

# Local solutions to help reach MDGs

Says Wahiduddin Mahmud

STAR BUSINESS REPORT

A noted economist yesterday said homegrown low-cost solutions have kept Bangladesh on the target to achieve some of its millennium development goals (MDGs).

Wahiduddin Mahmud, who was addressing a discussion on MDGs, also criticised the international agencies for their tendency to go by the globally accepted templates, which he said often entail the risk of ignoring more cost-effective and locally relevant technologies.

Foreign Minister Dipu Moni spoke as chief guest and Arthur Erken, UN resident coordinator, delivered the address of welcome. The United Nations organised the discussion to mark its 65th anniversary.

Wahiduddin said Bangladesh is on target in many of the MDGs, most importantly in poverty alleviation despite the persistence of extreme poverty and food deprivation, particularly concentrated in economically depressed and ecologically vulnerable regions.

The country has achieved a significant success in some indicators such as under-five mortality, child immunisation, contraceptive adoption and female school enrolment. Wahiduddin said Bangladesh has clearly outperformed

most low-income countries in these indicators despite widespread poverty, low-per capita social spending and an extremely poor service delivery system.

"This is what is now called Bangladesh's development surprise," he said.

"Much of the progress has been due to the adoption of low-cost solutions like the use of oral saline for diarrhoea treatment, and due to increased awareness created by effective social mobilisation campaigns such as for immunisation or contraceptive use or school enrolment."

The economist who was a former finance adviser to a caretaker government said the scaling up of programmes through spread of new ideas is helped in Bangladesh by a strong presence of development NGOs and also by the density of settlements and their lack of remoteness.

Wahiduddin said: "But as the gains from low-cost solutions area reaped, further progress may increasingly depend on more public social spending and improvement in service delivery system."

For example, he said, further reductions in child mortality will require more expensive child survival interventions, such as hospital-based care to avert neonatal mortality. Similarly, lowering the current high maternal

mortality rate will also require the provision of relatively costly health services.

Although the country has achieved success in school enrolment, especially for girls, he said he is concerned about the quality of education and the drop-out rates.

The economist said Bangladesh needs to improve the quality of service delivery to consolidate the gains made so far and make further improvements.

He stressed the need for efforts to mobilise more funds for public social spending and improve governance. "We need to explore any remaining scope to benefit from creating awareness about low-cost solutions."

Wahiduddin, however, cautioned against the globally accepted models that may stymie the growth of cost-effective and locally relevant technologies. He cited examples of improving sanitation and reducing maternal mortality and malnutrition, in this regard.

"Incidentally, in each of these three MDG indicators, Bangladesh is trailing behind despite significant progress in the recent years," he pointed out.

He said Bangladesh faces challenges quite different from the global ones regarding the MDGs related to ensuring environmental sustainability in the wake of the climate risks.



Grameenphone Chief Executive Officer Oddvar Hesjedal cuts a cake at the launch of the operator's sales and service outlet at Basundhara Shopping Mall in Dhaka yesterday.

# Stocks continue rally

Regulator sits with merchant banks today

STAR BUSINESS REPORT

On the back of a continuous rise in shares prices, the regulator sits with merchant bankers today to discuss the current market situation.

"The meeting is a routine one," said an official of the Securities and Exchange Commission yesterday.

On the day, Dhaka stocks marked a bullish trend for the third straight session. Fuel and power, telecom and non-banking financial institutions led the rally.

Benchmark index of the Dhaka Stock Exchange -- DSE General Index (DGEN) -- rose 84 points, or 1.1 percent to 7,699 -- the highest-ever level.

Fuel and power sector companies gained 3 percent, mainly dominated by

Titas Gas, which announced more-than-expected dividends last week. The state-run energy company declared a 10 percent stock dividend and 25 percent cash dividend.

Titas also decided to transfer assets of its Brahmanbaria-Ashuganj unit to Bakhrabad Gas Systems Limited at a price of Tk 1,200 crore.

Like energy companies, the non-banks also advanced 3 percent.

Telecom sector, which comprises lone Grameenphone, advanced 1.13 following the mobile phone operator's declaration of interim cash dividend at 35 percent.

Gainers beat losers 158 to 84, with two securities remaining unchanged on the floor of the premier bourse, which traded more

than 11.04 crore shares and mutual fund units on a value of Tk 2,439 crore.

Titas Gas topped the turnover list with 11.35 lakh shares worth Tk 139 crore being traded on DSE.

Chittagong stocks also posted rise, with the CSE Selective Categories Index increasing 171 points, 1.2 percent to 14,362.

Advancers beat losers 108 to 69, with 10 securities remaining unchanged on the Chittagong Stock Exchange, which traded more than 1.19 crore shares and mutual fund units on a value of Tk 202 crore.

Titas Gas topped the turnover leaders on the CSE with 1.85 lakh shares worth Tk 21.97 crore being traded.



Citycell has recently organised a programme to recognise its top performing channel partners in Dhaka on Thursday. David Lee, chief operating officer; Mahboob Hossain, chief sales and distribution officer, and Kafil HS Muyeed, chief marketing officer, were present on the occasion.



Jim McCabe, third from right, chief executive officer of Standard Chartered Bangladesh, poses at the re-launch of its priority banking and platinum card offerings at Sonargaon Hotel in Dhaka yesterday.

# StanChart notches up high-end banking

STAR BUSINESS REPORT

Standard Chartered Bangladesh yesterday re-launched its priority banking and platinum card offerings with a range of benefits and privileges to cater to growing consumer banking.

The bank introduced the new offerings at an event at Sonargaon Hotel in Dhaka.

Jim McCabe, chief executive of Standard Chartered Bangladesh, said: "The new and enhanced priority bank offering is a product that amplifies our commitment to our brand promise. It's a product tailor-made to suit the lifestyle of our high net-worth customers, catering to their unique banking and lifestyle needs."

Sandeep Bose, head of consumer banking for Bangladesh, Sri Lanka and Nepal, said priority banking is a big part of consumer banking that is growing rapidly, exceeding the industry average. Standard Chartered says around

85,000 individuals in Bangladesh form the high value segment -- a group of customers with a monthly average account balance of no less than Tk 35 lakh or with a housing/mortgage loan size no less than Tk 70 lakh -- is expected to grow by another 25,000 by 2012.

With economic development and a steady growth momentum, individual income for the affluent segment will continue to increase, forming a large pool of quality priority banking customer in Bangladesh, the bank said.

ANM Mahfuz, general manager of the premium banking division, said Standard Chartered has appointed a number of relationship managers to serve the fast-growing customer segment.

Standard Chartered has been issuing VISA and MasterCard Platinum credit cards in Bangladesh since 2004. With the re-launch, the bank has added a range of benefits and privileges, exclusively designed to meet customers' lifestyle

needs and benefit their status. Apart from the regular privileges, the new Platinum Credit cardholder will enjoy a free companion return air ticket to Kolkata on Kingfisher and free membership for priority pass that gives access to 600 airport lounges in more than 100 countries and 300 cities worldwide.

Other benefits, include complimentary access to the Balaka Business Lounge and Platinum Passenger Handling Service during departure and arrival at Hazrat Shahjalal International Airport, exclusive travel desk providing all travel related services, support with international hospitals and privileges at restaurants, hotels, golf courses, hospitals, beauty salons at both home and abroad and an insurance coverage of Tk 10 lakh.

Gitanka D Datta, head of cards of consumer banking, and Bitopi Das Chowdhury, head of corporate affairs, were also present.

# IMF sees Dubai growth of 0.5pc in 2010

AFP, Dubai

The Dubai economy is expected to grow by about 0.5 percent this year after contracting by 1.3 percent in 2009, as trade and tourism take the lead in recovery, the International Monetary Fund said Sunday.

"Our growth forecast for Dubai this year is about a half percent," IMF Middle East and Central Asia department head Masood Ahmed told AFP after launching the fund's Middle East and Central Asia economic outlook report in Dubai.

He said trade and tourism had grown "better than was anticipated at the beginning of the year," while real estate, the main growth engine during the boom years which was severely hit by the financial crisis, was still shaky.

# Coal India IPO likely at 245 rupees per share

REUTERS, Mumbai

The Indian government is likely to price state run Coal India's initial public offering at the top end of the price range, raising about \$3.5 billion, four sources with direct knowledge of the matter said.

A panel of ministers will finalise the offer price late on Monday, the sources, who declined to be identified, said.

India is selling stakes in some 60 firms over the next few years, and the strong appetite for Coal India contrasts with the sluggish demand for some of its recent offerings and adds pressure on the government to price future deals attractively.

Coal India's IPO, the largest in the country's history, was subscribed more than 15 times by close on Thursday, with most bids at the top end of the 225 to 245 rupees price range.



Cement maker Holcim (Bangladesh) Ltd arranged a trip to Malaysia for its best dealers and their families recently. Reajul Hoque, deputy manager for market planning and development, led the programme.

# India microlenders face heat over rates and debt recovery

AFP, New Delhi

India's biggest lender to the poor, SKS Microfinance, was the toast of investors when it staged a hugely successful public share offer three months ago.

Now SKS, India's only listed micro-finance, faces an unwelcome spotlight as it and other small-scale lenders come under scrutiny over high interest rates, allegations of strong-arm debt collection tactics and a rash of suicides.

Last Friday, police in Andhra Pradesh arrested several debt collectors for SKS and Spandana Spoohty Financial, India's second-largest microlender, after a borrower alleged she was harassed over

two loans totalling 1,300 dollars.

The police action followed more than 30 suicides in Andhra Pradesh blamed by politicians on aggressive debt recovery agents operating in the southern state, where many of India's biggest micro-finance institutions are based.

After news of the suicides surfaced in mid-October, SKS said that 17 of the dead were among its borrowers, but rejected responsibility for the deaths.

"Suicides are unfortunate but there might be reasons other than our loans," SKS chairman and founder Vikram Akula said.

"One thing we are sure about is that our ethical way of doing microfinance has not caused these tragedies."



IDLC Finance organised a three-day workshop on legal framework in financial institutions for its executives in Dhaka recently. IDLC Managing Director Selim RF Hussain inaugurated the workshop on October 9 that ended on Saturday.