

## Stocks

DGEN ▼ 1.29% 2,661.26

CSCX ▼ 0.64% 5,352.07

## Asian Markets

MUMBAI ▼ 1.78%  
15,093.12

TOKYO ▼ 2.11%  
13,023.05

SINGAPORE ▼ 0.18%  
2,811.79

SHANGHAI ▼ Flat  
2,446.30

## Currencies

Buy Tk Sell Tk

USD 68.00 69.00

EUR 99.92 104.45

GBP 127.09 132.36

JPY 0.62 0.65

SOURCE: STANDARD CHARTERED

## Commodities

Gold ▲

\$820.67  
(per ounce)

Oil ▲

\$113.44  
(per barrel)

SOURCE: AFP

(Midday London Trade)

## More News

Wikinomics and importance of national self-confidence

Don Tapscott and Anthony D. Williams

How Mass Collaboration Changes Everything

WIKINOMICS

As the Brand Bangladesh initiatives taking prominence, Ify Islam argues for integrating the optimism and passion of millions of youth and the internet to change country's image and build national self-confidence.

B-4

Stocks fall on investors' shakiness

After a rise for two days, Dhaka stocks fell yesterday with all the key indices declined by more than one percent. The benchmark DSE General Index fell by 34.83 points, or 1.29 percent, closing at 2661.26 points, while the DSE All Share Price Index declined by 28.78 points, or 1.24 percent, ending the day at 2284.71 points.

B-2

International

iPhone to shake-up Japan's cellphone industry

The arrival of Apple's iPhone 3G will force Japanese cellphone makers to revamp their handsets to allow increasingly sophisticated software, a senior official at Softbank Mobile said Wednesday. Faced with increased competition, Japanese handset providers will have to provide more software-oriented machines like the touch-screen iPhone, said Tetsuo Matsumoto, a senior executive vice president at Softbank Mobile.

B-4

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If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

# Country faces severe dearth of chartered accountants

SOHEL PARVEZ

The country is facing a severe dearth of chartered accountants (CAs) as less than 1,000 qualified CAs are working at different levels against the requirement of about 12,000, according to an estimate of the Institute of Chartered Accountants of Bangladesh (ICAB).

Partly qualified CAs and non-chartered accountants now fill the gap, which, experts said, could hurt stakeholders' expectation of getting accurate and reliable financial reporting.

According to the ICAB, the gap has been created due to the expansion of economic activities, spurred by rapid growth in investment in private sector, now the main-engine of Bangladesh economy.

While a consistent growth of investment in the capital market has also fuelled the demand for qualified accountants to prepare reliable financial reports, as many investors make their decisions based on the accounting numbers.

However, CAs have not come out in line with the requirement due to the poor rate of passing. The ICAB said it was due mainly to the enrolment of weak students in the past.

"In the last 15 years, our national economy registered a strong growth supported by increase in economic activities in the private sector, which is in

strong need of qualified CAs," said Md Humayun Kabir, president of ICAB.

As per ICAB data, there are only 1015 CAs in Bangladesh. Of them, about 200 are working abroad.

The ICAB chief said the institute has estimated the requirement based on the demand from corporate bodies. "We receive requests for CAs on a regular basis now," Humayun said, claiming that he had received at least 100 requests for CAs in the last seven months.

He said in most of the cases partly qualified CAs fill the gap and prepare financial reports, which might affect the optimum use of economic resources by firms.

He, however, hoped that more CAs will come out in future, as good students with business education, inspired by attractive remuneration and benefits, are joining the foray.

At present, the salary range in CA profession is between Tk 100,000-Tk 500,000.

To cope with demands, the ICAB has simplified the procedures so that more students admit and pass out every year. "We have taken a 10-year strategic plan aiming at increasing the number and quality of CAs," he said.

NI Chowdhury, secretary of ICAB, said nowadays he receives every day at least two

requests for CAs.

Dearth of CAs may create the scope of flawed financial reports that, in turn, may affect both investors and government's revenue earning, he said.

Dr Mahmud Hossain, assistant professor of Accounting, University of Memphis, USA, said qualified accountants are required to prepare accurate and reliable financial reports for investors, especially in the stock market.

"Investors make decision based on accounting numbers. Therefore, it is important that financial statements disseminate accurate and reliable information," he said during his visit in Dhaka early this month.

Mahmood Osman Imam, a professor of finance at Dhaka University who tracks corporate governance practices in Bangladesh, admitted that there are shortages of CAs but said audit or CA firms should improve the quality of auditing.

"Except a few of the audit firms, most of the external audit firms fail to ensure quality in their audits," he said.

"If they (audit firms) perform their jobs properly, transparency could have been ensured much, he added.

"Rather than arguing about the shortage, they should improve the quality of auditing," he said.

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Rich world must restart WTO talks: India

AFP, New Delhi

India has urged developed nations to return to the negotiating table to hammer out a new global trade deal -- but only if they are willing to give and not just look for what they can get.

The latest round of World Trade Organisation (WTO) talks, which saw emerging powers such as India, China and Brazil take centre-stage, fell apart in July in a potentially devastating blow to millions of the world's poor.

Indian Trade Minister Kamal Nath said on Tuesday "we must seize the moment, we must not let it pass" to reach agreement in the talks, billed as the "development round."

But discussions should only resume if industrialised nations "come to the table not looking for what you can get but what you can give," said Nath, who championed the cause of the world's subsistence farmers at the Geneva talks.

"I can't negotiate attitude, I can't negotiate mindset," Nath told a business seminar.

WTO chief Pascal Lamy, who later met Premier Manmohan Singh to sound out chances of reviving the talks, told the same audience WTO members had appealed to him not to "throw in the towel" as agreement had "never been so close."

"The good news is there may be still a possibility to move this forward and conclude negotiations within the (earlier agreed) timeframe, that is end-2008," said Lamy, who is on a two-day visit to India.

## BB for a well-functioning bond market

STAR BUSINESS REPORT

The central bank yesterday said a well-functioning bond market is required to strengthen the country's financial sector.

"An important element required to deepen the financial process is a fully functioning bond market, both primary and secondary," Bangladesh Bank (BB) said in its Financial Sector Review (FSR) for June 2008.

The review is a half-yearly publication of BB that provides an update of the country's financial sector outlook, by keeping in mind the monetary policy stance.

The June 2008 issue said: "The bond market is a viable mechanism for delivering agricultural, industrial and infrastructure finance and more active equity and insurance markets for improved and efficient allocations of risks in the economy."

According to analysts, bond financing is an alternative source of funds to bank loans. The bond market allows a borrower to directly access funds from multiple investors, usually at lower interest rates and with greater structuring flexibility than traditional bank loans.

Bangladesh has a bond

market, but it is not strong enough to meet the growing demands of the economy. Although a primary bond market is working, a secondary market is still at nascent stages here.

"If the bond market is developed, the financial market will be bigger, faster and more competitive," said SM Shamsul Arefin, managing director of Uttara Finance Ltd.

Arefin said another benefit of having a strong bond market will be an increase in domestic savings.

The FSR recognises the credit and liquidity risks in the financial market. The priority

of the financial sector policies is to establish a competitive banking and non-bank sector with abilities to overcome maturity-mismatch and classified loan problems, it said.

BB has adopted several measures through implementing financial sector reforms and adopting new policies that include restructuring of specialised banks, establishing a well-functioning secondary bond market and opening up of the financial sector to a global level by ensuring proper regulations, the review said.

"Promoting healthy competition in the banking sector

remains the cornerstone of the country's financial policy stance," it said.

The review said BB has taken steps to fulfil the capital adequacy ratio to comply with the Basel II norms.

The FSR said the interest rate spread showed a declining trend. The spread between lending and deposit rates declined by 0.97 percentage points between June 2001 and March 2008. The capital market has been showing an upward trend consistently.

The FSR also stressed effective corporate social responsibility to promote sustainable industrialisation.

## Mobile operators add 1.1m new customers in July

Cell phone subscription (in million)

Operators	June	July
Grameen Phone Ltd. (GP)	20.31	20.84
Orascom Telecom Bangladesh Limited (Banglalink)	9.46	9.90
TMIB (AKTEL)	7.85	7.98
PBTL (Citycell)	1.70	1.67
Teletalk Bangladesh Ltd. (Teletalk)	1.07	0.93
Warid Telecom International L.L.C (Warid)	3.31	3.48
Total	43.7	44.8

STAR BUSINESS REPORT

The country's mobile operators added 1.1million new customers in July, showing slow growth compared to previous months.

The new addition raised the total number of cell phone users to 44.8 million, according to telecom regulator's statistics released yesterday. The subscriber acquisition number came down to 0.56million in July compared to the month before. In the month of June, the six operators added 1.66million customers.

Industry insiders said customers are reluctant to buy new connections ahead of the Eid as they are waiting for operators to offer cheaper festival packages during the holy month of Ramadan.

According to Bangladesh Telecommunication Regulatory Commission (BTRC) data, Grameenphone maintained its usual trend by adding 0.53million customers in July followed by Banglalink's 0.44million and AKTEL's 0.13million.

Of the bottom three, Warid Telecom gained a lot, acquired 0.17 million customers, while Citycell and Teletalk's subscriber figure slipped 0.03million and 0.14 million

respectively in July.

The country's oldest and only CDMA operator Citycell customers reached 1.67million in July, which was 1.70million in June. The star run Teletalk's customer number was 1.07million in June which decreased to 0.93million in July.

The top three operators however maintained their usual growth. Grameenphone holds the top position in the market with 20.84 million customers, followed by Egyptian Orascom Telecom's Banglalink with 9.90 million and AKTEL, Telekom Malaysia International being its major stakeholder, with 7.98 million customers as of July.

"The mobile phone subscriber base will regain next month as lot of new packages may hit the market," said a high official of a top mobile phone company, adding continuous tariff reduction may also increase the number to 50million by the year-end.

The July data showed that the market's new entrant Warid has grabbed the number three position in terms of subscriber acquisition, passing its close competitor AKTEL. AKTEL lost its second position last year to Banglalink, while the latter is still at number two in the six-operator market.

## Japan on brink of recession

AFP, Tokyo

Japan said Wednesday its economy contracted for the second quarter as falling exports and weak consumer spending sent Asia's largest economy hurtling toward its first recession in six years.

The slump reflects the rapidly deteriorating global economic climate, with fears of a recession in the eurozone also mounting as the fallout from the US financial crisis ripples around the world.

Japan's gross domestic product (GDP) shrank by 0.6 percent in the three months to June from the previous quarter, the Cabinet Office said, marking the first time in a year that the world's second-biggest economy has contracted.

The economy shrank by 2.4 percent on an annualised basis, matching market expectations.

The slump put Japan on the cusp of outright recession, which is usually defined as two or more straight quarters of economic contraction. The last

time that happened in Japan was in 2001, when the recession lasted for three quarters.

Tokyo share prices slumped 2.1 percent as the weak growth figures added to jitters about problems in the US banking sector.

GDP growth for the first quarter of 2008 was also revised down to 0.8 percent quarter-on-quarter from 1.0 percent previously.

Economic growth "will remain very weak throughout this fiscal year," said Mamoru Yamazaki, chief economist for Japan at RBS Securities.

"The increase in oil and commodity prices is damaging corporate profits," while rising inflation is hurting households, he said.

After suffering a series of on-off recessions in the 1990s following the bursting of the economic bubble, Japan had been slowly recovering on the back of brisk exports and business investment.

Japan's government, however, last week effectively declared an end to the coun-

try's longest period of economic expansion in postwar times.

Even so, the economy is considered to be in much better shape than it was during previous downturns, particularly the corporate sector which has benefited from several years of bumper earnings.

"The fundamentals of the economy are much better than in the previous post-bubble cycles," Lehman Brothers chief Japan economist Kenichi Kawasaki wrote in a note to clients.

"The downside risks remain elevated, but we expect that this cyclical downturn will be a relatively mild one."

Japan is not the only major industrialised nation to have suffered an economic contraction this year -- Canada's economy shrank in the first quarter and Italy suffered negative growth in the second quarter.

The US economy also shrank slightly in the fourth quarter last year but has since been bolstered by stimulus measures.



Shoppers pass an apparel shop with large "Sale" advertisement in Tokyo yesterday. Japan's economy contracted by 0.6 percent in the three months to June from the previous quarter, official figures showed.