the current Indo-Bangla relations to be at its best.

"Grid connectivity and bandwidth sharing seemed unimaginable a decade ago, but it has now become a reality," he said.

He said there are still some unresolved issues which can be settled in open mind.

Shahriar Alam, state minister for foreign affairs of Bangladesh, also spoke.



MARQUIS

Ni Guaming, vice president of Marquis Pump, and Jawahirul Gani, chairman of MEL Group, attend the 12th anniversary celebration of the Marquis brand at Radisson Blu hotel in Dhaka.



BGCC

Nafisuzzaman Fakir, director of Fakir Apparels; Md Nasser Shahrear Zahedee, chairman of Radiant Pharmaceuticals; Ruhi Ahmed, head of CSR at BSRM, and Michael Arretz, supply chain management specialist, attend a discussion at the fourth Global Social Responsibility Conference organised by Bangladesh German Chamber of Commerce and Industry, at Radisson Blu hotel in Dhaka on Thursday.

WB identifies 5 key areas for growth

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So it is important to develop and maintain the roads and further integrate them with the larger transport network, the WB said.

"In particular, Bangladesh needs to move away from the 'build, neglect, rebuild' mindset, and instead ensure enough funding is available for maintenance."

In addition to investments in rural roads, the country also needs to improve east-west connectivity, particularly connecting the southwest to Dhaka.

The report also said Bangladesh can enhance its international competitive edge by improving logistics.

The WB emphasised increasing the capacity of Chittagong port, the Dhaka-Chittagong highway for reducing trade costs.

"Bangladesh should improve physical connectivity with India, but priority should be to remove the policy constraints to seamless cross-border movement of cargo."

About regional and global integration, the WB said export-led growth has served Bangladesh well.

But there remains significant potential for further expansion in areas such as higher-value garment, pharmaceutical products, non-leather footwear and information technology, the WB said.

On urbanisation and delta management, the WB projected various aspects of Bangladesh.

Urban population growth in Bangladesh has recently been faster than in most other South Asian countries. Employment opportunities are the most important attraction for incoming migrants from rural areas and other smaller urban settlements, according to the report.

Atiur looks to SMEs for a robust economy

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These initiatives have created jobs and underpinned the country's domestic demand, he said.

He also highlighted what Bangladesh Bank has done to provide regulatory and financial support to MSMEs. He said the BB worked on both demand and supply-side constraints relating to MSMEs.

The central bank launched a dedicated department for SMEs in 2009. A target-based and market-friendly lending approach was instituted in 2010, Rahman said.

The BB has created its own refinancing window for MSME women entrepreneurs, dedicating at least 15 percent of total lending. They can receive collateral-free loans of up to Tk 25 lakh. Total SME lending tripled between 2010 and 2015, reaching more than 7.25 lakh recipients, Rahman said.

"You will also be happy to know that since 2010, credit disbursement always exceeded the target."

Banks and financial institutions have been asked to ensure that small entrepreneurs receive at least 40 percent of their total SME portfolio, according to Rahman.

All banks and NBFIs have been asked to open a "Women Entrepreneurs Development Unit" in its head office and branch offices. "Also, we have a policy of group-based lending of Tk 50,000 or above, targeting micro women entrepreneurs," he said.

Govt to drill 100 wells for gas in five years

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DCCI Senior Vice-president Humayun Rashid said secure, reliable and affordable energy and power are key to sustainable and efficient economic growth.

Speakers also urged the government to generate electricity from locally explored coal and reduce dependence on imported coal. They underscored the necessity of a realistic and flexible coal policy.

Bangladesh Petroleum Exploration and Production Company or BAPEX should go for modern exploration procedures, they said.

UGC to buy 70Gbps bandwidth

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Earlier, the company took steps to sell around 90Gbps to a foreign company. But the government dropped the plan due to low price and asked the submarine cable company to sell bandwidth inside the country.