

Economists stress deeper regional links

Commemorative lecture focuses on Swadesh Ranjan Bose and his works

STAR BUSINESS REPORT

Economists in a commemorative lecture on Swadesh Ranjan Bose yesterday stressed the need for increased regional connectivity to achieve expected economic growth.

"The cost of non-cooperation is very high," said Prof Mustafizur Rahman, executive director of Centre for Policy Dialogue at the city's BRAC Centre Inn.

Referring to the works of Swadesh Ranjan Bose, Rahman said the scholar had done excellent work on regional cooperation decades back.

Bose, whose life spanned from 1928 to 2009, was an economist who served the World Bank, the then Pakistan Institute of Development Economics and Bangladesh Institute of Development Studies (BIDS). He completed his MA in economics in 1960 from Dhaka University.

"The works of Bose could have been a massive source of information for regional cooperation, had they been published earlier," Rahman said.

The time has come for regional connectivity and regional cooperation, he said. Bose realised the



Finance Minister AMA Muhith, centre, poses with the two volumes of the collected works of Swadesh Ranjan Bose at the books' launch at BRAC Centre Inn in Dhaka yesterday. Former finance minister M Syeduzzaman, third from right, is also seen.

importance of regional cooperation and regional connectivity in the early 1960s, he said.

While moderating the discussion, former finance minister M Syeduzzaman said Bose's thoughts were pragmatic and realistic, far from any dogmas.

Finance Minister AMA Muhith said Bose had been treated in the Pakistan regime as an ordinary person in prison as the then Pakistani government rarely honoured people like him.

"Bose thought about the dynamics of regional cooperation many years back. The importance of regional connectivity and cooperation has surfaced now for achieving the economic growth in the region," Muhith said.

Muhith suggested the editor of two books of Bose publish a third volume so that people can learn about the unpublished works of the economist.

The University Press Limited

has recently published the collected works of Bose in two volumes edited by his son Jaseem Ahmed.

Of the two published volumes, the first is on regional cooperation for development in South Asia and the second is a rich anthology of essays on economic policies, inequalities and problems of development.

The rationale and various forms of regional economic cooperation, the relative economic

conditions of the South Asian countries and their intra-trade, implications and probable effects of mutual free trade and cooperation of planning between India and Pakistan, market sharing and specialisation -- a few more examples -- fertilisers, chemicals and paper -- are mainly discussed in the first volume.

Major contents of the second volume feature East-West contrast in Pakistan's agricultural development, some basic considerations of agricultural mechanisation in West Pakistan, the cost of draft animal power in West Pakistan, labour force and employment in Pakistan, 1961-86; a preliminary analysis, foodgrain availability and possibilities of famine in Bangladesh and the price situation in post-liberation Bangladesh: a preliminary analysis.

BIDS organised the lecture on the occasion of Bose's book launching ceremony.

Prof Sanat Kumar Saha, Dr Mahabub Hossain, executive director of BRAC, Quazi Shahabuddin Ahmed, former director general of BIDS, and Dr Mustafa K Mujeri, BIDS director general, also spoke.



Ejaz Ahmad, founder and president of Bangladesh Youth Leadership Centre (BYLC), and Asif Saleh, director of communications for BRAC and BRAC International, sign an agreement on Wednesday at a programme in Dhaka. BRAC will fully finance refurbishment of BYLC's new leadership training centre at Baridhara in the capital. Sir Fazle Hasan Abed, founder and chairperson of BRAC, was also present.

Sonargaon hotel gets new sales director

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MA Awal has recently been promoted to director for sales and marketing of Sonargaon Hotel in Dhaka, the hotel said in a statement yesterday.

Awal's promotion has been effective from July 1,



Stocks rise for fifth week as markets get boost

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Stocks gained for a fifth week as Grameenphone's 140 percent cash dividend declaration and the government's decision to double capital requirement for non-bank financial institutions boosted the market last week.

The benchmark general index of Dhaka Stock Exchange, DGEN, rose 82 points, or 1.26 percent, to 6,660. The yardstick of DSE gained 884 points, or 15.15 percent in the last five weeks.

There were four trading sessions instead of five in the week as Monday was a public holiday on account of Shab-e-Barat. Among the four trading sessions, only the first lost.

Daily average turnover value stood at Tk 1,552 crore, down 0.6 percent from the previous week's Tk 1,562 crore. Total turnover value declined by 20.5 percent from the previous week's value standing at Tk 6,208 crore. Four trading sessions took place last week.

Turnover on the twin bourses rose to its highest on the last day of the week since the December 8 market crash, buoyed by cheerful investor activities.

Grameenphone, which represents the telecoms sector, gained 19.82 percent, to become the top gainer.

The liquidity flow to the stockmarket has improved in the last few weeks as the small and institutional investors went for fresh buying of shares, said Prof Mahmud Osman Imam, who teaches finance at Dhaka University.

Akter H Sannamat, a market analyst, said the market gained for a fifth week as huge demand for shares was perceived in the market.

"Now we should work to increase supply in the market to adjust demand and supply," said Fakhor Uddin Ali Ahmed, president of Chittagong Stock Exchange.

The shares of state-owned firms need to be offloaded as early as possible, Ahmed said.

However, the finance ministry has approved the Bangladesh Bank proposal to double minimum paid-up capital of the non-bank financial institutions to Tk 100 crore by next June.

Of 268 issues traded, 139 advanced, 121 declined and eight remained unchanged during the week.

All major sectors such as banks gained 0.35 percent, pharmaceuticals 0.53 percent, fuel and power 2.78 percent, IT 10.09 percent, textile 5.10 percent and life insurance 3.27 percent while non-bank financial institutions lost 0.3 percent, cement 1.16

Express Scripts takes \$14b bridge loan

REUTERS, New York

Express Scripts is syndicating a \$14 billion bridge loan that will help finance its \$29.1 billion acquisition of rival Medco Health Solutions, banking sources said on Friday.

The 364-day bridge loan, being arranged by Credit Suisse and Citigroup, is the biggest loan underwriting since a \$20 billion underwriting done solely by JP Morgan in March to help AT&T raise money to buy T-Mobile USA from Deutsche Telekom.

Express Scripts on Thursday announced an agreement to buy Medco for \$71.36 per share to create a powerhouse in managing prescription drug benefits.

The jumbo M&A loan is a benchmark deal for the U.S. and global loan market and sends a clear message of confidence that banks are able to underwrite multibillion-dollar loans despite difficult capital market conditions.

"Size is always challenging, but this company hits all of the points in terms of ability to syndicate, ability to access the bond market, the stability of the business, and it's a name that people have a lot of



Mahbubur Rahman, centre, president of International Chamber of Commerce Bangladesh, speaks at a workshop on Islamic trade finance organised by the chamber in the capital yesterday.

ICCB chief spurs banks on Islamic finance

STAR BUSINESS DESK

Bangladesh Bank should allow more commercial banks to open Islamic banking branches, considering the success of such banking, and to provide better services to customers, said the chief of an influential chamber.

Mahbubur Rahman, president of International Chamber of Commerce Bangladesh, yesterday said Islamic banking in Bangladesh continues to show strong growth since its inception in 1983. At present, of 48 banks, only seven private commercial banks are operating as full-fledged Islamic banks.

Rahman spoke at the opening of a daylong workshop organised by the chamber on Islamic trade finance in Dhaka.

Besides, only 21 branches of 10 conventional banks, including two foreign banks, are engaged in Islamic banking in the country, he added.

Rahman mentioned that the current global financial crisis has accentuated the urgent need to embark on one of the most radical reshape of the international financial system.

The attitudes and the approaches articulated by the advocates and the opponents of both schools of thought (govern-

ment intervention and free market economy) have so far failed to deliver a viable long-term solution to the crisis or to prescribe a practical mechanism on how to deal with its consequences and implications, the ICCB chief said in a statement.

"Islamic banking has become very popular, particularly in the Muslim countries as it offers an excellent alternative to the customers."

The principles of Islamic finance advocate fairness in payoffs and reward structures and embrace socio-economic justice amongst all. The rules of Shariah unconditionally prohibit Muslims from taking part in any transaction that might involve fraudulence, dishonesty, exploitation and ambiguity.

Therefore, it would be fair and sensible to claim that each and every financial activity that complies with the Shariah rules and guidelines is a socially responsible activity, said the ICCB chief.

Mamun Rashid, chairman of ICC Bangladesh's standing committee on banking, technique and practices; M Azizul Huq, chairman of Shariah supervisory board of City Bank, Dhaka Bank and Pubali Bank, and Aatur Rahman, ICCB secretary general, also spoke. Some 77 participants from different banks attended the workshop.



Children sing at a workshop on "Sustainability of Rights-based Organisation: Corporate Social Responsibility" at IDB Bhaban in the city yesterday. Aparajeyo-Bangladesh, a non-profit organisation, organised the event in association with Manusher Jonno Foundation, another non-profit organisation.

More funds sought for disadvantaged children

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The government should increase budgetary allocation for the child population, especially the disadvantaged segment, to make the country's future secure, speakers at a workshop said yesterday.

The call came at a workshop on "Sustainability of Rights-based Organisation: Corporate Social Responsibility" at the IDB Bhaban in the city.

Aparajeyo-Bangladesh, a non-profit organisation dedicated to the cause of disadvantaged children, organised the event in association with Manusher Jonno Foundation, another non-profit organisation.

There are about 6.5 lakh street children in the country, according to a 2005 estimate. There are also thousands of children engaged in the labour market.

Wahida Banu, executive director of Aparajeyo-Bangladesh, who chaired the workshop, said the government will have to create a habitable environment for the new-born otherwise the whole country would be held responsible for contributing to sins they will commit later.

"Unfortunately, the society is not yet sufficiently educated about the problems of children. We do not know in which direction our young genera-

tion is heading."

Wahida Banu said the government would not be able to achieve its Digital Bangladesh vision if investment for children is not boosted substantially.

Banu urged the government to emphasised child education and health. "We need support from all quarters morally and financially."

She also called on the country's cash-rich corporate sectors to set aside a small part of their profits for the present and future generations.

Speaking as the chief guest, Jahangir Kabir Nanok, local government and rural development state minister, said the country should draw up long-term plans for the betterment of the disadvantaged children.

"We have to cut our reliance on foreign aid to run projects," he said.

The ruling party lawmaker said the country has travelled backward due to "our narrow political mindset." "We have to come out of this and fix priorities."

Amina Khatun, programme manager of Aparajeyo-Bangladesh, said the condition of the floating children is worrying. "We have to help them develop efficiently so that their talents should be utilised to rid the society of evils and social disintegration."



Michael S Potter, chief executive officer of Apollo Hospitals Dhaka, and Akhter Ahmed, managing director of Reliance Insurance Ltd, sign a deal at a programme in Dhaka recently. Insured members will get priority corporate benefits and medical services from the hospital.



Phalguni Kundu, chairman of Otobi Ltd, inaugurates Klost that will house fashion items for men and women, at Otobi Centre in Dhaka recently.