

Rural areas take more consumer goods

STAR BUSINESS REPORT

Rural people have outpaced their urban peers in using advanced consumer goods as a surge in income level and agricultural output and steady remittance flow brought changes to lifestyle in the countryside.

The rural population accounted for 51 percent of the country's total lifestyle products and services consumption in 2010, making the rural areas the next growth markets for both local and foreign brand heavyweights, according to an independent study.

This was revealed at a seminar on "Consumption & Media Habit of Rural Bangladesh: A New Paradigm" at the Westin Hotel in the city.

Nielsen, a global marketing and advertising research company, conducted the "Nielsen Media and Demographic Survey", focusing on people's lifestyle, consumption patterns and media habit.

While presenting the study result, Khalid Hasan, managing director of Nielsen Bangladesh, said the study found the average monthly income nearly doubled to Tk 10,000 and calorie intake went up to 2,300.

The study showed about half of the incomes is spent on food, followed by spending on education and clothing.

He said their expenditure for fast moving consumer goods (FMCGs) has increased sharply. About 22 percent spend on soaps, 20 percent on fairness cream, 19 percent hair oil, 16 percent lotion and 13 percent on shampoo.

The use of toothpaste and intake of soft drinks, packaged food and oil, tea, noodles, condensed milk are all on the rise



Aman Ashraf Faiz, deputy director of Grameenphone, speaks at a seminar on "Consumption & Media Habit of Rural Bangladesh" at the Westin hotel in Dhaka yesterday. Aly Zaker, CEO of Asiatic Marketing Ltd, Ashraf-Bin Taj, business director of ACI Ltd and Khalid Hasan, managing director of Nielsen Bangladesh, are also seen.

substantially, said the Nielsen local chief.

He said the countrywide improved road network has also contributed to their lifestyle changes, as 40 percent rural population now live within a 20-minute walk to a bus station.

Hasan said about 77 percent of Bangladesh's about 160 million population were born after 1971. About 32 percent of the population is young, aged between 10 and 24 years.

He said the number of people living in the bottom pyramid has also shrunk from 59 percent in 1991 to 32 percent in 2011. The number will further go down to 15 percent in 2021.

Rural areas account for 102 million people.

Hasan said increase in agricultural output, steady remittance flow, income generating activities and impact of NGO activities have contributed to reducing rural poverty by over 8 percentage points in five years to 34.2 percent in 2010 from 43.8 percent in 2005.

But the study painted a dark picture for uses of media, as 26 percent of the rural population still does not have any access to television, radio, newspaper, cinema, mobile and other communication vehicles, whereas the national average is 20 percent.

It showed that 67 percent people have television access and 59 percent are connected to mobile network, 21 percent read newspaper once a week and 14 percent listen to the radio.

The TV ownership has tripled in the last decade from 14 percent to 43 percent. About 62 percent rural people watch TV at home while 22 percent go to neighbouring houses.

Bangladesh Television is the most watched television channel in rural areas. 91 percent say they watch programmes on the state-run television channel. It is followed by ATN, with 37 percent, Channel i with 32 percent and NTV with 31 percent.

Cable connection grew by 13 times to 39 percent from a mere 3 percent in 2000.

About 44 percent rural people read the country's most read Bengali newspaper, the Prothom Alo, said the study.

Albeit disappointing, internet penetration doubled to 6 percent in just two years to 2011.

Hasan said all these changes in lifestyle and media habits are down to new-found affluence. "A majority of foreign currency sent by Bangladeshi migrant workers is going directly to rural areas, changing the consumption patterns very fast."

Aman Ashraf Faiz, deputy director marketing of Grameenphone, said the rural life is evolving as people's income level has gone up, opening a new business vista for a number of companies.

He added that rural customers constitute about half of Grameenphone's market.

Monjur-E-Elahi, vice president, marketing operations of Robi Axiata Ltd, said rural lives are transforming. "There is a Bangladesh outside Dhaka, which is rapidly changing."

Aly Zaker, managing director and chief executive of Asiatic Marketing & Communications Ltd and Ashraf-Bin Taj, business director of consumer goods of ACI Ltd, also spoke.



Amjad Khan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, presents a memento to Asoka Hettigoda, president of the National Chamber of Commerce of Sri Lanka, leader of the ten-member business delegation to Bangladesh, at the MCCI conference hall yesterday.

Dhaka Bank gets additional MD

STAR BUSINESS DESK

Niaz Habib has joined Dhaka Bank as additional managing director, the bank said in a statement yesterday.

He started his career with Bangladesh Shilpa Bank (Now Bangladesh Development Bank Ltd) as a financial analyst in 1978.

Habib worked with American Express Bank Ltd for 21 years. He also served in senior management posi-



India for more steps to ease visa rules for businessmen within Saarc

PALLAB BHATTACHARYA, New Delhi

India said it, along with other member-countries of South Asian Association for Regional Cooperation (Saarc), can take more steps to ensure easy movement of businessmen within the region.

"We have taken some steps and if required, we will on our own and along with neighbouring countries of Saarc do more to ensure that the movement of the business leaders, who want to do commerce or investment, is facilitated," Commerce and Industry Minister Anand Sharma said.

He was speaking at a function organised here by the Federation of Indian Chambers of Commerce and Industry on Monday.

He said, for doing business, it is important for people to travel to various destinations. "That is why multiple entry long-term visas have been given serious consideration by India."

The business community in the bloc has since long been demanding simpler and expeditious visa procedure.

South Asian Association for Regional Cooperation (Saarc) consists of India, Pakistan, Afghanistan, Nepal, Bhutan, Bangladesh, Maldives and Sri Lanka.

Sharma said the present \$15 billion trade between the member countries is low.

"We also need to develop new and imaginative credit mechanisms focusing on supporting regional business models by incentivising entrepreneurs for developing commercially-viable regional projects, to improve customs infrastructure and



Abu Haniff Khan, additional managing director of Premier Bank, and Gousul Alam Shaon, managing director of Grey Advertising, shake hands over an agreement signed recently. Under the deal, the advertising firm will work as the communication agency for the bank.



Saiful Islam, vice-chairman of Navana Group and Shiro Iirikawa, general manager of Toyota Tsusho Corporation, inaugurate Navana Ltd's new showroom on Progoti Sarani in Dhaka on Sunday.

Supermarkets to grow manifold by 2021: analysts

STAR BUSINESS DESK

The chain supermarket sector will grow to Tk 20,000 crore by 2021, with the income growth of the population, analysts said yesterday.

The growth of supermarkets is linked with the growth of Bangladesh that aspires to be a middle-income country by 2021, they said at a seminar at Bangabandhu International Conference Centre.

Niaz Rahim, president of Bangladesh Supermarket Owners' Association, said many more supermarket operators would enter the sector.

The seminar that marked 10 years of supermarkets in Bangladesh was held on the sidelines of a fair at the same venue.

Dilip Barua, industries minister, who inaugurated the fair, said the government has endorsed chain supermarkets as a service industry to mark its contribution to the economy.

He also said the sector would grow with rapid urbanisation.

Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry, said chain supermarkets are gaining ground by ensuring quality products and services.

Md Zakir Hossain, general secretary of Supermarket Owners' Association, said once daily bazaars were noisy and consumer rights were neglected, but supermarkets have changed the scene to a large extent.

Indian minister suggests credit plan for South Asian businesses

DIPLOMATIC CORRESPONDENT

India's Commerce Minister Anand Sharma has suggested new credit mechanisms and incentives to support regional business initiatives in South Asia region.

Addressing the Saarc Business Summit in New Delhi on Monday, he said special incentives should be provided to entrepreneurs for developing commercially viable regional projects.

"We also need to develop new and imaginative credit mechanisms which expressly focus on supporting regional business models. Special incentives could be provided to entrepreneurs for developing commercially viable regional projects."

"Together we must work to improve our customs infrastructure and expedite the processing at the border posts. India is already strengthening the integrated check posts and land customs stations along all its borders providing modern clearing facilities to ensure easier movement of goods," Sharma said

"Today's world is integrated and interdependent. Partnerships are the defining theme of our times. Asia, today, is redefining it, this decade will see 3 of the top 5 global economies coming from Asia, contributing to nearly a quarter of the global GDP."

After a gap of 12 years, India has assumed the Presidency of the Saarc Chamber of Commerce and Industry, according to a press release of Press Information Bureau of India. Vikramjit Singh Sahney has taken over as President of the Saarc Chamber of Commerce and Industry.

Sharma said Saarc has completed 26 years in December and India acknowledged that South Asia Free Trade Agreement (SAFTA) has made significant progress over the years, much more remains to be done though.

"SAFTA had a vision of creating a common market where tariff and non-tariff barriers will be revised," he added.

Regency celebrates pitha making



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Dhaka Regency celebrates the tradition of pitha making by holding a three-day promotion at its rooftop garden restaurant Grill On The Skyline, the hotel said in a statement yesterday.

Guests can enjoy the opportunity of having hot winter cakes from 7:30pm-10:30pm on January 26-28, with regular barbecue dinner buffet at Tk 1,950 or a separate buffet at Tk 750, according to the statement.

"As always, the hotel promises to lay out an array of delights to satisfy the palates of its every patron."



Dilip Barua, industries minister, attends a seminar by the Bangladesh Supermarket Owners' Association (BSOA) at Bangabandhu International Conference Centre in the capital yesterday. Niaz Rahim, president of BSOA, was also present.



Mahboob Hossain, chief customer care officer of Citycell, and Rashed Us Sattar, head of sales and marketing of Seagull Hotels, exchange papers after signing an agreement at Citycell's head office yesterday. Employees and clients of the mobile company will enjoy discounts at the hotel in Cox's Bazar.