

Inflation key risk in South Asia: WB

STAR BUSINESS REPORT

Inflation in South Asian countries including Bangladesh remains a key downside risk to growth as policymakers face numerous challenges in reducing price pressures, the World Bank Global Economic Prospectus (GEP) said.

The GEP released yesterday said, "If inflation remains elevated, unless offset by exchange rate depreciation, it is likely to begin eating into the region's international competitiveness and discourage foreign investment, creating headwinds to gains in productivity."

According to Bangladesh Bank (BB) statistics, inflation has been going up continuously in Bangladesh, and in April it reached 10.67 percent. The current account surplus in the first nine months of the current fiscal year was one fourth -- \$689 million -- of that in the same period last fiscal year.

The exchange rate was Tk 73.56 against the dollar on May 31 which was Tk 69.32 just one year back.

The GEP said Bangladesh's current account surplus was due to a stronger pace of growth in imports over exports, falling terms of trade (driven by rising international food and fuel prices) and a major slowdown in worker remittance receipts.

The deterioration in the current account prompted the government to seek IMF funding to help maintain business and investor confidence, the report added.

The World Bank said the GDP growth has been picking up in Bangladesh where private consumption spending has been supported by higher private sector credit growth, and public- and private-sector wage increases.

At the sectoral level, rising agricultural output reflects good harvests, and strengthened industrial production has been buoyed by a revival in the garment exports.

The GEP said Bangladesh's output continues to be constrained by widespread power supply outages, which are expected to limit GDP gains to 6.2 percent in fiscal 2010-11 from 5.8 percent in fiscal 2009-10.

Bangladesh Bureau of Statistics (BBS) in the current fiscal year finalised its provisional estimate for GDP growth at 6.66 percent and final calculation at 6.04 percent.

Marketing guru creates buzz in city

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Marketing guru Philip Kotler yesterday shared his marketing insight with the students, academicians and government officials in Dhaka.

Kotler, who arrived in Dhaka on Tuesday on a three-day visit, talked about modern thoughts of marketing and its importance in a couple of sessions, exclusively designed for young marketers, faculties and government officials.

He at first met with young marketers to discuss modern thoughts of marketing and debate the marketing challenges faced by them at Mirpur Indoor Stadium.

During the one and a half hour session, he portrayed the significance of production, customer service and sales in maneuvering the marketing principles.

Kotler, a professor of international marketing at J.L. Kellogg Graduate School of Management of Northwestern University, is acclaimed for writing textbooks on marketing and broadening the idea of marketing.

He suggested providing a positive experience to customers because it is an essential tool in constructing affection towards the brand or in other words, becoming the fan of a brand.

For example, Volvo is not only a product but also portrays the experience of using the product, he said.

Later Kotler had an exclusive session with advisers, lawmakers, bureaucrats and other dignitaries at the Prime Minister's Office to discuss public service marketing.



Dr Philip Kotler makes a gesture during a lecture session at Mirpur Indoor Stadium yesterday.

The session focused on the magnitude of public service marketing and the positive impact it can bring to different government institutions through better efficiency and better delivery of service.

Kotler also met with academicians in the field of

management and marketing at the Senate Bhaban of Dhaka University.

Both public and private university academicians took part in the session where Kotler revealed his insights on the changing world context and how faculties should prepare

the future business minds.

Kotler, an icon in the academic arena for popularising a groundbreaking theory of marketing -- the Four Ps (Product, Price, Place, and Promotion) -- also announced the launch of his textbook 'Principles of Marketing' in Bangla.

Huawei handset on lowest radiation list

STAR BUSINESS DESK

Huawei Ideos X5 handset ranks fifth on the 10 lowest-radiation list, according to a research by CNET, the USIT media.

It was revealed in the research conducted at the end of the last month on highest and lowest SAR (specific absorption rate) rated cellular phones in the USA.

The World Health Organisation and its subsidiary investigative panel, the International Agency for Research on Cancer, or IARC, stated what many scientific studies suggested for decades: that there is a possible connection between mobile phone use and malignant brain tumours.

"This news raised global concern about Cell phone radiation levels," Huawei said.

"Cell phone radiation is always the most difficult

New top brass for NCC Bank

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Nurun Newaz Salim has recently been elected chairman of NCC Bank, the bank said in a statement.

A sponsor director of the bank, Salim was the vice chairman of the bank and chairman of the executive committee.

He is also the chairman of Electro Mart Ltd and Trade International Marketing Ltd.

The bank also elected Mostafizur Rahman Dulal as vice chairman. He is the chairman of Crown



Nurun Newaz Salim

Banglalink revenue shoots 27pc

ABDULLAH MAMUN

Banglalink's revenue rose by 27 percent to \$126 million in the first quarter of 2011, compared to the same period last year.

The telecom operator achieved 3 percent growth in revenue in the first quarter of 2011 over the last quarter, because of higher pre-paid revenues, according to a report posted on the website of Orascom Telecom Holding that owns Banglalink.

Bangladesh's second largest mobile phone operator reached a subscriber base of 20.1 million, 42 percent more than the same quarter of the previous year.

"In keeping with the high subscriber growth trend, our Bangladeshi operations not only increased its customers by 42 percent compared to the previous year, but also showed revenue growth of 27 percent year on year," said Khaled Bichara, Orascom executive chairman.

The company achieved EBITDA (earnings before interest, taxes, depreciation and amortisation) of \$45 million in the

first quarter in 2011 -- a 6 percent rise from last year. The EBITDA margin decreased to 36 percent in the quarter from 43 percent last year.

On a quarterly basis, the EBITDA margin increased because of higher revenue and lower subsidy in subscriber acquisition costs in the form of SIM tax, according to a statement.

According to Banglalink's first quarter, the aggressive subscriber acquisition and penetration of lower segment customers caused a dilution of 14 percent in annual revenue per user that is now \$2. It was \$2.3 in the same quarter last year.

The operator has a market share of 27.6 percent, down from 28.5 percent last year.

Banglalink's capital expenditure (CAPEX) in the first quarter of 2011 was \$13 million, down by 78 percent in comparison to the company's aggressive rollout plan for the same time last year. In the past year, total CAPEX stood at \$59 million.

abdullah.mamun@thedailystar.net

IBCCI gets new office bearers



Abdul Matlub Ahmad

Debabrata Datta

Dewan Sultan Ahmed

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Abdul Matlub Ahmad, chairman of Nitlo-Niloy Group and Debabrata Datta, country head of State Bank of India, have been elected president and vice president of India-Bangladesh Chamber of Commerce and Industry (IBCCI) for 2011-2013.

Dewan Sultan Ahmed, managing director of Bangladesh System Technology Ltd, was elected as vice president on Tuesday, the association said yesterday in a statement.

Indrajit Lahiri, chief executive of Asian Paints, was elected as the honorary secretary general and Md Abdul Wahed, managing director of Quality Enterprise and Md Bazlur Rahman, managing director of B R Spinning Mills, were elected as honorary joint secretary general and honor-

ary treasurer respectively.

They were elected after a new 16-member board of directors of the chamber was elected on June 5.

Other members of the board are: N Ramchandran, country manager, Tata Motors; M J Sheikh, CEO of Ion Exchange Environment Management (BD); Zillur Rahman, managing director, Logistic Group; J P Victoria, country manager, Asian Consumer Care; Abdul Hannan Ratan, managing director, Ratan Food Industries; Rohit Jaiswal, managing director, Marico Bangladesh; Anil Kumar, country manager, The Arvind Mills; MRA Taha, chairman, Remex Corporation; Shafquat Haider, managing director, CIPROCO Computers and Prasanta Das, national sales manager of Sun Pharmaceuticals.



Rupali Chowdhury, managing director of Berger Paints Bangladesh Ltd, and Kaniz Almas Khan, managing director of Persona, attend the prize giving ceremony of Berger-Persona Valentine's Day event at Uttara in Dhaka on Monday.



KS Tabrez, managing director of Dutch-Bangla Bank, attends a daylong workshop on "SME financing: Importance and operations" at the bank's head office in Dhaka recently.

Stocks end flat on profit-taking

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Stocks closed flat as investors booked profits, manifesting they are still a bit unsure of what steps the government is going to take on the market through today's national budget.

The benchmark general index of Dhaka Stock Exchange, or DGEN, gained 7 points, or 0.12 percent, to close at 5,949.

The selective categories index of Chittagong Stock Exchange, CSCX, added 6 points, or 0.06 percent, to close at 10,634.

Investors anticipated that the government will not allow investment of undisclosed money in the stockmarket; as a result they booked profits, said a market insider.

The government should take investor-friendly steps to prop up the market, he adds.

Mutual funds caught imagination of general investors as their expected net asset value is likely to be better, said Green Delta Securities. Mutual funds gained 2.13 percent. Of 35 issues, only two closed negative.

Turnover on the DSE was Tk 771 crore, down 12.11 percent from the previous session.

Banking issues, which make up more than one-third of market capitalisation, gained 0.09 percent. Of 30 issues, nine closed positive.

ICC sits with global businesses to prepare for G20 Summit

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The International Chamber of Commerce (ICC) consulted with companies from around the globe in Mexico City this week to consolidate positions on a host of issues for delivery at the upcoming G20 Summit.

Participants at the ICC G20 Advisory Group meeting that took place on the sidelines of the World Chambers Congress in the Mexican capital included Maria de Lourdes Aranda Bezaury, under-secretary of foreign affairs of Mexico, Harold McGraw III, vice-chairman of ICC and other chief executives and chambers of commerce leaders representing businesses large and small.

The G20 Advisory Group is channelling its efforts ahead of the G20 Summit to be held in Cannes, France, on November 3-4 to ensure that the interests of the private sector are taken into account by the G20 leaders in trade, economic growth and job creation.

"Getting input and recommendations straight from the private sector which is creating jobs and opportunity around the world is crucial for the economic success of the upcoming G20 Summit," said McGraw, according to a statement of ICC.