

## Stocks

DGEN	▲ 1.28%
	2,898.49
CSCX	▲ 1.11%
	6,340.90

## Asian Markets

MUMBAI	▼ 1.03%
	15,173.56
TOKYO	▲ 0.26%
	10,113.24
SINGAPORE	▼ 0.76%
	2,604.06
SHANGHAI	▼ 5.00%
	3,266.43

## Commodities

Gold	▼ \$936.00 (per ounce)
Oil	▼ \$65.91 (per barrel)

SOURCE: AFP  
(Midday Trade)

## News in Brief



### Tata Steel Q1 profit down near 47pc

AFP, Mumbai

Tata Steel, the world's sixth-largest steelmaker, on Wednesday reported a near 47 percent fall in fiscal first-quarter profit, hit by lower commodity prices.

The company said net profit for the three months to June, excluding income from its British unit Corus Group, fell to 7.89 billion rupees (162 million dollars) from 14.88 billion rupees a year earlier.

Sales fell 8.7 percent to 56.15 billion rupees, the company said in a statement to the Mumbai stock exchange.

Analysts had forecast Tata Steel to show standalone profit of nine billion rupees for the June-end quarter.

The results do not include data from Anglo-Dutch group Corus, which the company bought in 2007 for 13.7 billion dollars. The consolidated earnings would be announced at the end of August, Tata Steel said.

### Honda, Nissan see flickers of recovery

AFP, Tokyo

Japanese automakers Honda and Nissan said Wednesday they saw glimmers of hope for the battered industry thanks to growing demand for fuel-efficient cars but warned the road to recovery would be bumpy.

The two automakers said conditions remained tough in the fiscal first quarter to June because of weak sales in key markets such as the United States, Japan and Europe.

Honda said its net profit dived 95.6 percent in the fiscal first quarter through June from a year earlier to 7.56 billion yen (80 million dollars). Revenue slid 30.2 percent to 2.0 trillion yen, weighed down by a stronger yen.

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# Remittance may cross \$10b mark: WB

## STAR BUSINESS REPORT

The World Bank (WB) said yesterday Bangladesh is expected to receive remittance worth \$10.87 billion in the current fiscal year if the global oil price does not fall and the local currency is not appreciated.

The WB also revealed some findings that go beyond traditional beliefs -- only nine percent remittance is sent through unofficial channel, migrants' households spend more on food and lifestyle rather than productive sector such as purchasing land.

It also found remittance inflow increases when a country's economy goes through hardship.

The findings were based on a survey conducted in 2007 and presented to the media in a report titled "Remittances in Bangladesh: Determinants and Outlook" in Dhaka yesterday.

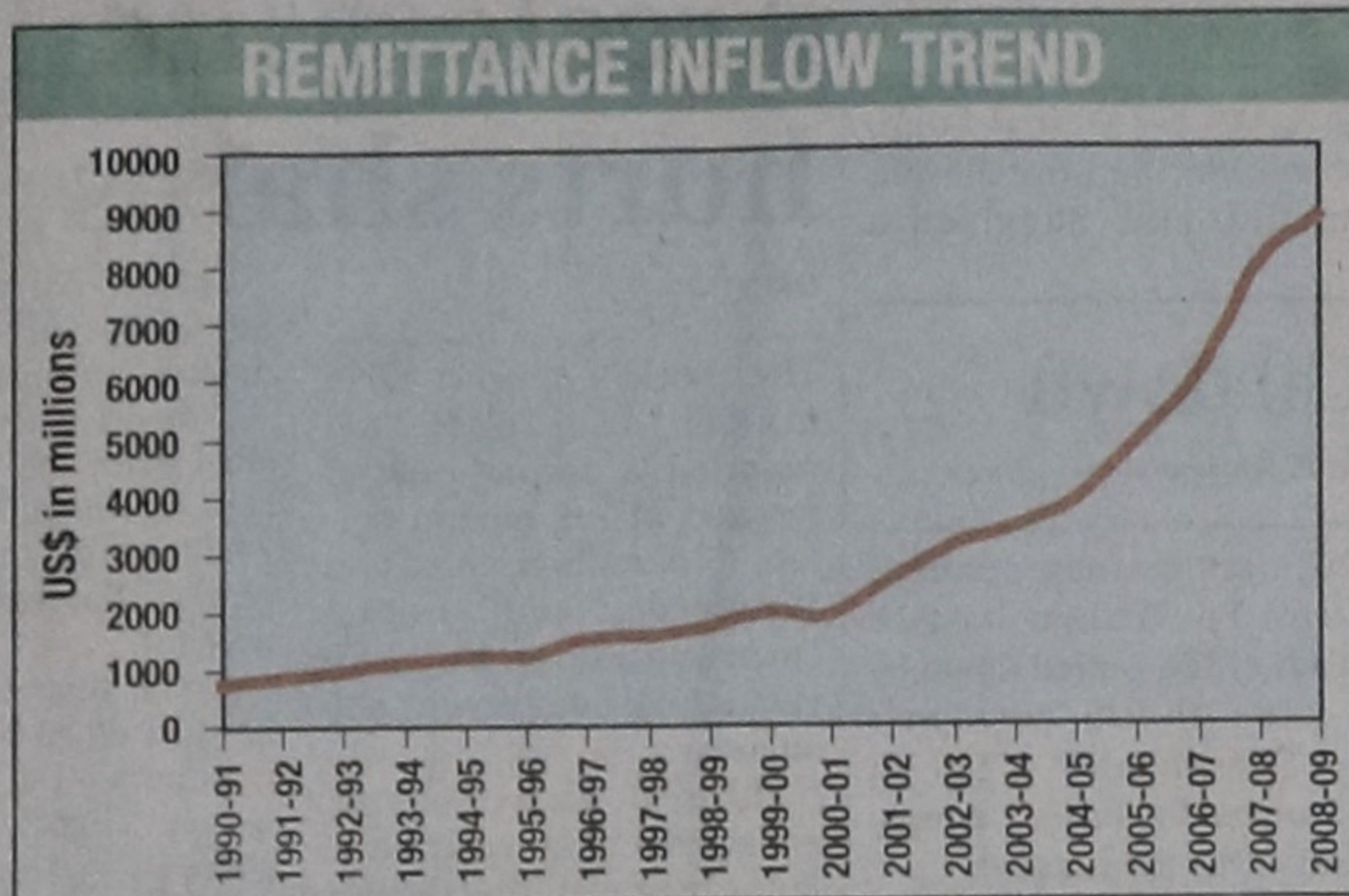
The WB has been watching some factors since 1980 that impact remittance inflow -- global oil price, local exchange rate and the health of domestic economy, among others.

The donor agency said more inflow of remittance accelerates the pace of poverty reduction.

If oil price goes up by one dollar, annual remittance increases by nearly \$15 million, and if the taka is depreciated by one unit, the annual remittance rises by \$18 million, the WB report said.

WB senior economist Zahid Hussain presented the findings at the press briefing, where Acting Country Director Robert Floyd was also present.

Hussain said if the present exchange rate of Tk 68.8 per dollar continues and oil price remains at around \$68 per barrel on an average, around 610,000 employments may be created abroad for the Bangladeshis



in the current fiscal year.

In that case remittance inflow this fiscal year would be \$10.87 billion at a 12.3 percent growth rate. But if 1,50,000 jobs are created abroad, the figure will be \$10.49 billion and growth 8.4 percent.

The WB found that on an average a migrant remits Tk 101,579 a year.

The migrants send 33.6 percent remittance by cheque or bank draft, 23 percent by direct transfer to their own bank accounts, 16 percent to a third person's bank account, 15 percent through personal delivery by friends or relatives and 9 percent by Hundi (an illegal channel of remitting).

Sonali and Agrani banks are the major remittance service providers.

The average agency fee per migrant is Tk 1,20,000 in all regions, but it is Tk 1,22,150 in Dhaka, Tk 1,32,750 in Chittagong and Tk 1,14,750 in other regions, the WB said.

Of the migrants, 28 percent use own cash resources for their migration costs, 21 percent get help from

friends and relatives, 15 percent mortgages land, 12 percent sell asset and 10 percent borrow from friends and relatives.

The WB found that the monthly per capita expenditure of a migrant household is significantly higher compared to a non-migrant one. "They eat better (more fish and meat), dress better, buy more household appliances, and save a good part of their remittance receipts."

There is no significant difference between migrant and non-migrant households in terms of per capita expenditures on health and education, vehicles, jewellery or pots and plants and land acquisition.

"Outstanding loans are significantly higher for migrant households, possibly reflecting upfront financing of migration costs through borrowing," the report said.

Migrant households spend significantly more on modern agricultural inputs (fertiliser and seeds) than non-migrant households.

# Muhith backs market intervention

## STAR BUSINESS REPORT

In safeguarding people's interests, market intervention is an important option, as the finance minister feels when many are opposed to it in an era of rising globalisation and open market system.

"Government intervention is necessary to keep commodity market stable and reduce growing disparity, although the private sector is the engine of today's economic growth," AMA Muhith told a seminar in Dhaka yesterday.

State-owned Bangladesh Krishi Bank organised the seminar on the role of rural banking in achieving equitable growth.

The seminar was held as part of the bank's Annual Conference 2009 at the Shooting Federation auditorium, with its chairman Khondaker Ibrahim Khaled in the chair.

The finance minister said agriculture and rural development are interrelated and the government and its agencies must work more on these two major areas to improve the condition of rural people.

The minister came up with the concept of intervention at a time when the consumers of developing and poor countries like Bangladesh are often hit hard by price spiral of essentials, which many blamed on market manipulation by cartels.

Muhith pointed to the fact that all banks transfer rural deposits to urban areas, but farmers are not awarded loans.

Krishi Bank and Rajshahi Krishi Unnayan Bank have 1,316 branches across the country. One Krishi Bank branch serves on an average 1.14-lakh individuals in Bangladesh. Still, the bank has no presence in 3,330 unions out of 4,646.

The minister asked banks to lend more working capital to industries and agriculture and help digitalise banks' activities. He also felt the need to introduce crop insurance.

"Bangladesh Krishi Bank has huge presence across the country and the use of technology can help the bank earn more from remittances," he noted. The bank channelled only Tk 950 crore as remittances in fiscal 2008-09.

Economist Prof Abul Barakat said increasing domestic demand to absorb global recession shocks is a much-talked-about matter, but it is not possible to do so without developing the rural economy.

He also backed increased subsidies to the crop sector. Shaikh Siraj, an expert on agriculture, pointed to the less access of information to farmers.

Krishi Bank Managing Director Mokhtar Hossain also spoke. Bangladesh Bank Governor Dr Atiur Rahman attended the second session of the seminar.



# Employers Federation gets new president

## STAR BUSINESS DESK

Bangladesh Employers Federation has recently elected Rokia Afzal Rahman as its president for 2009-2011, it said in a statement yesterday.

Rahman, a former caretaker government adviser, is also a committee member of the Metropolitan Chamber of Commerce and Industry.

She is also the president of Women Entrepreneurs Association, Bangladesh, and Bangladesh Federation of Women Entrepreneurs.

Muhammad A Rume Ali, a former deputy governor of Bangladesh Bank, has been elected as vice-chairman of the federation for the same term.

Currently, Rume Ali is the chairman of BRAC Bank.



Nobel laureate Muhammad Yunus, left, speaks at a workshop on social business in Dhaka yesterday.

# Create framework for social business

## Says Nobel laureate Yunus

### STAR BUSINESS REPORT

Grameen Bank founder Professor Muhammad Yunus yesterday highlighted the need for a set of new institutions and regulations, including a separate stock market, to fit his social business concept.

"There should be a new stock market for social business ventures in future when the number of such business rises," Nobel laureate Yunus said at a workshop in Dhaka.

Social business is a concept of doing business without owners taking out any dividend, but investors get back their initial investment. The company's profits are retained for expansion and improvement of the country unless the beneficiaries are the poor.

He explained the role of over 30 companies, set up by Grameen initiatives, whose main objective is maximising benefits for the poor and not that of profit maximisation.

At the workshop, he talked about new regulations, separate rating agencies and academic courses to regulate and train people on social business, which he believes could help alleviate

poverty.

A US university will begin academic courses on social business to involve and train people, said Yunus at the workshop organised by Bangladesh Enterprise Institute (BEI) under the Bangladesh Social Enterprise Project in cooperation with Australia-based Foundation for Development Cooperation (FDC) and UK-based Libra Advisory Group.

Yunus was speaking as chief guest and keynote speaker on the first day of the workshop, which aims to utilise the key strengths of the private sector, to address some poverty-related issues in the country.

He said rating agencies would rate a social business venture's contribution to poverty alleviation and catch profit maximising ventures disguised as social business.

Advocating social business, he said, "When you invest \$1 in charity it never comes back but when the money is invested in social business, it comes back and creates new money."

"That is why investing in social business is more powerful," he said.

He said Grameen is now consulting

various overseas and multinational companies to initiate new social business ventures.

Some areas where the Grameen family has social business projects include nutrition, healthcare, pure drinking water and eye care.

Yunus said since July, Grameen Veolia Water Ltd has been providing pure drinking water to inhabitants of the arsenic contaminated Goalmar village in Daudkandi, Comilla, by selling three litres of drinking water at only Tk 1.

BEI President Farooq Sobhan, who chaired the function, said after pioneering microcredit, Bangladesh would also be able to pioneer social entrepreneurship.

Lamiya Morshed, executive director of Yunus Centre, said Social MBA courses, Social Stock Exchange, Social Impact Indicators, SB Ratings and Journals and SB Regulations will be required in future for smooth running of such business.

Peter Wilson, senior adviser of Libra Advisory Group, and Craig Wilson, executive director of FDC, were also present at the function.

# Media-business trust in the spotlight

## STAR BUSINESS REPORT

The gap between the media and businesses can only be bridged by ensuring trust and transparency on both sides, said a top media analyst yesterday.

"The relations between the media and businesses have been gradually improving for the last 30 years with the development of private sector. So the gap that still exists can be bridged by achieving trust and ensuring transparency on both sides," said Amitabha Datta, the immediate past president of Ananda Bazar Patrika Group.

"The difference between profit and profiteering was not clear to the common people 30 years ago. The media portrayed businesses only as profit-making ventures and had a negative impression about industries that time," he added.

He was speaking at a discussion styled 'Bridging the Gap between Media and Business' organised by Bangladesh Brand Forum in Dhaka.

"Business journalism has developed here over the last few decades, which is directly connected with the development of the private sector," said Datta.

"Still, the space of business journalism is limited in the Indian subcontinent, but it'll have to grow."

Datta stressed training business journalists and said the country's entrepreneurs have to take the responsibility to educate them.

"The relation between media and businesses is close. Media provides insights into business through news that helps entrepreneurs take decisions and expand market eventually," he said.

In his keynote paper, Sarwar Ahmed, managing director of Syngenta Bangladesh Ltd, said newspapers have a

pivotal role in educating their readers and influencing the policies taken by the lawmakers and businessmen.

He called upon businesses to ensure transparency in their financial statements, including income statements, revenues, expenses, profits and taxes.

"A lack of transparency in the financial statement often leads the business journalists to some unwanted mistakes," said Ahmed.

Mahfuz Anam, editor and publisher of The Daily Star, said media has a "biological relation" with the businesses, as the businesses sell products trusted by consumers and the media brings to light the truth that can be trusted.

"Media helps businessmen take decisions. If the media can play proper role, it will help businesses flourish," Anam said.

When the media becomes trustworthy, it helps businesses to be trusted as well, and for this the media should achieve the trust of the mass, he said.

"Media helps create trust in products by examining the ethical practices of any businesses. Trust deficit can collapse any businesses. For example, one of the major causes for global financial meltdown is trust deficit," he added.

He suggested media change practices, including ensuring accuracy and authenticity of any news, and admit mistakes if done.

"We often don't admit our mistakes. But admitting mistakes can prove the media's sincerity in reporting," Anam added.

Standard Chartered Bank and Asian Paints sponsored the session.

Munawar Misbah Moin, managing director of Rahimafrooz Renewable Energy, and Motiur Rahman, editor of daily Prothom Alo, also spoke.



Amitabha Datta, former president of India's Ananda Bazar Patrika (ABP) Group, speaks at a discussion organised by Bangladesh Brand Forum in Dhaka yesterday.