

Yunus spurs Malaysians on social business

STAR BUSINESS REPORT

Nobel laureate Professor Muhammad Yunus has called upon the new generation of Malaysia to put their talents and energies to solving the problems of society using their innovation, creativity, resources and technology.

The microcredit pioneer made the call during the launch of the Nobel Laureate in Residence programme at the Universiti Kebangsaan Malaysia in Bangi, Selangor, on Friday, said Yunus Centre in a statement.

The 2006 Nobel Peace Prize winner has accepted an offer to become Laureate-in-Residence at UKM, and delivered the inaugural lecture to an audience of over 2,000 faculties and students on social business as a way to solve society's most pressing problems.

Dr Sharifah Hapsah Syed Hasan Shahabudin, vice chan-

cellor of the university, introduced Prof Yunus and his work so far to the programme, which was officially inaugurated by the secretary general of the higher education ministry.

The ministry initiated the Nobel Laureate Programme in 2001, inspired by a vision of former Malaysian Prime Minister Mahathir Mohamed to generate a Malaysian Nobel Prize winner by 2020.

The government has developed strategic plans to make the vision a reality and has allocated special resources to develop the necessary infrastructure and human capital for the purpose. The UKM's Nobel Laureate in Residence programme is part of that overall strategy.

In his speech, Prof Yunus said developing microcredit and social business in Bangladesh taught him about the potential of all people to change their

own lives for the better.

He called upon the new generation to work and put their talent and energies to solving the problems of society with their own innovation and creativity and with the resources and technology available to them today.

The Nobel Laureate in Residence invited Yunus to stay at UKM for one month to one year, with a full-time teaching position, full accommodation and access to all facilities.

UKM is a university based in Bangi, Selangor with more than 25,000 students. It is also known for introducing the PermataPintar initiative, a nationwide initiative to identify and nurture gifted children through specialised teaching programmes.

Yunus was in Malaysia on Friday for a three-day visit before going to Japan to attend the Asian Forum for Social Business to be held in Fukuoka.

Gold soars above \$1,600 for first time

AFP, London

The price of gold soared above \$1,600 for the first time on Monday as investors bought the safe-haven metal amid deepening debt worries in the eurozone and the United States.

Gold jumped as high as \$1,603.40 an ounce at 1150 GMT on the London Bullion Market, as the precious metal extended its recent record-breaking surge.

In later slipped back to \$1,599.45, compared with \$1,587 late Friday.

"Gold hit another milestone ... at \$1,600 as investors lose confidence in the ability of politicians to get to grip with the debt problems weighing down on sentiment," said analyst Michael Hewson at trading group CMC Markets.

"More advances look likely while this lack of confidence prevails as investors plough capital into the asset."

The precious metal is widely regarded by investors as a safe-haven in times of global economic turmoil, with investors looking ahead anxiously to Thursday's Brussels summit of eurozone leaders trying to tame a growing debt crisis.



BERGER
Rupali Chowdhury, managing director of Berger Paints (BD) Ltd, cuts a ribbon to inaugurate a branch of the company in Uttara, Dhaka, on Sunday.



BLMEA
Nasser Rahman, president of Bangladesh Label Manufacturers and Exporters Association, presides over the association's ninth annual general meeting at Lakeshore Hotel in Dhaka on Thursday. Other office bearers of the executive committee also attended the meeting.



BEPZA
BEPZA Member Md Moyjuddin Ahmed and Chairman of Hua Xiang Jute Products Company Chen Pingnan exchange documents after signing a deal in Dhaka on Sunday. The China-Thailand joint venture will invest \$30.199 million to set up a jute products manufacturing unit at Mongla Export Processing Zone. BEPZA Executive Chairman ATM Shahidul Islam, middle, was also present.

Stocks fall Sunday on Muhith's comments

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Stocks declined on Sunday after an eight-day gaining streak as investors sold shares to book profits, after the finance minister indicated market manipulation might be at work again.

The Dhaka Stock Exchange's benchmark index DGEN lost 91 points, or 1.39 percent, to close at 6,486.

On the port city's bourse, the selective categories index of Chittagong Stock Exchange, CSCX, the indicator of CSE lost 174 points or 1.46 percent, to close at 11,754.

The market started off on a negative note as most of investors placed selling orders, losing 40 points at 11:05am.

Finance Minister AMA Muhith said on Thurs-

day that the surge in prices of shares was not a good sign for the capital market. "I don't like the way the market is rising. No new funds have flowed into the market. It's the old players who are putting their money back in," he said.

Prof Salahuddin Ahmed Khan, who teaches finance at Dhaka University, said: "Investors went for profit-taking as the market continued its bull-run for eight days."

Some low-profile shares behaved abnormally without any price sensitive news in the market, said Khan, also a former chief executive officer of DSE.

The banking sector lost 1.86 percent, non-bank financial institutions 1.50 percent, telecoms 1.67 percent, fuel and power 1.20 percent and pharmaceuticals 0.49 percent.

Of the total 262 scripts traded on the DSE floor, 42 advanced, 213 declined and seven remained unchanged.

Turnover on the premier bourse stood at Tk 1,157 crore, 31.3 percent down from the previous day's Tk 1,683 crore.

Keya Cosmetics was the biggest gainer of the day, posting a 5.5 percent rise, while ACI Formulations was the worst loser, slumping by 5.2 percent following their half-yearly earnings publication, said BRACEPL in a market analysis.

Bextex topped the turnover leaders with 13.80 lakh shares worth Tk 49.9 crore changing hands.

The other turnover leaders were MJL Bangladesh, United Commercial Bank, Beximco, One Bank, United Airways, MI Cement Factory, Fu-Wang Food and Social Islami Bank.

World economy to keep strong but risks abound

REUTERS, London

The world economy should expand steadily this year and next thanks mainly to prospering emerging powers, a Reuters poll showed, but fiscal troubles lurking in Europe and potentially the United States risk blowing this view apart.

The quarterly survey of more than 350 economists from all over the world showed a dimmer outlook for most of the rich-world Group of Seven economies since the last survey in April.

Only Germany, booming thanks to buoyant exports, is expected to post growth averaging more than 3 percent this year. Elsewhere, fiscal austerity in Europe and growing debt fears have soured analysts' sentiment.

By contrast, emerging powers like China have enjoyed near double-digit annual growth rates since the global recession -- but they face risks of their own, struggling to contain rampant inflation that has accompanied fervent growth.

Economists pointed to the fiscal crisis raging in the euro zone's peripheral countries and the politi-

cal deadlock in the United States surrounding an increasingly urgent lift to the country's legal debt ceiling as the biggest risks to global economic growth.

"If the (euro zone) debt crisis is mishandled, it's a major threat. But it's a threat comparable to the mishandling of the US sovereign debt crisis. It's six and two threes," said Willem Buiter, chief economist at Citi.

The poll showed the world economy expanding 4.1 percent this year and 4.3 percent next year, little changed from April's survey.

Buiter said that authorities in emerging markets are largely behind the curve in monetary policy, which could leave open the prospect that their boom could become a bubble and then a bust -- but not for a couple of years.

While economists cut their U.S. economic outlook compared with a poll published last month, they still see the United States performing better this year than struggling European peers like Britain, Italy and France.

They saw the U.S. economy growing an average 2.5 percent

this year, before picking up to 3.0 percent next year -- comfortably in excess of the sub-2 percent growth rates seen for this year for Europe's G7 members, excluding Germany.

"It was the surge in oil and gasoline prices that hurt the (U.S.) economy the most in the first half, and now that they're down, that should take the weight off," said Mark Zandi, chief economist of Moody's Analytics.

The dimming U.S. outlook has had a knock-on effect for Canadian growth prospects this year, with economists applying a hefty downgrade to their quarterly growth profiles.

Still, the focus over the next few months will be averting sovereign defaults in both the euro zone and the United States. While the euro zone question is one of fundamental solvency, most notably in Greece, the US problem is a political one.

Economists remain confident that US lawmakers will reach a deal to raise the government's debt ceiling. All but two of 40 economists polled said a deal would be reached.

"They will squeak something out, but the odds of failure have increased," said Chris Lowe, chief economist for FTN Financial and one of the economists surveyed.

The poll was conducted from Friday to Wednesday and was completed before House Republican leader Eric Cantor said President Barack Obama walked out of a meeting on Wednesday evening, escalating concerns about the negotiations.

Lawmakers disagree over budget deficit reduction measures that are a condition for extending the legal \$14.3 trillion borrowing limit -- needed so the US government can fund its commitments next month.

In Europe, Greek Prime Minister George Papandreou said the euro zone and International Monetary Fund must quickly approve a bailout to avoid a collapse of Greece's economic reform plans.

While Germany has recently topped the European -- and G7 -- growth charts, peripheral strugglers like Greece, Ireland, Spain and Italy will drag hard on the euro zone's economic performance.

Greek efforts can inspire world: Clinton

AFP, Athens

US Secretary of State Hillary Clinton on Sunday said Greece's "resilience" in tackling its huge debt could inspire the world, as she expressed Washington's support for the government's efforts.

"I have faith in the resilience of the Greek people," Clinton said at the start of two days of talks with Greek leaders in Athens. "I applaud the Greek government on its willingness to take these difficult steps. Greece has inspired the world before, and I

have every confidence that you are doing so again," she said after meeting counterpart Stavros Lambrinidis.

"We stand by the people and government of Greece as you put your country back on a path to economic stability and prosperity," Clinton said.

The message was intended to boost the embattled Socialist administration of US-born Prime Minister George Papandreou, who has laboured to enforce tough reforms demanded by Greece's creditors over the past year.

More Chinese cities see home prices fall in June

AFP, Beijing

More Chinese cities saw prices of new homes fall in June compared with the previous month, official data showed Monday, as Beijing vowed to step up efforts to cool its real



AFP
A gold buyer hands pamphlets in the centre of Madrid yesterday. The price of gold surged above \$1,600 per ounce for the first time in history, as investors bought the safe-haven metal amid deepening debt worries in the eurozone and the United States.

Merkel calls for European ratings agency

AFP, Berlin

German chancellor Angela Merkel called Sunday for the creation of a European ratings agency, on the back of recent discontent over the downgrading of some EU economies.

"It is important in the medium term that Europe also has a ratings agency," she said in an interview with public broadcaster ARD.

"The Chinese now have a ratings agency themselves," the chancellor said, referring to the Daogong agency.

"We cannot of course create one through the states," she said.

But she would welcome it if the European economy managed to set up a ratings agency, she added.

On Wednesday, German Finance Minister Wolfgang Schaueble said he wanted to break the power of ratings agencies to limit their influence after controversial decisions in the eurozone debt crisis.

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