

# Economist stresses competitiveness

## STAR BUSINESS REPORT

Bangladesh should not only focus on what benefits it can get as a least developed country (LDC), rather it should increase competitiveness in overseas trades, said a noted economist yesterday.

Being a member of the LDC bloc, the country enjoys different trade facilities, but trades should not be done on the basis of facilities only, said Wahiduddin Mahmud.

He was speaking at the monthly luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) at the city's Ruposhi Bangla Hotel as the guest of honour.

Mahmud delivered his speech on 'Bangladesh: development challenges in a global context'.

If the products and export destinations are not diversified, Bangladesh will face troubles in overseas trades when it will graduate to a developing country, he said.

"The manufacturing exports should have quality. We can have only shallow industries through exporting manufactured goods. We need deep indus-



Dr Wahiduddin Mahmud, an economist and a former caretaker government adviser, speaks at a luncheon meeting of American Chamber of Commerce in Bangladesh, at Ruposhi Bangla Hotel in Dhaka yesterday. Aftab ul Islam, president of the chamber, was also present.

trialisation," Mahmud said.

The country should diversify its exportable products, as it is mainly dependent on readymade garment export, he added.

"We have to shift focus from replication mode to innovative mode," he said, adding that the RMG and microcredit sectors have developed in the country without innovation.

The third driver of the economy is its manpower, said the economist. The country exports mainly the unskilled manpower. "We should export skilled manpower like trained nurses," he said.

The country needs continuous upgradation of technologies for more productivity and innovation. The education system should be changed for pro-

ducing better trained manpower.

He said both the primary and higher education systems in the country are of low quality.

The noted economist said the country cannot formulate stable policies for the changes of government in every five years. The strength of non-elected institutions is deteriorating, he added.

The development of the country will not be sustainable if anti-intellectualism is developed in the economy, he said.

"We need to know our priorities and we need to be quick and smart," he said.

Mahmud said, besides the shortage of gas and power supply to the industrial units, Bangladesh is suffering from many growth retarding factors like corruption, extreme population density and a wider gap in tax-GDP ratio.

He also said the government should focus on light engineering sector because this is one of the major job spinning industries and the sector has a lot of export potentials.

AmCham President Aftab ul Islam moderated the meeting.



PRIME BANK

Prime Bank Chairman Azam J Chowdhury inaugurates the office of Prime Bank Securities Ltd, a subsidiary of the bank, at Dilkusha in Dhaka on Monday. Managing Director M Ehsanul Haque was also present.

## Listed firms assoc hits out at BB

## STAR BUSINESS REPORT

An association of listed companies yesterday blamed the Bangladesh Bank (BB) for the recent debacle in the stockmarket.

When the market was facing a steep fall, the central bank increased the CRR and SLR rates that reduced the merchant banks' ability of providing share credit, said Salman F Rahman, president of Bangladesh Association of Publicly Listed Companies.

"As a result, big individual investors did not get enough loans from the merchant banks and the market witnessed the debacle," he said.

Rahman was talking to journalists after a meeting with the newly appointed Chairman of the Securities and Exchange Commission (SEC) Prof M Khairul Hossain.

Newly appointed SEC Member Helal Uddin Nizami and President of the Federation of Bangladesh Chambers of Commerce and Industry AK Azad also attended the meeting.

"I have no relation with the recent market debacle," said Rahman.

The SEC should form an alternative trading system for the listed companies as investors face problems in identifying the prices of shares due to the combined trading of big and small companies, he said.

He also proposed the SEC introduce separate price earnings (PE) ratio for every sector, including a PE indicator, which will define how much loans a company can get from merchant banks.

Rahman said the market needs increased credit flow, a structural change, and a balance between demand and supply.

Chairman of the SEC said: "After discussing with all the stakeholders, we will go for issuing new laws for long term for the greater interest of the market."

Hossain, also a teacher of finance at Dhaka University, said, "Now we will sit with the asset managers to discuss how to stabilise the market."

"Considering the current market situation and the investors' interest, the commission asked the loan providers not to cause forced sales of shares."

The SEC made the request when leaders of Bangladesh Merchant Banker's Association (BMBBA) called on Hossain in another meeting. Acting president of the BMBBA Hafiz Uddin Ahmed led the association's team.

In another development, the Dhaka Stock Exchange authorities and management sat with the SEC and discussed on the upcoming budget.

DSE President Shakil Rizvi said they submitted a copy of their budget proposals to the SEC that they earlier submitted to the finance minister.

DSE Senior Vice-president Ahsanul Islam said, "We are hopeful that the government will take market friendly decisions in the upcoming budget."

## GP launches android handset

## STAR BUSINESS DESK

Grameenphone (GP) has launched a self-branded android mobile handset in Bangladesh, the operator said in a statement yesterday.

The handset, Grameenphone Crystal, runs on the android operating system. GP said it is the first mobile operator in the country to introduce such cellphones.

Grameenphone Crystal package will be available in all its centres and other retail shops at Tk 12,160 with an extended warranty of 24 months.

Crystal subscribers will have access to over 50,000+ applications on the android market. The handset with its large touch-screen will enable users to access various mail and messaging platforms.

Internet browser Google's services are pre-installed in the set.

GP also declared a start-up offer for its business and individual customers. For the first three months, business subscribers will get Tk 20 talk time each day with 50 SMS and MMS. Buyers will also enjoy 99megabyte data a month for free. In addition, work-force management reply SMS and welcome tune subscription will be free, GP said.

Customers will get special on-net tariff of Tk 0.49 a minute with 99MB free data and 99 free MMS a month. They will also get special facility of downloading content worth Tk 50 from GP World for free. The startup offer will be valid for the first three

## Midas reaches out to women entrepreneurs in Jessore

## STAR BUSINESS DESK

Midas Financing disbursed Tk 45 lakh on Sunday to some women businesspersons at a low interest rate in Jessore under its new initiatives.

The loan was handed over to 13 women entrepreneurs, proprietors of some agro-based industries and Banchte Shekha, a non-governmental organisation in Jessore.

"Women should be self dependent to earn their living. To ensure violence-free family, we have to extend our hands to women to make them eco-

nomic stronger," said Rokia Afzal Rahman, chairman of Midas Financing. She spoke at the cheque distribution ceremony at the auditorium of Banchte Shekha in Jessore.

Midas Financing used to provide small loans to women to help them become self-reliant," said Shafique-ul Azam, managing director of Midas Financing. "Now we give them medium and big loans as women are more sincere, dedicated and honest in payment."

Anzela Gomez, executive director of Banchte Shekha, also spoke.



Rokia Afzal Rahman, chairman of Midas Financing Ltd, and Shafique-ul Azam, managing director, attend the company's Tk 45 lakh loan disbursement programme to women entrepreneurs at an event in Jessore on Sunday.

## BWCCI honours women entrepreneurs

## STAR BUSINESS REPORT

The Bangladesh Women Chamber of Commerce and Industry (BWCCI) yesterday awarded six women entrepreneurs from six divisions for attaining outstanding progress in their businesses.

Commerce Minister Faruk Khan handed over a trophy, certificate and Tk 10,000 to each awardee at a ceremony, BWCCI-EBL Progressive Award-2011, in Dhaka.

The six award recipients are Bilkis Ahmed from Barisal, Dilara Amzad from Rajsahi, Gazi Laily Akhter Shapna from Sylhet, Yeasmin Morshed Chowdhury from Chittagong, Shayla Sultan from Dhaka and Lutfun Haque Pia from Khulna.

"We have launched the award to encourage and promote women entrepreneurs of the country. The endeavour will encourage women entrepreneurs to come forward to join the business sector and contribute to development," said Selima Ahmad, BWCCI president.

The three-member jury board selected the awardees from 220 nominations coming from six divisions of the country based on reviews following a set of criteria such as proper trade licences, TIN, social contribution of the enterprise and its annual sales turnover.

"We also judge how the women entrepreneurs succeed in mainstreaming business," said the BWCCI chief.

The chamber also honoured two media representatives for their contribution in women entrepreneurship development. They are Sanaul Haq, special correspondent for ATN Bangla News in electronic media category, and Munima Sultana, senior reporter of the Financial Express in print media category.

## IDB selects four NGOs for philanthropic programme

## Second wave of financial crisis affects Islamic banking

## STAR BUSINESS REPORT

Islamic Development Bank has selected four nongovernmental organisations to implement the \$130 million (more than Tk 900 crore) Fael Khair programme for victims of Cyclone Sidr, IDB President Ahmad Mohamed Ali said yesterday.

The NGOs are: Islami Bank Foundation, Muslim Aid, Voluntary Organisation for Social Development (VOSD) and BRAC.

"The fund is being utilised for the construction of several hundred school-cum-cyclone shelters in the coastal belt and provision of urgent relief in the form of agro inputs to the victims," said Ali while speaking on the global financial crisis and Islamic banking at an international seminar at Sonargaon Hotel in Dhaka.

Islamic Banks Consultative Forum organised the seminar with its chairman Abu Nasser Muhammad Abdus Zaher in the chair.

Ali, the former deputy education minister of Saudi Arabia, yesterday visited the cyclone Sidr affected Sharankhola upazila in Bagerhat to lay the foundation stone of the first such school-cum-cyclone shelter.

Under the Fael Khair project, Abdul Monem Ltd and DCL-PCCL will build shelter buildings in Khulna, Satkhira,

Bagerhat, Barisal and Patuakhali districts.

The IDB chief, however, has refused to name the philanthropist who donated \$130 million for the welfare of Sidr victims.

On the global financial crisis and Islamic banking, Ali said Islamic banks remained resilient through the first wave of crisis during 2008-09, but they were partly affected by the second wave in 2009.

He said the increased severity of the crisis also led to an increase in customer defaults and rescheduling of dues.

"Islamic banks suffered because of severe price devaluations in some other asset classes like equities and Sukuk and managed funds, which were adversely affected by the crisis," said Ali.

He also said though the Islamic financial sector now appears to be recovering, the growth rates are expected to be less aggressive compared to the recent past.

He said the IDB has formed a financial services board and a research and training centre recently.

Ali said the IDB has raised \$750 million recently from the market, which will be spent in the member countries.

Some 275 officials from Islamic banks and conventional banks that run Islamic banking will attend the seminar to be addressed by renowned national and international speakers.

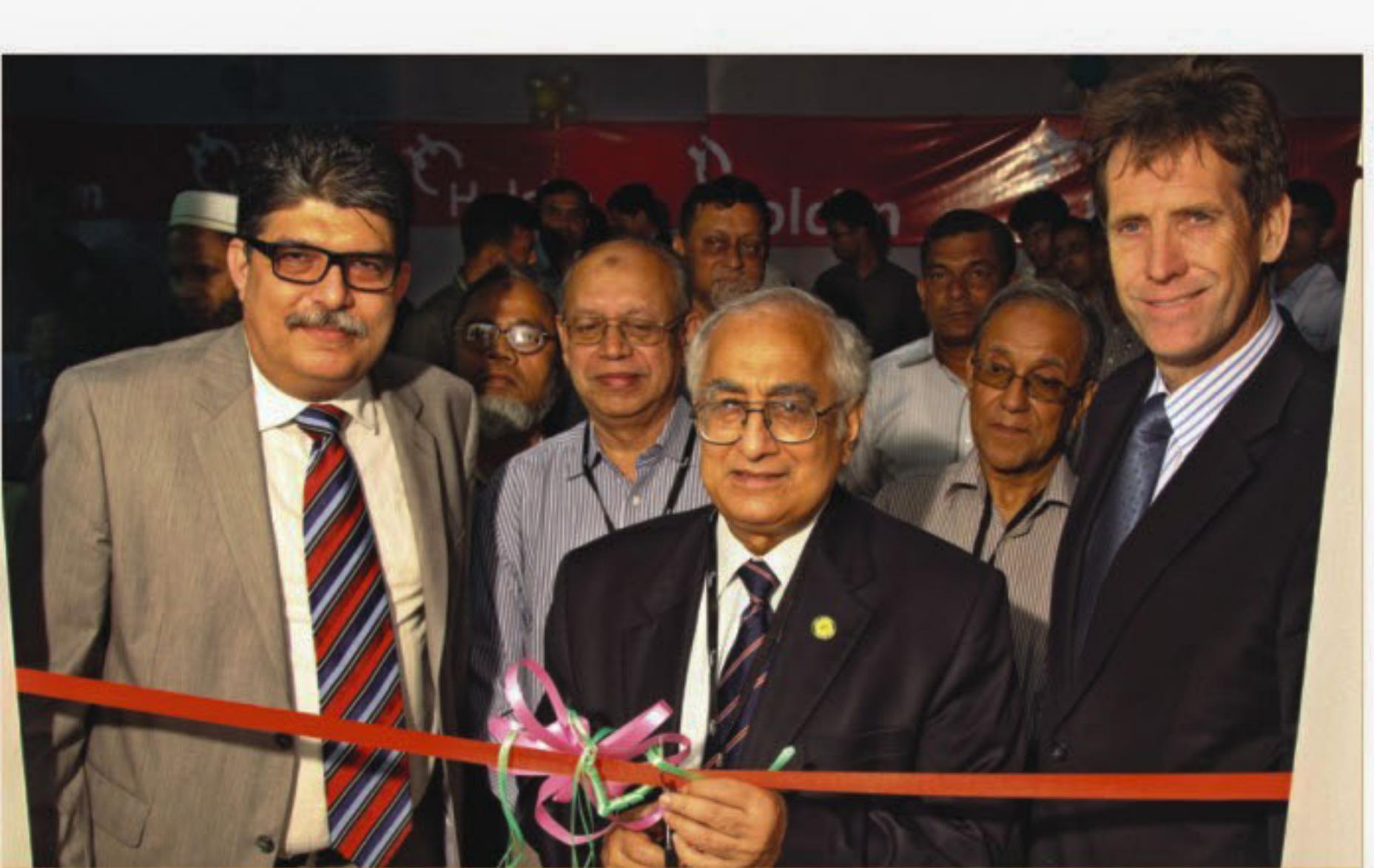
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Prof Jamilur Reza Choudhury inaugurates Holcim Concrete Innovation and Application Centre in Dhaka yesterday. Head of Holcim Southeast Asia Aidan Lynam, right, and Holcim Bangladesh Managing Director Rajnish Kapur, left, are also seen. Story on B1



BRAC Bank has recently signed a memorandum of understanding with Parkway Health of Singapore at the bank's head office in Dhaka to provide special healthcare services to the bank's premium customers and employees. Syed Mahbubur Rahman, managing director of BRAC Bank, was present.

