

Bourses need more institutional investors

PM's adviser says as World Investor Week kicks off

STAR BUSINESS REPORT

A thin presence of institutional investors in Bangladesh is a serious problem that needs to be addressed for the country's capital market to reach an international level, according to Salman F Rahman, private industry and investment adviser to the prime minister.

While 80 to 90 per cent of all investments in other international markets are made through institutional investors, the case is just the opposite for Bangladesh, he said.

"Here, individual investors account for 80 to 90 per cent of total investment and this is odd," he said.

Rahman made these comments during an online launch ceremony for World Investor Week 2020, an initiative of the International Organisation of Securities Commission.

The event, observed by over 222 countries worldwide, will be held from October 5 to October 11 with participants attending via digital platforms.

To boost institutional investment, Rahman proposed that investment banking licences should be provided to scheduled banks.

In most international stock markets, individual investments are made through mutual funds but in Bangladesh, the mutual fund products are a weak point.

"Therefore, the mutual fund sector needs reform," he said, adding that Bangladesh has developed in many ways over the past 12 years but it still lags behind in the tax to GDP ratio and market capital to GDP ratio.

There are a number of reputable fund managers in the country who could facilitate the necessary reforms to the mutual fund sector far better than their international counterparts, said Hasan Imam, president of the Asset Management Companies' Association.

"But the problem is a lack of funds," Imam added.

While addressing the event as chief guest, Finance Minister AHM Mustafa Kamal said the government will continue to support the capital market as needed.

Bangladesh's economy is currently in a strong position and the government wants a similarly strong capital market to see the economy grow, he said.

"We want to ease the process of listing and don't want to leave entrepreneurs waiting for years to be listed," said Professor Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission.

The BSEC has enhanced its market monitoring of the secondary market so that no one can manipulate and cheat general investors, he added.

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METRO RAIL TAKING SHAPE



Columns have taken shape at the Poribagh section of the country's first metro rail project -- formally known as Mass Rapid Transit-6 or MRT Line-6. The metro rail authorities have taken initiatives to bring back more foreign engineers and consultants to accelerate the construction work of the elevated rail line from capital's Uttara to Motijheel at the cost of Tk 20,000 crore. Overall, it witnessed 49.15 per cent progress till August, according to project documents. The photo was taken recently.

SK ENAMUL HUQ

Unilever Bangladesh launches 11th edition of BizMaestros

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Unilever Bangladesh yesterday announced the start of the 11th edition of its flagship business case competition "BizMaestros 2020" to encourage the youth of the country to join the company to create a better business and a better world.

The fast-moving consumer goods (FMCG) company organises the competition every year aiming to provide final year undergraduates with the "thrill of real business".

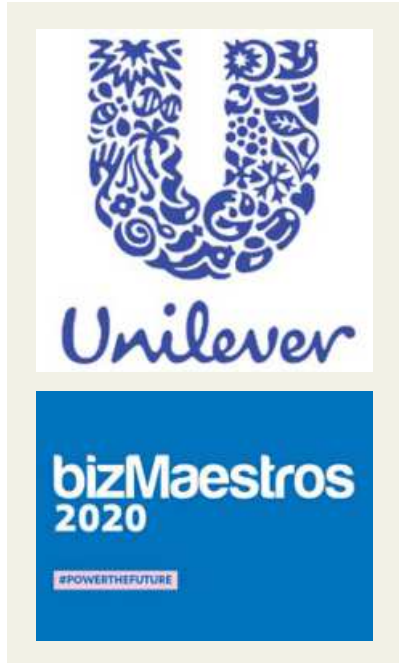
This year's theme of the competition is "Power the Future".

"As the No. 1 Employer of Choice in Bangladesh, Unilever will be committed to helping students with their learning and building their capabilities to be future-ready," said Sakshi Handa, human resource director of Unilever Bangladesh.

"Now we are starting the BizMaestros 2020 journey to power the future with the top talents of the country."

Over the last decade, BizMaestros has grown to be one of the biggest business competitions in the country, where participants work through multiple rigorous rounds of solving real business challenges.

"In the process, they learn from the best minds of the industry and are



groomed as the leaders of tomorrow," Handa said.

The first round of the competition focuses on 'Thriving in the New Normal' with the help of Unilever's purpose-led brands, said Unilever Bangladesh, a subsidiary of Unilever, one of the world's leading suppliers of consumer packaged goods in more than 190 countries, in a statement.

The three-member teams of the participants will submit their solutions to business cases and be aided with mentoring and learning sessions through virtual platforms as they go along the rounds.

After the virtual rounds, BizMaestros will close its curtains in November with a virtual grand finale.

The champions will get the opportunity to represent Bangladesh on the global platform of Unilever Future Leader's League 2021 and get fast-tracked in the recruitment process of Unilever's management trainee programme, Unilever Future Leader's Programme.

To support the Bangladeshi students during the pandemic, the company has been continuing its campus initiatives on digital platforms since the beginning of the crisis.

In 2020, Unilever engaged with more than 50 universities all over Bangladesh to ensure learning opportunities for the students and reach diverse talent. Through a series of campus connects and skill-building sessions, over 7,000 students could learn from the leading FMCG company.

Unilever Bangladesh sells 21 brands, including Lux, Lifebuoy, Surf, Closeup, Sunsilk, Ponds, Vaseline, Dove, Taaza and Pureit.

Economy on a path to recovery

Says Wahiduddin Mahmud

STAR BUSINESS REPORT

Economists are forecasting brighter days ahead for Bangladesh, stating that the country was on its way to recovery from the economic shocks of the Covid-19 pandemic.

"There are silver linings for the economic recovery of Bangladesh since it is not dependent on the tourism sector like the Maldives and future inflows from readymade garment exports are expected to be positive," said Prof Wahiduddin Mahmud.

"What should concern us now most is the lingering effect of the lockdown, on the prospect of economic recovery and restoration of livelihoods of the poor, given the ongoing health crisis," he said.

The eminent economist was addressing the closing session of a webinar styled "Covid-19 and Development Challenges" organised by the South Asian Network on Economic Modeling (Sanem) on Saturday evening.

Mahmud said the pandemic caused a loss of livelihoods for people employed in the informal sector along with workers of formal businesses who were temporarily laid off, resulting in an urban to rural exodus.

Putting stress on effective



Wahiduddin Mahmud

governance, he said, "Lack of credible local representative governments has always been a problem in Bangladesh."

"Bangladesh has one of the most diverse rural sectors which cannot absorb urban workforce, which is a reversal of the development process," he said.

Sharing his insights and observations, another renowned economist Prof Rehman Sobhan pointed out, "The notion that exists in South Asia regarding reducing poverty, which is largely derived from improved GDP growth, has to be

reconsidered."

He also said there should be strategies to integrate the informal sector into the formal stream and acknowledge their contributions.

Discussing the issue of poverty measurement, he said, "The Covid-19 pandemic has demonstrated the vulnerable economic status of the people living slightly over the poverty line."

François Bourguignon, former chief economist at World Bank and chair emeritus at the Paris School of Economics, said: "During this crisis, economic recession is likely to raise absolute poverty with unambiguous effects on inequality."

He discussed in detail different aspects of policies undertaken around the world to tackle the pandemic.

"Undernourishment of children due to lockdown may impact their learning capacity in the long term and cause rise in education attainment gap eventually," he said.

Reflecting on the economic cost of lockdowns, Bourguignon observed, "There has been no real evaluation of the trade-off between saving lives and minimising incomes and as a result countries have moved from one constraint to another."

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What is data privacy and why does it matter in current times?



DIJAMEL AGAOUA

Data privacy has always been important. It is why people put locks on filing cabinets and rent safety deposit boxes at their banks. But as more of our data becomes digitized, and we share more information online, data privacy is taking on greater importance.

A single company may possess the personal information of millions of customers – data that it needs to keep private so that customers' identities can stay as safe and protected as possible. But data privacy is not just a business concern.

Data privacy relates to how a piece of information – or data – should be handled

based on its relative importance. For instance, an individual would not mind sharing their name with a stranger in the process of introducing themselves. Still, there is other information that the individual would not share, at least not before becoming more acquainted with the person. However, when we open a bank account, we are asked to share a tremendous amount of personal information beyond our name.

In the digital age, we typically apply the concept of data privacy to critical personal information, also known as personally identifiable information (PII) and personal health information (PHI). This can include our city identification number (ID), health and medical records, financial data, bank account, credit cards, and even basic but still sensitive information such as names, addresses, and birth dates.

On the other hand, data privacy goes beyond the PII of its employees and customers for businesses. It also includes the information that helps the company operate, whether it is proprietary research and development data or financial statistics that show how it's spending and investing its money.



Facebook has at least 98 different data points that allow the organisation to collect various data on individuals.

REUTERS/FILE

Now, the question is why data privacy is so important? When data that should have been kept private gets into the wrong hands, terrible things can occur. For example, a data breach at a government agency can put top-secret information in the hands of an enemy state. A breach at a corporation can put proprietary data in the hands of a competitor. A breach at a school could put students' PII in the hands of criminals who could commit identity theft along with numerous other crimes. Additionally, a breach at a hospital or clinic can put PHI in the

hands of those who might misuse it.

For example, Cambridge Analytica, a political data firm by President Trump's 2016 election campaign, gained private information on more than 50 million Facebook users. Facebook sold it to Cambridge Analytica without users' consent. The firm offered tools that could identify the personalities of American voters and influence their behaviors.

Moreover, everything we do online reveals small pieces of our real existence. We enter our name, home address in a multitude of forms

along with telephone numbers, information on past education, and employment. We search for information about articles we are interested in; we purchase goods online, and we input numerous personal and professional opinions on social media. All the websites that we are entering or using, they are storing our data.

The amount of information about individuals found on the internet was illustrated in a video by Guillaume Duval in 2012. It was created as part of a privacy awareness campaign. The video introduces an extremely gifted clairvoyant Dave, who appears to 'see' extremely detailed private data about his clients. In the campaign, Dave 'magically' revealed credit card numbers, the interior of houses, number of boyfriends, tattoo designs, the exact amount spent on monthly purchases, and other various private details. Now, the 'magic' behind the truth turns out to be much creepier than anyone expected it to be – our online presence.

Numerous companies worldwide are linking all the data that we are leaving behind while using websites over the years. This data can lead to a very detailed personal profile, which helps to personalize direct marketing explicitly created for the individual only. And this way, advertising can be directed to the products and services that people have thought about and slowly nudging them into purchasing it. More dangerous is that such a profile can be used for political purposes. History has taught us that detailed knowledge of people's ethnic background and political or religious beliefs can, in the wrong hands, literally be life-threatening.

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A single company may possess the personal information of millions of customers – data that it needs to keep private so that customers' identities can stay as safe and protected as possible