

# Skills a must for stockmarket growth

MD FAZLUR RAHMAN

**B**ANGLADESH should opt to build capacity and develop talent to give its stockmarket a strong foothold, a financial analyst says.

"It is a growing market and has a lot of potential. This is the time to look at capacity building and this is the time to go for talent development," said Arwa Tapia, regional head of Chartered Institute for Securities and Investment (CISI).

The London-based CISI is the largest and most widely respected professional body for those working in the securities and investment industry in the UK and in a growing number of major financial centres round the world.

Evolving from the London Stock Exchange, it now has more than 40,000 members in 89 countries. In the past year, CISI set almost 40,000 examinations in over 70 countries, covering a range of vocational qualifications.

The institution came into being in 1992 when members of the London Stock Exchange decided a non-profit organisation was needed to promote high levels of professional excellence, integrity and ethics.

CISI has forged a partnership with Capital Institute of Finance and Investment (CIFI) to deliver the portfolio of services offered and available from CISI to the capital markets professional and prospective students in Bangladesh.

An establishment of CISI in Bangladesh will provide a higher level of training and qualifications to the local individuals working in the capital markets and regulatory establishment. These professional qualifications can be used and recognised outside Bangladesh due to its international credibility and recognition in the financial industry.

CIFI also has local training partners that include a private university in Dhaka that will work in collaboration to provide relevant training for CISI locally.

The CISI has offices in Dubai, Dublin, Edinburgh, London, Mumbai and Singapore. The institution also has a plan to set up a full-fledged office in Dhaka, but it will take time, said Tapia.

She said their strategy in Bangladesh is to complement what the country already offers and not compete with it.

"We have a module that has a global focus. We stick to that motto. In



RASHED SHUMON

Arwa Tapia, regional head of Chartered Institute for Securities and Investment, talks of the importance of developing skilled personnel in the stockmarkets.

every country there is a local body offering certification. We do not have problems with that. Our target is to help enhance the knowledge of the people."

"You can have additional certification for knowledge and performance. If it is possible, then we will start first to work with the regulator to further develop the qualifications being offered, which are required in terms of a wider initiative."

"We always work in a partnership approach. Approaching the regulator is always the first step. In some countries, the regulators have mandated a qualification for the industry. In many of the Middle Eastern countries, for example, the regulator has made qualifications mandatory, which means that you will not be allowed to operate in the financial industry without taking those examinations."

"If you want to attract investment

in to the country, I think one of the key factors is talent. If you do not have the right people, you cannot grow."

Tapia thinks Bangladesh should not worry about the downward trend in the stockmarket, which have been continuing for the last seven or eight months. "The markets are not doing well in many countries like the US and European markets. In India, it is highly volatile. Sometimes it goes up one thousand points and then goes down thousands points. Bangladesh is just one of them, as all markets are the same."

"We are here to offer a qualification so that it can help a market mature and grow. We want to build the talent pool that can meet the challenges of the market," she tells The Daily Star in an interview.

Tapia is well aware of the stockmarket situation in Bangladesh, which went onto becoming one of the fastest growing markets in the world

only one year ago, before it became one of the worst performing markets globally recently.

"We have talked to a number of people who are actively engaged in the market. Most of them said that they have now realised that something is lacking."

"It is high time to mend the lacking. When the market was going up, they did not realise what the market needs," she says.

"When the market was up, people seemed to be very busy. All were happy. They did not recognise what is important for the market. They do not put in the time to think about the lacking."

"They have now realised that their portfolio management is not efficient. They have also realised that their employees should be properly trained. As the market has gone down, now they will do their financial planning properly."

The chartered accountant said the country's stockmarket retailers can also benefit from what the CISI-CIFI would jointly offer. "We have modules for them."

"All will benefit from the knowledge CISI will bring in to the Bangladesh capital market. We are also here to help the regulatory body."

"It is all about skills development. For any market to mature and grow, you need to have a right environment. And we are here to offer a qualification essentially and build the talent pool, which can help meet the challenges of the market."

She said the country needs foreign partners. "To get foreign partners, you need to have the right kind of people and environment."

During her visit, she met top officials of Securities and Exchange Commission and Dhaka Stock Exchange.

fazlur.rahman@thedailystar.net

*"If you want to attract investment in to the country, I think one of the key factors is talent. If you do not have the right people, you cannot grow. We are here to offer a qualification so that it can help a market mature and grow. We want to build the talent pool that can meet the challenges of the market"*

# Focus on manufacturing to create jobs

SUMAN SAHA

**B**ANGLADESH should focus more on development of the manufacturing sector as it will ensure the highest number of employments, says a noted Indian economist.

"The country is facing a huge unemployment problem. Large scale industrialisation can solve the problem," says Samiran Chakraborty, regional head of research for India at Standard Chartered Bank.

He says the manufacturing sector of the country contributes nearly 20 percent to the national economy. But it is not enough to accommodate a growing number of job-seekers.

Rapid growth of the manufacturing and service sector can be an optimal solution as these sectors generate huge employment opportunities, says Chakraborty at an interview with The Daily Star in Dhaka recently.

He says Bangladesh has the ability to achieve seven percent growth as the country has a couple of unique advantages, such as demography and niche businesses.

But it probably depends on how the government can handle the energy and power issue, says Chakraborty. "If the government is able to supply the promised power, the country can certainly attain the 7 percent growth trajectory," he adds.

Chakraborty, who has in-depth knowledge on financial markets in India, says India achieved growth momentum in 2003-04 because the



Samiran Chakraborty

government had undertaken several reforms.

India plans to open up the financial markets and encourage more foreign direct investment and foreign portfolio investment, he says.

He says India spent huge sums of money for

infrastructure development in 2008 that gave a big boost.

Bangladesh can apply this growth model. But the growth strategy should compliment the policy reforms, says Chakraborty.

He says seven percent growth means the economy will double in the next ten years and per capita income would reach nearly \$1200. But the challenge mainly remains in reducing the poverty rate.

Chakraborty, who also worked as chief economist for ICICI Bank in India for 5 years, says Bangladesh can attract more foreign investment through information dissemination.

He says the country should host numerous roadshows and ask investment communities to invest by depicting the investment opportunities, incentives and regulations.

The government should also provide necessary information in attracting investment, says Chakraborty, who was a faculty of Delhi School of Economics for 5 years prior to moving to the corporate sector.

He says the policy makers must listen to the problems raised by the prospective investors, and promptly solve these problems.

Otherwise the flow of investment will be hampered because the ability to attract foreign investment largely depends on the ease of doing business as well as political stability, he adds.

He says the optimum strategy would be to make all information open to all. And for this, transparency is very important.

People's mindset also needs to change, he says. It is a globalised world and Bangladesh needs to be a part of it, adds Chakraborty.

suman.saha@thedailystar.net

*"If the government is able to supply the promised power, the country can certainly attain the 7 percent growth trajectory"*