

DHAKA SUNDAY MARCH 29, 2009

Stocks	
DGEN	3.77% 2,523.78
CSCX	1.94% 5,043.73

(Week-on-week)

Asian Markets	
MUMBAI	0.45% 10,048.49
TOKYO	0.11% 8,626.97
SINGAPORE	0.75% 1,745.66
SHANGHAI	0.54% 2,374.44

(Friday closing)

Commodities	
Gold	\$924.00 (per ounce)
Oil	\$51.84 (per barrel)

SOURCE: AFP  
(As of Friday)

More News	
Sudan to hire more Bangladeshi workers	
Sudanese Foreign Minister and Deputy Secretary General of the ruling National Party Dr Nafie Ali Nafie said the recruitment of Bangladeshi workers and import of jute from the country would increase in the coming years. He held out the assurance when Foreign Minister Dipu Moni, now in Kuala Lumpur to attend a 3-day general assembly of Malaysia's ruling party, called on Dr Nafie yesterday.	
B-3	
International	
World leaders mull crisis strategy	
	
Centre-left leaders meet in Chile Saturday at a conference dominated by the financial crisis and global efforts to tackle it, ahead of a key G20 summit in London next week.	
B-3	
Toshiba, Sharp in talks for solar power tie-up	
Japanese consumer electronics giants Toshiba and Sharp are in talks on a possible tie-up in the solar power generation field, the companies said Friday. "It is true that we are holding talks on the solar cell business with other companies, including Toshiba," Sharp Corp. spokeswoman Miyuki Nakayama said, declining to give further details.	
B-4	
Swiss banks call for tax amnesties	
The Swiss Bankers Association on Friday welcomed a partial tax amnesty offered in the United States, saying that it was a "fantastic moment" for countries to get their citizens to declare hidden assets.	
B-4	
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# Govt in double bind over food prices

## STAR BUSINESS REPORT

The government will work on making a balance between farmers' expectations of fair prices and consumers' desire to buy foods at lower prices, Food and Disaster Management Minister Muhammad Abdur Razzaque said yesterday.

"We are in a double bind. What I can tell you is, our goal will be to help farmers get fair prices for their produce and allow consumers to buy products at tolerable prices," he said.

The minister spelled out the plan to reporters after a session on "food security and containing price inflation" at Bangladesh-China Friendship Conference Centre in Dhaka.

The Centre for Policy Dialogue (CPD) organised the session as part of a two-day conference on "Development with Equity and Justice, Immediate Tasks for the Newly Elected Government".

The discussion revealed that the production of cereals such as rice grew nearly three times to 2.73 crore tonnes in fiscal 2006-07 from 1.03 crore tonnes 35 years ago due mainly to adoption of improved rice varieties and expansion of irrigation.

But demand for food is on the rise amid steady growth of population. At the same time, the resource-base that includes availability of land, water and soil fertility is also shrinking.

Razzaque's remark came after CPD Head of Research Uttam Deb



Finance Minister AMA Muhith, right, speaks at a seminar organised by the Centre for Policy Dialogue in Dhaka yesterday. CPD Chairman Prof Rehman Sobhan is seen next to him. (Related story on page 1)

raised concerns in a keynote paper that farmers might be disheartened by a current downward price pressure of coarse rice on the retail market.

BRAC Executive Director Mahabub Hossain was one of the writers of the keynote paper.

According to the paper, market prices of each kilogram of coarse rice should not be allowed to go below Tk 20 to help farmers get adequate incentive and continue food production in the coming season.

They also recommended measures to keep retail prices of coarse rice at Tk 20-25 a kilogram.

They also said the price of paddy

per maund should not go below Tk 500 as, the production cost of a kilogram of paddy stands at about Tk 12, according to an estimate.

Discussions focused on continuing subsidies to agriculture, reduction in the yield gap between potential yield and field-level performance, increased investment in research and technology, minimisation of post-harvest losses to ensure food security.

CPD Chairman Prof Rehman Sobhan said farmers should be given a collective voice to help them attract attention from policymakers.

"Nobody thinks about farmers who are giving you a lot," he said.

"They have no collective voice and no-one is trying to give a collective voice to millions of farmers."

Former agriculture minister MK Anwar backed offering adequate remuneration to farmers to encourage them to continue food production.

Former caretaker government adviser AMM Shawkat Ali, who also joined the seminar, recommended developing a mechanism to cultivate crops in waterlogged southwestern region. He also suggested solar-based power pumps for irrigation.

Member of CPD Board of Trustee and former finance minister M Syeduzzaman chaired the session.

## Aziz, Muhith agree on immediate spread cut

### STAR BUSINESS REPORT

On an issue like a cut in bank spread, an amount of difference between lending and deposit rates that remains high for years, the finance ministry's two bosses, the past and the incumbent, have expressed their oneness.

They said such a spread cut should be implemented, even through formulating laws, if necessary.

"The government can consider enacting laws to reduce the high spread," the immediate past adviser for the finance ministry Dr AB Mirza Azizul Islam told The Daily Star yesterday.

When the attention was drawn to his predecessor's remark, AMA Muhith, who is now in the helm of the ministry, said: "I do agree with the suggestion."

The two were on a chat on the sideline of a CPD conference on 'Development with Equity and Justice: Immediate Tasks for the Newly Elected Government' in Dhaka yesterday.

Terming the 5 percent spread 'quite high', Mirza Aziz blamed the banks' inefficiency and profiteering attitude for the situation.

"Three percent spread is comfortable," said the former adviser, who once held the chairmanship of Sonali Bank and Securities and Exchange Commission.

This spread cut is a long time overdue. The central bank has so far had several parleys with the country's private commercial banks for slashing the spread, to give a boost to economic activities.

Businesspeople have also long been demanding it, through slashing lending rates.

But the bankers' bid to tag the tax rate with the spread and lending rate cuts raised eyebrows in different circles. Although banks pay 45 percent tax on their income, they make hefty profits every year.

"Banks pay only 30-40 percent dividends to their shareholders, but they don't go for reduce the spread or lending rate," criticised the former finance adviser, who had run the ministry for about one and a half years.

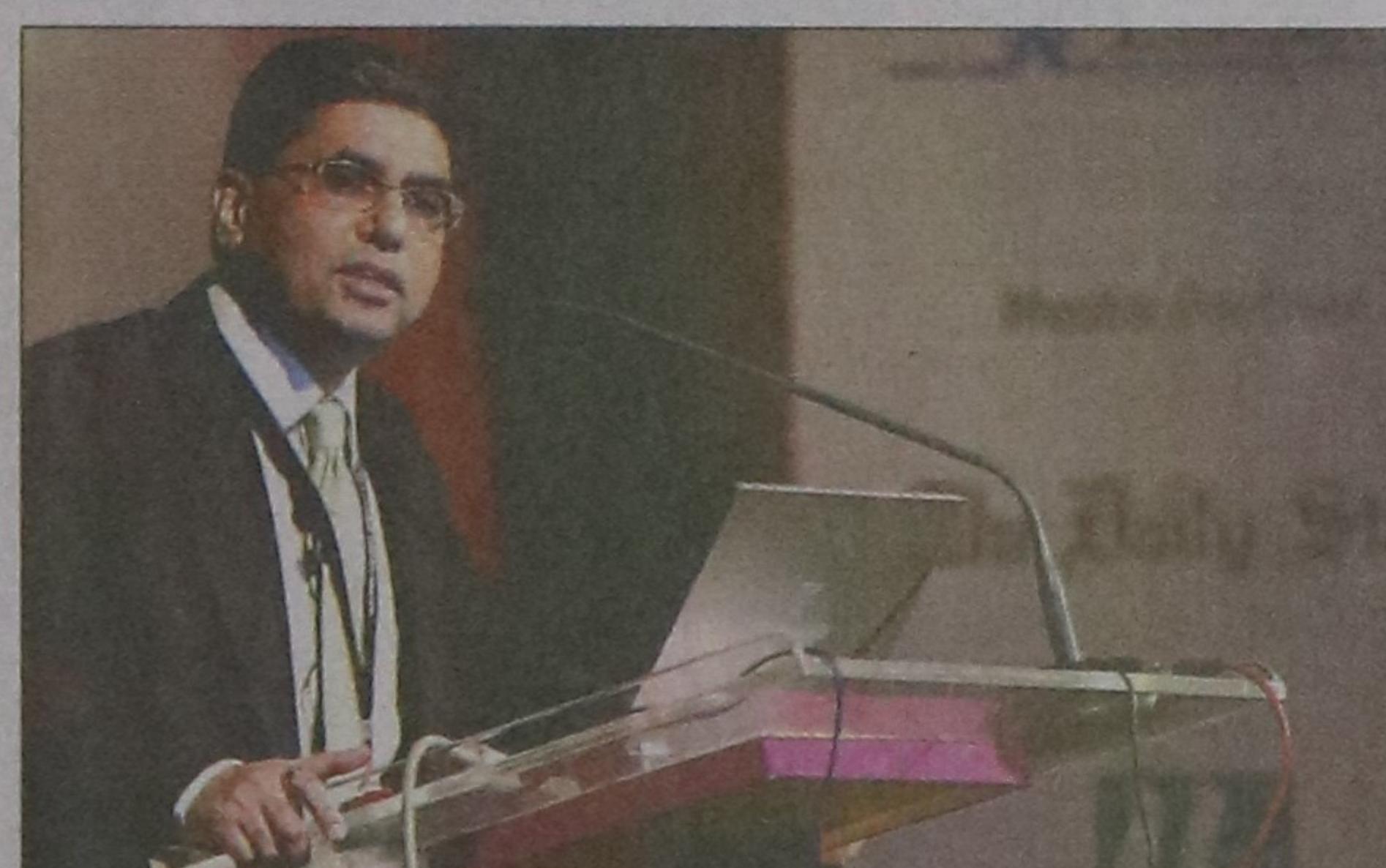
He said: "When bankers asked me to reduce the tax rate I countered them to do so with the spread."

The adviser said bankers set a 'collusive rate' for their sake.

On new investment in the export sector, Mirza Aziz said, "There is no need for fresh investment, rather the industries could utilise the excess capacity they have."

## Don't cut ad spending, let your voice be heard

Unilever's regional boss advises companies



Sanjiv Mehta, chairman of Unilever (North Africa and Middle East), speaks at a seminar of Bangladesh Brand Forum at Dhaka Sheraton Hotel yesterday.

SAYEDA AKTER

The Unilever's North Africa and Middle East region's top brass sees every crisis as an opportunity along with danger and suggests companies not going for ad spending cuts in the face of global financial crisis.

"Companies should not cut their spending on marketing and advertising during the recession. You should keep on spending money on advertising, because now the clutter is less and you will get better value of your space," Sanjiv Mehta said.

The chairman of the multinational company's regional operation was giving an exclusive interview to The Daily Star yesterday.

"Our experience says that the companies keeping spending much on advertising would not only get more market share but also come out stronger after the recession," Mehta added, pointing out that this is not about absolute spending, but about maintaining expenses on any company's voice of its brands.

"You should not dilute your share of voice," he said.

"During recession, most companies usually go for immediate cuts in their spending on marketing and advertising, and expensive brands can go down," he further said.

"And essentially, one should not leave space or gaps for any competitor, and at the same time, has to protect the financial fundamentals of business margin structures, integrity of end-to-end business system, balance sheet," he said.

Describing success as a Mind Game, Mehta said, "A crisis is a challenge! Not the end of the world!"

Some artists described how art, culture, heritage, behaviour and conversations help make a good brand.

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## Branding to combine emotions, rationales

### Speakers tell seminar

#### STAR BUSINESS REPORT

Branding should go through both the rational and emotional ways, as customers often put their trust in a brand primarily without having any relationship with a certain product of that brand, speakers said at a seminar yesterday.

It is not possible for a customer to test each and every product he or she buys for daily life, and so the sellers should shoulder the responsibilities to ensure a trustworthy relationship with the customers, they said.

The idea of branding changed in the last few years. Now branding is not just like selling products in a certain market, it is a matter of building relationship, confidence and ensuring accountability.

"A brand is a set of promises. It implies trust, consistency and a set of expectations. A brand differentiates products and services that appear similar in features, attributes and possibly even benefits," said Sanjiv Mehta, chairman of Unilever North Africa and Middle East.

He said branding can succeed when both the emotional and rational ways go together.

Mehta was speaking on the first day of a two-day seminar styled Surviving Hyper Competition organised by Bangladesh Brand Forum (BBF) in Dhaka. Established in 2007, the BBF mainly works to promote the local brands.

The high official of the world's one of the leading consumer brands said emotional appeals evoke positive feelings that are transferred to the brand, and emotional advertising is often better remembered than non-emotional message.

Mehta said positive mood states created by advertising can have a favourable effect on consumers' evaluation of a product. "At the same time, you have to brand a product that actually serves the consumers."

He said everyone wants 'eternal' youth and beauty. "So when an anti-aging cream that removes the lines from your forehead is launched but doesn't deliver, whatever the way you are branding the product, it can't ever succeed."

"A company needs to fix six right things together including choosing right products with a right proposition, along with right packaging, price, value and campaigning it through the



Jun'ichiro Ishii, a visual artist based in France, left, gives a presentation at a seminar of Bangladesh Brand Forum in Dhaka yesterday.

right channels," Mehta said.

"You must knock at the consumers' needs, even the unarticulated needs that the consumers are yet to feel," he said in his keynote presentation titled "Building Great Brands: The Emotional with The Rational".

"The branding might say you would look like Cleopatra or Aishwarya Rai but if the product does not deliver, people would buy it once and then stop buying it. So rationality is important."

"At the same time, you just have the right products that remove the lines, freckles and make one's skin look younger, but it'll not work unless you can give an emotional touch to it," he said.

Jeff Cacy, managing director, airline marketing services of Boeing Commercial Airplanes, said branding should focus on trust and safety.

Cacy said although aviation industry passed more than 100 years, people still treat flying as a 'magical' thing.

So in such cases branding should be like 'you will be safe with the magical feeling', he said.

The discussion of emotion and rationality in branding continued in the second session of the seminar as well.

Some artists described how art, culture, heritage, behaviour and conversations help make a good brand.

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BDF President Shariful Islam, among others, was present at the seminar. Grameenphone is the platinum sponsor, while Nokia, Rahimafrooz, Marico Bangladesh and University of Liberal Arts Bangladesh are the co-partners with The Daily Star and TV channel Ntv the media partners of the event.