

A call that rings out loud: create jobs

Global Social Business Summit kicks off in Vienna today

ARUN DEVNATH, from Vienna

WHEN much of Europe and other parts of the developed world are battered by the five-year-old financial crisis, one call rings out loud: create jobs.

A chorus call for creating jobs sets the context for this year's Global Social Business Summit to begin in Vienna today.

Nobel laureate Muhammad Yunus suggests social business is a way to fix the problems in capitalism and says when nothing seems to be working well enough in times of crisis, social business can be used as one of the tools.

Professor Yunus' longtime friend, Queen Sofia of Spain, will inaugurate the summit. Queen Sofia comes from a country which is saddled with the industrialised world's highest jobless rate. Spanish workers aged 16 to 24, face an astronomical 53.3 percent unemployment rate, according to the nation's statistical agency.

In a brief interview with The Daily Star, Yunus, now in the capital of Austria, said key questions of the summit will be: how to create jobs for 7 billion people on the planet.

"When it comes to jobs for the unemployed, it reminds me of how the current economic system failed the young population," Yunus said. He wonders why the youth should still respect or follow the current economic system that fails to generate jobs for them.

"The youth have immense possibilities. They are not responsible for what they are



Left, Gabriele Heinisch-Hosek, Austrian minister of women affairs and civil service, and Rudolf Hundstorfer, Austrian minister of social affairs, meet Nobel laureate Muhammad Yunus, centre, at Grand Hotel Vienna on Tuesday night and discuss how to launch a social business academy in Austria.

NASIR ALI MAMUN

going through," he said.

More than 600 experts from different backgrounds -- corporate, political and academic -- will join the Social Business Summit, now in its fourth year. The summit is being organised by Grameen Creative Lab of Germany and Yunus Centre under the leadership of Yunus, at the Austria Centre Vienna.

There are many young students and professionals who came from different parts of the world to learn, build a network and share their insights on social business, a new kind of enterprise based on the selflessness of people. It is a kind of business dedicated to solving social, economic and environmental prob-

lems that have long plagued mankind -- hunger, homelessness, disease, pollution, ignorance.

Juliana Fonseca Pontes, a 14-year-old student from Brazil, carried a book written by Yunus, to Vienna all the way from her home country. The Grameen-Danone story in Yunus' latest book, Building Social Business, inspired her the most. Pontes, who studies at Marista College back home, aspires to take up a social business in future.

"I came here to learn how to do development work without doing any damage to the nature," Pontes said in her short speech to a small gathering on the eve of the Social Business

Summit. "I think social business is the solution to social problems."

The summit will open up a string of questions about the failure of traditional institutions and governments around the world.

"Giving money as much as you can to a country may not be sustainable. But social business brings a sustainable solution to a social problem," said Payal Patel, 19, who studies at McGill University in Montreal, Canada.

Social business is necessary because traditional institutions are failing, governments cannot solve all problems alone, and people are questioning the old models of development,

she said.

Patel, who was born to Indian parents in Canada, takes pride in having roots in South Asia, the sub-continent where Yunus comes from.

The experts will try to analyse the roles of governments and the potential of young people in social business and entrepreneurs can leverage new technologies in translating social business concepts into real projects.

The purpose of the summit such as this is to gauge progress in social business and to foster a global network for like-minded thinkers, Yunus said, adding, "Our network is widening and the number of participants next year will double."

A special session at the summit will be devoted to celebrate the Nobel Peace Prize 2012 for the European Union.

Together with the EU representatives, discussion will centre on how the EU's experience can be combined with the potential of the social business concept to maintain peace worldwide, preventing growing inequality and other social problems. The expectation is that this will bring solutions to the world's worst social problems closer.

Companies like Danone, Intel Corporation, SAP, Veolia Water, Uniqlo, Renault and McCain will share their expertise and progress in developing innovative technology solutions within a social business framework.

The next year's Social Business Summit, the fifth, will take place in Malaysia, followed by the sixth summit in Rio de Janeiro, Yunus said.

DSE to launch a fresh index by next month

STAR BUSINESS REPORT

A fresh index will be introduced on the Dhaka Stock Exchange (DSE) next month to replace the existing indices, which contain inflated points due to previous faulty computations.

"Standard and Poor's was appointed a few months ago to design a new index for us," said DSE President Rakibur Rahman yesterday.

"The S&P is working to set up the new index, and we hope it will be launched by December," he said.

Rahman spoke at a press briefing after the DSE meeting with the Securities and Exchange Commission regarding the set of reforms the premier bourse recommended.

A new index was supposed to replace the existing ones early this year, but it was delayed due to a host of reasons that include failure to submit information on free-float shares by some listed firms.

The need for a fresh index first came to the spotlight in October 2010 through media reports.

Later, the SEC itself found that the Dhaka bourse did not follow the correct method of index calculation while incorporating new securities.

Although the DSE has made some corrections in its methodology, some of the errors still remain.

Previously, the DSE took into account all companies' shares in computing the impact of price movement -- up or down -- on the index.

Now, it does so by considering just the free float/tradable shares of listed companies.

Presently, the prime bourse has three types of indices.

Rahman also said the premier bourse will launch a Bangla version of its website by February 21 of next year.

The DSE had submitted a set of proposals to the stockmarket regulator last month, in an effort to bring stability to the volatile market.

The proposals include introduction of a new category, imposing condition on share sale by sponsors and directors, modification in listing regulations, right and public issue rules, introduction of guideline on asset revaluation and strengthening investors' protection fund.

The DSE also urged the SEC to scrutinise the track records of the people behind a company prior to giving the initial public offering approval, as company's performance hinges on the firm's key persons.

Citi focuses on bringing innovations

The bank's country officer shares its future plans on the eve of its 200th anniversary

SUMAN SAHA

US banking giant Citibank, NA aims to bring innovations in liquidity management targeting local and foreign companies in Bangladesh, said a senior official of the bank.

"We now offer world-class cash management services to big corporations in Bangladesh with the help of sophisticated technology," said Rashed Maqsood, managing director and Citi country officer (CCO) for Bangladesh.

To make collections and payments faster and easier for its clients in the country, the bank developed an integrated automatic system and has a tie-up with the local banks, said Maqsood.

"Our corporate clients come to know when their distributors will make payments or when they need to pay vendors with the help of our integrated system."

The bank plans to launch a smart card that will ease the purchasing process for its clients and bring transparency, said Maqsood at an interview with The Daily Star at the bank's Gulshan office in Dhaka recently.

"We want to make the Citi a digital bank of the world, which will help the banking sector bring more transparency, accuracy and better control."

Citibank, the consumer banking arm of the financial services giant Citigroup, is going to celebrate its 200th anniversary at an event in Bangladesh tomorrow.

"Citi's 200th anniversary is a great opportunity to build trust and confidence in the proud legacy of the institution," said Maqsood who joined the bank as the CCO for Bangladesh in 2011.

In 1995, he started his career with Citi in Bangladesh as a relationship manager and led the bank's corporate banking business franchise.

The bank was founded in 1812 by a group of entrepreneurial New York merchants who pooled their capital, shared ideas and financed new ventures.

Over the years, Citi partnered with diverse clients to help change the world, he said.

"We have funded major ground-breaking projects such as the Transatlantic Cable, the Panama Canal, steamships, telegraph



Citibank NA Bangladesh gives its corporate office at Gulshan a new look with banners and billboards to celebrate its 200th founding anniversary.



Rashed Maqsood

systems, the first supertanker, the Boeing 747 and the Space Shuttle during the period," he said.

Citi also brought many tech-savvy products for the sector throughout its history.

"We introduced many 'firsts' in the banking industry. It includes the first-ever negotiable certificate of deposit, the ATM, the credit card and foreign exchange and transaction services."

The bank launched the first-ever credit card in 1967, which was known as 'everything card'.

Citi had also brought a major breakthrough in the banking sector in 1977 when it launched its first 24-hour automatic teller machine (ATM) at Queens of New York. The slogan "Citi Never Sleeps" was introduced together with the launch of the ATM.

The Bangladesh operation of the bank started in 1987. Like everywhere else, it promoted world's best practices and innovative solutions in the country, said Maqsood.

Citi arranged the first ever project financ-

ing for Karnaphuli Fertiliser Company and delivered the largest ever merger and acquisition transaction in Bangladesh of \$350 million for AK Khan & Company.

The bank was also the sole financial advisor and lead underwriter for the largest initial public offering in Bangladesh worth \$141 million for Grameenphone and arranged the country's largest-ever bond offering of Tk 7.07 billion for Orascom Telecom.

As the first private bank, Citi provided trade services to Bangladesh Petroleum Corporation (BPC) in 2007, the sole petroleum importing entity in Bangladesh, he said.

Citi with its partners also closed \$200 million syndicated oil import financing facility for BPC. Citi is also the sole adviser to the Bangladesh government for Moody's sovereign credit rating.

The official said the Bangladesh operation of Citi does not offer any retail banking; rather provides treasury and foreign exchange transactions related products.

"We have brought the first-ever liquidity

management concept in Bangladesh with the launch of cash management operations in 1998," said Maqsood, who achieved an MBA from the Institute of Business Administration from Dhaka University and a bachelors degree in commerce from the same university.

"Though we are not the biggest lender in the country, we are the market leader in the cash management segment here," he said.

The country's banking industry is better structured now, he said, adding that local banks are increasingly becoming tech-savvy with the launch of state-of-the art technologies.

"All these mean the local banking industry is going into the right direction."

The bank has always been at the forefront in the advancement of the banking system since its inception, he said.

In 1893, Citi became the biggest bank in New York and the biggest in the US in 1894.

In 1904, the bank introduced the traveler's cheque and subsequently opened its first overseas branch in Buenos Aires, Argentina in 1914. It was the first foreign

bank in Argentina, South America.

In 1919, Citi became the first bank in the US with an asset of \$1 billion.

A comparison between the years 1812 and 2012 shows Citi's fantastic growth, he said. For example, the number of clients has grown from just 12 in 1812 to 61.6 million in 2011, he said.

Starting with the US, the bank now has its presence in 101 countries, he said.

Currently, Citi has four branches and three offshore banking offices in the export processing zones in Bangladesh with 214 employees.

"Bangladesh has been profitable for long and we have a strong foundation of core business that we would like to continue in future," said Maqsood.

According to Bangladesh Bank's report on corporate social responsibility in 2011, the bank directly spent Tk 1.27 crore on CSR activities, which is about 2.25 percent of Citi's profit after tax.

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