STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)	USD	EUR	GBP	JPY
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	BUY TK	81.25	99.79	126.61	1.02
1.07%	0.54%	$1,708.24 (per ounce)	$96.37 (per barrel)	0.19%	0.01%	0.22%	0.70%	SELL TK	82.25	103.80	130.68	1.11
4,324.75	8,350.65			17,346.27	8,680.57	2,989.26	2,051.92					

Star BUSINESS

DHAKA FRIDAY SEPTEMBER 7, 2012, e-mail:business@thedailystar.net

Muhith worried over stagnant investment

Venture capital company BD Venture starts journey

Star Business Report

Finance Minister AMA Muhith yesterday urged investors to move faster to take the country's stagnant investment-GDP ratio up to 40 percent.

"There has been an investment deficiency in the country -- it has been stuck at 25 percent for the last seven years. To give it a big thrust, you need to move fast to 32 percent to 40 percent," he said.

He spoke at the launch of the country's first venture capital firm, BD Venture Ltd, at Ruposhi Bangla Hotel in Dhaka.

Venture capital is the money provided by investors to start-up firms and small businesses with perceived long-term growth potential.

This is an important source of funding for start-ups that do not have access to the capital market.

Muhith said venture capital was a high-risk and high-profit endeavour, but he hopes it turns out to be an important means of investment.

He also highlighted the role of non-governmental organisations, such as the Nobel Peace prize-winning Grameen Bank and BRAC, in providing funds to entrepreneurs over the years.

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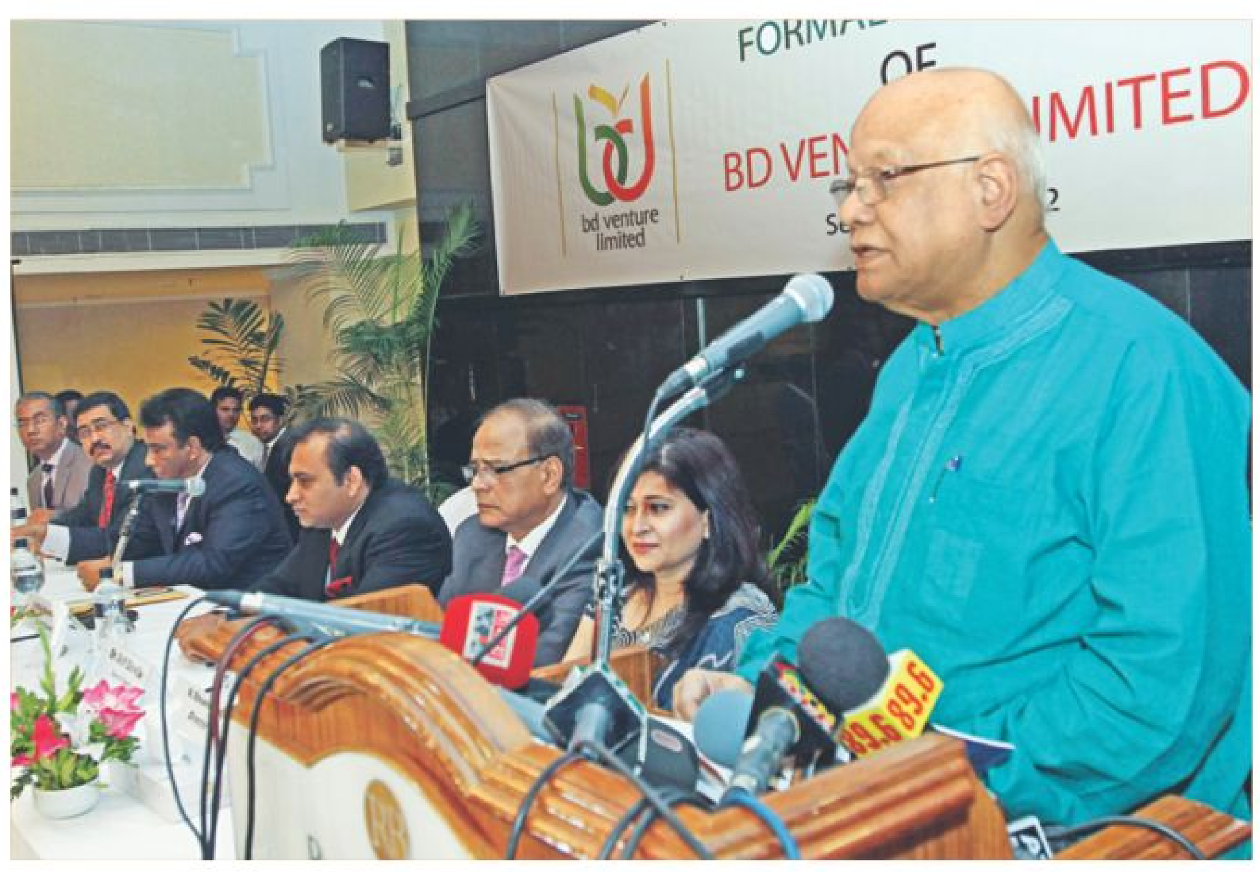

STAR

Finance Minister AMA Muhith speaks at the launch of a new venture capital company, BD Venture Ltd, at Ruposhi Bangla Hotel in Dhaka yesterday.

NBR reminds telcos of Tk 746cr in dues

The tax administrator will seize their accounts if dues are not paid in a week

Abdullah Mamun

The National Board of Revenue (NBR) has asked four mobile operators to pay Tk 746.03 crore in dues within a week; otherwise the tax administrator will seize their bank accounts.

Grameenphone will have to pay more than Tk 348 crore, Robi Tk 181.79 crore, Banglalink Tk 168.64 crore and Citycell Tk 47.6 crore.

Letters were sent to the operators on Tuesday for the second time, with the first ones being sent on August 27.

The dues are for supplementary tax and valued added tax for the period between August 2006 and March 2007.

The operators did not pay SIM (subscriber identity module) tax during the period as the High Court issued a verdict against the imposition of SIM tax by the government in June 2005, said officials of the operators.

According to the NBR letters, the government imposed Tk 900 tax on each SIM in 2005 but a telecom analyst, Abu Saeed Khan, filed a writ petition with the HC against the move.

The HC cancelled the order in August 2006; but the Appellate Division granted a leave to appeal in March 2007 and finally ruled over the HC order this August.

After the recent verdict, the NBR issued the letters to the operators asking them to clear the dues.

The officials said still they did not get the certified copy of the verdict and they do not know the details of the order.

Mahmud Hossain, chief corporate officer of Grameenphone, said they received the NBR notice.

He said they had requested the NBR to wait until getting the certified copy of the HC order, but the tax administrator did not agree.

Mahmudur Rahman, executive vice president of Robi, said, "We are trying to understand the NBR letter before taking any action."

Raising per capita income not enough

CPD says human development also key to bringing Bangladesh out of the LDC list

Star Business Report

Only an increased per capita income will not help Bangladesh come out of the list of least developed countries (LDCs), said the Centre for Policy Dialogue (CPD) yesterday.

Increased investments for human development and a reduction in economic vulnerability are also important to ensure the shift, the think tank added.

"We disagree with those who only focus on increasing per capita income for development. Increased income does not guarantee the overall development of the country," said CPD Distinguished Fellow Debapriya Bhattacharya at its office.

"The issue of development should be seen from the perspective of structural changes, not from the income perspective only," he said, giving an example of Equatorial Guinea, an African country.

The country had a per capita income of $14,540 in 2010, which is similar to those in some developed countries. But the country is still an LDC, said the economist.

"So, focusing only on attaining the status of a middle-income country does not mean that we will come out of the LDC status," he said.

Echoing Bhattacharya, CPD Executive Director Prof Mustafizur Rahman said the benchmark of the per capita income to attain the middle-income country status has been increasing over time. "Income indicator is a moving goalpost," he said.

They spoke at a press briefing organised ahead of a three-day Dhaka meet of an expert group of 'LDC IV Monitor' -- an independent global partnership of eight think tanks and academic institutions from different countries.

The meeting on Development Challenges of the LDCs: Tracking the International Commitments will be held on September 7-9 at BRAC Centre Inn.

The CPD, a member of the partnership, will organise the event to be participated by more than 30 experts mainly from abroad.

The alliance, LDC IV Monitor, was formed in September 2011 to monitor the outcomes of the Fourth United Nations Conference on LDCs or UN LDC IV.

The LDC IV Monitor will conduct studies and hold dialogues as part of its goal to evaluate the progress of implementation of promises made in the Istanbul Programme of Action.

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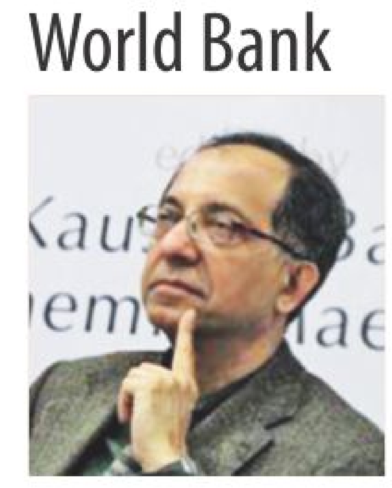
Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue (CPD), speaks at a press briefing organised ahead of a three-day Dhaka meet of development experts, at the CPD office in Dhaka yesterday. Mustafizur Rahman, executive director, was also present.

New chief economist for World Bank



Reuters, Washington

The World Bank on Wednesday named Kaushik Basu as its chief economist, placing a candidate from an emerging market country in a key position at the global development lender.

Basu, who was most recently chief economic adviser to the government of India, is the World Bank's second chief economist from a developing country. He replaces Justin Lin, a citizen of China, whose term expired on June 1.

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Nervy investors send stocks tumbling

Star Business Report

Stocks fell for the second day in a row, as investors reallocated their portfolios to take in profits.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the week at 4,324.75 points, after dropping 46.78 points or 1.07 percent.

The index was hovering around the psychological 4,500 point-mark -- but never dropped below it.

"The psychological issue dominated the market sentiment," Union Capital's managing director Akter H Sannamat said.

He said many investors were expecting the index would fall below the psychological 4,500 point and thereby went about liquidating their positions.

On the other hand, institutional investors were injecting fresh funds into the market, despite the finance minister AMA Muhith's comment on Tuesday regarding the integrity of the World Bank, the analysts said.

However, a group of investors reacted to Muhith's comment and went for sell-offs, they said.

"Though the economic indicators are not indicating any significant downward trend, market seems to be discounting unknown uncertainty beforehand," said LankaBangla Securities, the country's top broker.

Investors were cautious regarding fresh investments, which allowed the profit takers to drag down the price, IDLC Investments, a leading merchant bank, said.

Turnover fell by 13.86 percent to Tk 527 crore, overnight. A total of 1.3 lakh trades were executed, with 10.11 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the day's trade, 177 issues declined, 63 advanced and 23 remained unchanged.

The newly-listed Bangladesh Submarine Cable Company dominated the turnover charts with its transaction of 39.52 lakh shares worth Tk 53.93 crore.

The company declared 20 percent cash and 10 percent stock dividend for the year that ended on June 30, 2012.

The company reported earnings per share of Tk 7.85, net asset value per share of Tk 28.07 and net operating cash flow per shares of Tk 5.11, according to the statistics of DSE.

Among the major sectors, non-bank financial institutions lost 2 percent, engineering 1.93 percent, general insurance 1.85 percent.

Aamra Technologies was the biggest gainer of the day, posting a rise of 9.98 percent, while Modern Dying and Screen Printing was the worst loser, plunging by 9.06 percent.

Spending on radio ads on the rise

Sayeda Akter

Spending on radio commercials rose almost 6 percent to Tk 44 crore in the six months through June from the same period a year earlier, according to a report published by Ryans Archive, a media-monitoring agency.

Major brands spent Tk 81 crore on radio commercials in 2011, with Grameenphone being the largest advertiser.

Three of the top five advertisers were mobile operators, and the top ten advertisers accounted for around 56 percent of the total spending. Mobile handset maker Samsung also made it into the top ten.

The mobile operators, including Grameenphone, Axiata (Bangladesh) Ltd, Airtel Bangladesh and Orascom, spent around Tk 23 crore on radio ads in 2011, according to the report.

Apart from telecoms, Unilever, Pran Group, Square Group and Akij Group featured among the top ten advertisers with personal care products, such as soap, shampoo, hair oil and tooth paste, and food and drink items that include noodles, soft drinks, energy drinks and juices.

A total of 470 companies advertised their products and services through five radio stations -- Radio Today, Radio Amar, ABC Radio, Radio Foorti and Bangladesh Betar, during the period.

Spending on radio commercials by major brands has been increasing fast, as the FM (frequency modulation) radio stations have emerged as the newest and quick-reaching media among the urban people, especially the youth.

The cost of advertising on radio is much less than on television, which is another important factor behind the growth both in number of commercials and the spending by major brands, sector people said.

They estimate the total market size of the local advertising business at Tk 1,500 crore a year, with steady growth of 15 percent.

The print media still remains the largest advertising vehicle, grabbing around 43 percent of all spending, while TV commercials account for 39 percent, they said.

Radio accounts for only around 10 percent of the total advertising expenditure.

"Radio is an emerging media with a fast reaching effect," said Syed Tahmeed Azizul Huq, head of corporate communications of Grameenphone.

Nowadays investment is more focused, which requires correctly identifying the target group and getting a result within a short time, he said.

"As we have many services for the young consumers, and most listeners of radios belong to this group, we find radio a very effective tool for marketing any product or service."

Grameenphone, the country's largest mobile phone operator, spent around Tk 8 crore on radio ads in 2011. The operator was also the largest spender on TV and newspaper ads.

At present, the average cost of per minute frequency in FM radios ranges from Tk 5,000 to Tk 7,000, said Sohrab Hossen, marketing executive of Radio Amar.

"The competitive rates attract major brands to advertise products and services on radio. At the same time, the earning from adverts is a major source of revenue for all the radio stations," he said.

"It's a win for both sides."