

Eid sends stocks into a lull

STAR BUSINESS REPORT

Stocks ended on a flat note yesterday, as investors seemed reluctant to make new investments ahead of Eid-ul-Azha.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the day at 4,447 points, after falling 11.10 points or 0.25 percent.

"With only a couple of days remaining prior to the bourse closure on account of the Eid-ul-Azha and Durga Puja, investors seemed to be less active on the bourse," said IDLC Investments.

As a result, even earnings announcements of a number of companies seemed to have little impact on market participation, it said.

The apparent sluggishness, however, is expected to be short-term, the merchant bank said.

"The market rarely shows any bearish trend two days before the Eid. Although fund withdrawal pressure for Eid and the initial public offerings application have

abated largely, the market seems too feeble for a bull rally," said LankaBangla Securities.

The turnover rose 4.7 percent from the previous to Tk386 crore.

A total of 93,920 trades were executed, with 9.43 crore shares and mutual fund units changing hands on the Dhaka bourse.

Among the major sectors, the banking sector was the only one ending in black, rising by 1.32 percent.

All other sectors posted losses: non-bank financial institutions 1.34 percent, telecommunications 0.43 percent, power 0.41 percent and pharmaceuticals 0.02 percent.

Of the 267 issues that traded on the DSE floor, 67 advanced, 180 declined and 17 remained unchanged.

United Airways, with its transaction of 1.74 crore shares worth Tk 48.75 crore, was the top traded stock of the day.

Kohinoor Chemicals was the biggest gainer of the day, posting a 12.05 percent rise, while Orion Infusion was the biggest loser, plunging by 8.39 percent.

Law to be amended to deal with Destiny

Cabinet meets on Bangladesh Companies Act today

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The proposed amendment to the Bangladesh Companies Act 1994, which would allow the government to appoint an administrator for the controversial Destiny Group, is likely to be approved at today's cabinet meeting, a commerce ministry official said.

Once the proposal is published as an ordinance, the commerce ministry will serve notice on Destiny Group's board of directors, asking them to explain why the government should not appoint an administrator for running the company.

"The ministry might allow three to one week for the group to explain in this regard," the official said.

The ministry initiated the move when three top officials of the company were sent to jail for their alleged involvement in fraudulent activities.

The final decision of the ownership of the group and the fate of the subscribers would be decided by the court, according to the official.

US diplomat suggests better infrastructure for development

STAFF CORRESPONDENT, Chittagong

Infrastructure improvement is one of the challenges Bangladesh has to combat for its development, Jon Danilowicz, chargé d'affaires, at the US Embassy in Dhaka, said.

"Inland water transportation is important for the development of transport network in Bangladesh," Danilowicz said.

He spoke at a seminar on 'Traffic Congestion and its Solution by River Transportation' co-organised by International Business Forum of Bangladesh Chittagong chapter and Bangladesh Garment Manufacturers and Exporters Association in the port city.

River transportation should be actively sought as the best alternative to the long-time consuming Dhaka-Chittagong highway, he suggested.

He urged the IBFB and BGMEA to continue with their advocacy in finding the solution



Models Sharmin Lucky and Moonmoon pose at the opening of an outlet of Bangla Perfumes Distributors Ltd -- Perfume World 8 -- in Sylhet recently.

Focus on market-based training

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"We believe that if the private sector grows, it drives the creation of job and provide income opportunity. If we are successful with our approach, we will see that people will be able to lead their lives in a self-sufficient way." "Eventually, if this is successful it will end up stabilising a nation -- and a society."

He attended a workshop yesterday in the capital on business innovation for the base of the pyramid (BoP), which is the poorest social-economic group.

"We, at Swisscontact, are convinced that these people can be innovative and entrepreneurial and are capable of finding ways that will improve their livelihood at their own strength and initiative."

"They might need some training, skills, information and knowledge, and to be incorporated with other networks. They might need access to market and finance to build up their enterprise."

The 63-year-old said people living at the BoP should not be looked at as incompetent and poor.

"I think they are conscious consumers and entrepreneurs. We should have respect for them, not just be seen as beneficiaries or as victims. We should look at them as resources."

The BoP approach adopted by many companies has its merits, especially in a country like Bangladesh.

"It seems to be very appropriate and suitable for the country." Lanz said globalisation is a fact of life and is two sides of a coin.

"It has given us enormous benefits -- and opened doors and opportunities for many people."

It, however, has a dark side, too, according to Lanz.

"There are many people who have not been included in the globalisation process automatically. They are lacking access to market, connectivity and finance. These are the people who have not benefited from globalisation."

"For these people we need to find ways to include them into the growth process of the globalised world. We need inclusive economic growth."

Lanz said his organisation is convinced that private sector development can really play an important role in the overall development of a country.

"Our organisation works on the systemic level, helping countries help their citizens."

He said the presence of Swisscontact in Bangladesh is gradually expanding, and the volume of activity of the organisation would not diminish in the coming years. "It will continue growing. There might be a change in sectoral priorities, though."

The development activist also believes Bangladesh has the potential to become a middle-income country in a decade's time.



NESTLÉ

Visitors engage with Koko the Friendly Bear at the 'A Day with Nestlé' event organised by the company for 30 families of the government officers' quarters in Eskaton Garden on Friday.



ICB

SM Mahfuzur Rahman, chairman of Investment Corporation of Bangladesh, and Md Fayezuzzaman, managing director, attend the 36th annual general meeting of the company at Hotel Purbani International in Dhaka on Saturday. The company approved 25 percent stock and 25 percent cash dividends for its shareholders for 2011-12.

Rethink the bottom of the pyramid

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Herren also said Bangladesh needs to use the \$3.5 billion it spends annually on social welfare projects -- which is about double the amount of official development assistance -- more effectively.

Heinrich M Lanz, president of Swisscontact, said there are millions of people around the world who are excluded from the benefits of globalisation.

"It remains to be seen how we can include them with the globalised world. If we can reach them it will give them the necessary means to change their lives in a successful way."

The BoP should not be looked at as the poor -- but as a market, he added.

"Some countries around the world, including India, have proved that you can do business with the poor," said Kirti Prasanna Mishra, partner of MART.

He, too, said that BoP should not only be looked at as consumers -- but also as producers.

"Companies should come up with the right kind of products for the poor, while keeping their affordability in mind."

Mahfuz Anam, editor and publisher of The Daily Star, said the concept of BoP is fitting for countries like Bangladesh.

"In fact, we all know the Saarc region has the highest concentration of poor people in the world. What better idea can there be than

the idea that focuses on the bottom of pyramid."

According to the 2011 UN Human Development Indicators, about 86 million people make up Bangladesh's poorest socio-economic segment.

Anam said the bottom of the pyramid is imperative, so special attention must be paid to it.

"If the bottom falls out there is no pyramid at the end of the day, no matter how beautifully the pyramid is structured."

From an economic and social point of view, there cannot be a concept more suitable than the BoP for Bangladesh, he said.

The problem lies with the people sitting at the top and middle of the pyramid as they see the BoP as poor, unskilled and helpless, Anam said.

"But they are not helpless and waiting for a hand-out. This has been shown to us by none other than Prof Muhammad Yunus -- that they are creative and capable of managing their resources. What they lack is the attention of the society."

"We, who are not in the BoP, need to change our mindset about the BoP," he said, while urging corporations to work to lift people out of the BoP.

Allocating more resources to the BoP would yield more value, as he thought the poor made the most efficient use of them, Anam added.

Niaz Rahim, group director of Rahimafrooz Bangladesh, said many producers at the BoP do not

have access to the market.

"If we can give them adequate market access their livelihood will improve."

Mobasherur Rahman, the head of institutional development at bKash Ltd, said the introduction of mobile banking has given people the opportunity to send and receive money at cheaper rates.

Later at a discussion meeting, Asif Saleh, senior director of strategy, communications and capacity of BRAC, said the businesses must find solutions to the changing needs of the people -- otherwise, they would not survive.

Aman Ashraf Faiz, a deputy director of the commercial division of Grameenphone, said the BoP has become a new growth area for businesses.

"There is a humongous change at the BoP in case of mobile subscribers. In the coming days, of every three connections sold, two will come from the BoP."

Mamun Rashid, director of BRAC Business School, said if data about the BoP is not available then steps have to be taken to rectify the situation.

Prof Niaz Ahmed Khan, chairman of Department of Development Studies of University of Dhaka; Sharif M Hassan, deputy managing director of Market Access Group; F H Ansarey, executive director of ACI Ltd; and Sara Zaker, group deputy managing director of Asiatic 360, also spoke.

Poor roads, ports blight growth prospects: WB

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"Progress in important highway development stalled due to irregularities in project implementation," it said. "At Chittagong Port, the improvements in equipment availability and berth occupancy were overshadowed by disruptions from the rising turnaround time and low productivity," it said.

The port handled Bangladesh's 80 percent export-import business worth more than \$60 billion in 2011-12. But the Dhaka-Chittagong highways have been in bad conditions for years. Sometimes, congestion on the roads severely delays export-import business.

Though power generation increased by more than 24 percent between February 2010 and February 2012, the demand-supply gap was 1,000 megawatts in June this year.

"The expensive rental power plants have a short-term positive impact on growth, but longer-term solutions are needed," the WB said. "Gas supply to industries also declined."

The report also said a deepening crisis in the

Eurozone is posing another threat to Bangladesh's economy, already evident in exports, particularly of knitwear products.

The global lender also focused on the deterioration in governance at state-owned commercial banks. Underutilisation of development programmes, especially big projects, and growing subsidies also cast a shadow on the higher growth prospects.

However, the WB said there are some silver linings, especially the improvement in macro-economic management.

These are resilient remittances, declining inflation and international commodity prices, and a tight monetary policy. Flexible exchange rate and interest rates were also in favour.

A 57.4 percent rise in manpower exports in 2011-12 has helped the country maintain a double-digit growth in remittances.

Inflation fell to 7.4 percent in September from 12 percent in the same month a year ago, mainly due to a decline in commodity prices on the international market, said Hussain of the WB.



RECKITT BENCKISER (BANGLADESH)

Reckitt Benckiser (Bangladesh) has recently awarded the winners of a campaign of the company -- Mortein 50 Bhoori Shonar Khoni -- at a programme at its head office in Dhaka. The campaign started on September 15 and will end on November 30.



IFS

Asanga Marasinghe, country director for Bangladesh of IFS, a public company listed with Swedish stockmarket that develops supplies and implements IFS applications, speaks at the launch of the company's operations in Bangladesh, at National Press Club in the capital recently.



AVON

Former cricketers Rakibul Hasan and Javed Omar Belim open the seventh outlet of Avon, a fashion house, at Mouchak in Dhaka on Friday.