

NCC BANK'S 90th Branch
 now at **Mohipal**
 Mohipal Branch: NR Tower, 151, SSK Road, Mohipal, Feni
NCC BANK
NCC Bank Ltd.
 Where Credit and Commerce Integrates
 www.nccbank.com.bd

Star BUSINESS

DHAKA MONDAY DECEMBER 10, 2012, e-mail:business@thedailystar.net



US Assistant Secretary of State Robert O Blake speaks at a symposium on South Asia women's entrepreneurship, at Ruposhi Bangla Hotel in the capital yesterday. Bangladesh's Foreign Minister Dipu Moni, seated left, was also present.

Buyers risk brand image by sourcing from rogue factories

US ambassador-at-large stresses safety at garment plants

SOHEL PARVEZ

International buyers who source garments from non-compliant factories in Bangladesh run the risk of harming their own brands.

US Ambassador-at-Large for Global Women's Issues Melanne S Verveer shared her thoughts in an interview with The Daily Star on the sidelines of South Asian Women Entrepreneurship Symposium at Ruposhi Bangla Hotel yesterday.

"Buyers who source from factories that exploit workers are the buyers who know that their brands are going to be harmed," she said.

"But there is not a company that ever wants to have a potential customer say to them [that] 'I will not buy a shirt from you or anything from you because the source of manufacturing was abusive or the result of exploited labour'."

"All buyers I have talked to want to be assured that the workers are being treated properly," Verveer said.

"Many of them have had inspectors



Melanne S Verveer

that they hire. But it's very difficult to know exactly the sourcing and some of the contracts you work."

READ MORE ON B3

Women-led SMEs promise faster economic growth

Melanne S Verveer says at South Asia Women's Entrepreneurship Symposium

STAR BUSINESS REPORT

The small and medium enterprises that are run by women guarantee faster economic growth, but access to finance remains a major barrier to women entrepreneurship, said Melanne S Verveer, US ambassador-at-large for global women's issues.

Verveer spoke at South Asia Women's Entrepreneurship Symposium that began yesterday in Dhaka to create cross-border linkages among women entrepreneurs in the region.

Some 120 participants from 11 South and Central Asian countries attended the event to discuss the challenges and opportunities faced by women-owned SMEs.

"SMEs are the engines of economic growth. It is a fact that women-run SMEs drive economic growth and create jobs. This is true in my country and it is true around the world," Verveer said at the event at Ruposhi Bangla Hotel.

The US Department of State organised the

symposium attended by participants from Bangladesh, India, Pakistan, Nepal, Bhutan, the Maldives, Sri Lanka, Myanmar, Afghanistan, Kyrgyzstan and Kazakhstan.

"If you want to drive GDP, the best investments that can be made are women-run SMEs," Verveer said.

But access to finance acts as a major challenge for women entrepreneurs to grow, she said.

She also said microcredit has lifted millions of poor women around the world out of poverty and enabled them to earn, support families and pay back the loans.

"Yet the significant gender gap to finance remains painfully acute as it affects what we might call the missing middle of the small and medium enterprise sector, which is mostly women-run and has the best growth and job creation potential," said Verveer.

In addition, barriers like a lack of access to markets, training, mentors and technology act as impediments to women entrepreneurship.

Women also often confront discriminatory regulations and a lack of inheritance and property rights, she said.

Verveer also stressed investing in girls' education and favoured women's representation at the policymaking level.

"As your businesses grow, we are confident you will speak out against corruption when you see it. As leaders in businesses, we know that you will also work to strengthen democratic institutions and civil society," said Verveer.

Foreign Minister Dipu Moni said the government has enacted a number of new laws for women and children and adopted a gender-responsive budget.

The government has framed 'women development policy' to ensure equal opportunity for men and women.

The government also took various initiatives to promote women entrepreneurship.

READ MORE ON B3
NATIONS MUST WORK WITH WOMEN TO DEVELOP: MOZENA ON B3

Investment summit in Singapore showcases Bangladesh's strength

STAR BUSINESS DESK

The country took a successful stride forward in attracting foreign investment thanks to the Bangladesh Investment Summit in Singapore on December 4.

Organised by the publications FinanceAsia and AsianInvestor, the summit aimed to showcase trade and investment opportunities in Bangladesh to Asia's sovereign wealth funds, family offices, public and private pension funds and other investors.

Sponsored by Standard Chartered Bangladesh, City Bank and Deutsche Bank, the daylong event at Marina Bay Sands was attended by high-level personnel from some 250 companies.

"This country of 160 million has enjoyed about 10 years' worth of steady, impressive growth. Its economy has grown by 6.2 percent per annum for the past five years despite the global financial crisis," said Finance Secretary Fazle Kabir during his keynote speech.

He added that the government is aiming to make Bangladesh a middle-income country by 2020 and has a good momentum going into it.

"Already its per capita income has more than doubled over the past decade to over \$800, and is on track to soon reach \$1,000," Kabir said, while citing Bangladesh's billing in Goldman Sachs' 'Next 11' list.

Bangladesh Bank's (BB) Chief Economist Dr Hassan Zaman said the central bank and the securities regulator are reviewing the impediments to foreign investment at present.

According to Zaman, BB is currently reviewing its Foreign Exchange Act with an eye on liberalising how the country deals with foreign capital.

He added there were no barriers to entry as long as firms met "fit and proper" requirements and said that regulators would conduct necessary due diligence.

The BB chief economist further said the country would welcome foreign banks seeking to put operations on the ground, adding there is "plenty of room for competition".

Jim McCabe, the chief executive officer (CEO) of Standard Chartered Bangladesh, highlighted the success of the country's textiles and readymade garment sectors.

READ MORE ON B3

Fears of bear run depress stocks

STAR BUSINESS REPORT

Stocks opened the week with downward pressure yet again, thanks to investors' selling spree in anticipation of a bear run.

DGEN, key market tracking index of Dhaka Stock Exchange (DSE), finished the day at 4,018.06 points, after dropping 48.18 points or 1.18 percent.

Trading at the premier bourse started an hour late at 11:30 am due to technical fault.

"This problem will not re-occur again as we have already rectified it once and for all," a DSE official said.

The bourse observed active sell pressure from the very beginning and to end the day in the red.

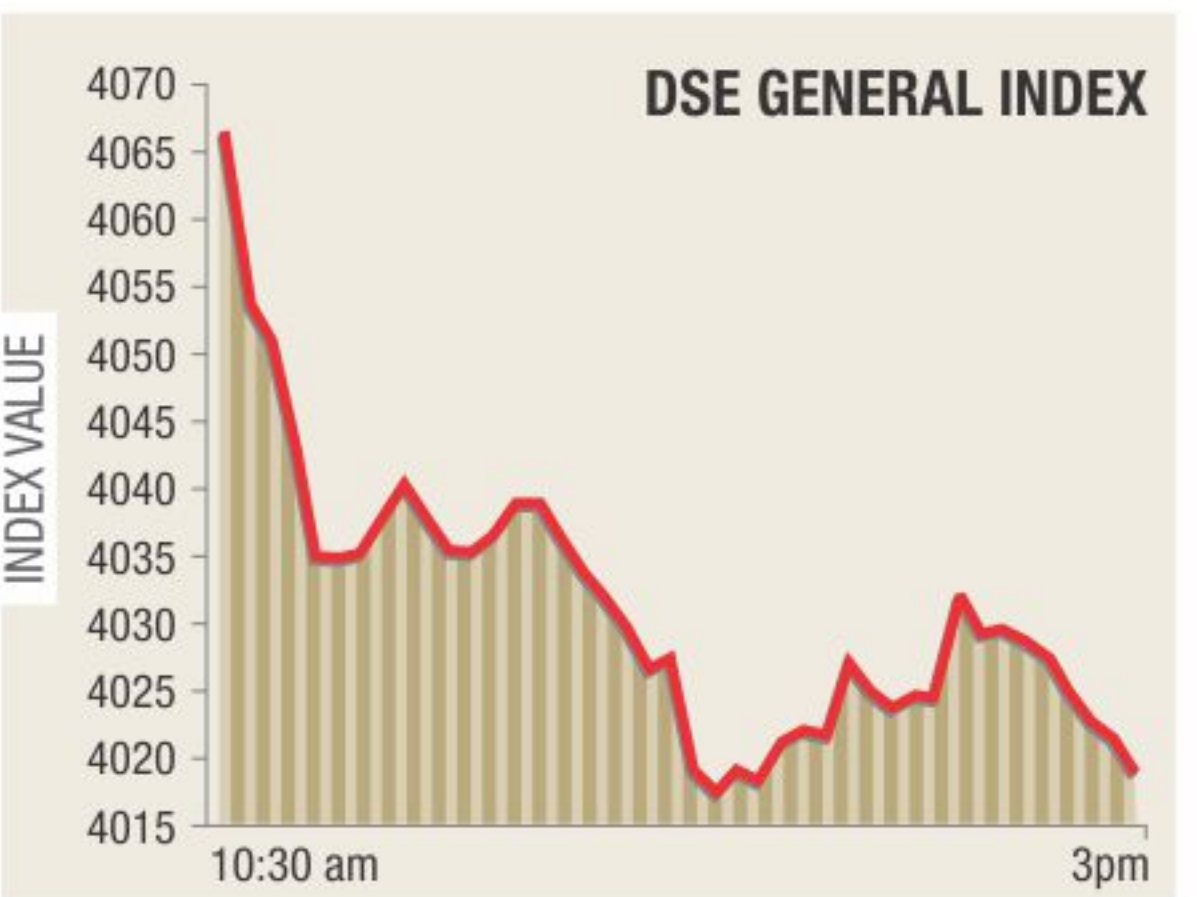
"The bourse got another blow by way of a country-wide eight-hour long road blockade. Most of the securities from every sector suffered from price corrections amid increased political violence during recent periods," said IDLC Investments in its daily market commentary.

IPOs attracted investors' interests the most. For instance, Envoy Textile which debuted today obtained a 23.47 percent turnover, added the merchant bank.

"Market traded with bearish momentum all through the trading session. Although the current economic scenario is sluggish, forthcoming financing prospects and improving economic indicators suggest long-term prosperity" said LankaBangla Securities in its market commentary.

The stockbroker added: "Investors are discounting the fact that the financing prospects of Padma Bridge have become bleak again due to the World Bank and the government failing to reach an agreement."

Turnover, however, remained almost flat compared



to the previous session at Tk 213 crore, with 5.18 crore shares and mutual fund units changing hands on the premier bourse.

Losers beat gainers by a huge margin of 214 to 37, with 13 securities remaining unchanged on the DSE floor.

All the major sectors posted losses on the day: non-bank financial institutions dropped 1.89 percent, followed by power 1.65, banks 1.56 percent, telecommunications 0.72 percent and pharmaceuticals 0.46 percent.

Envoy Textile was the most traded stock of the day, thanks to its transaction of 80.21 lakh shares worth Tk 50.16 crore.

The company also was the biggest gainer of the day, posting a 106 percent gain.

The Jamuna Oil Company was the worst loser of the day, plunging by 27.64 percent.

Time running out for DSE to explain trading delay

SARWAR A CHOWDHURY

The Securities and Exchange Commission yesterday asked the Dhaka Stock Exchange to explain the delay in start of share trading for two days in a space of one week.

The bourse will also have to explain the measures it has taken to prevent it from happening again.

Usually, trading on the DSE starts at 10:30am sharp and ends right at 2:30pm on each of the five trading days of a week.

But trading started an hour late at 11:30am and closed at 3:00pm yesterday and last Wednesday.

DSE attributed the delay to a technical glitch in its trading software, which arose while absorbing two new securities.

Many brokerage houses were unable to view all the instruments code at their trading terminals, according to the DSE statement.

READ MORE ON B3

High remittance, low imports widen BoP surplus

STAR BUSINESS REPORT

The first quarter of the current fiscal year saw the country consolidate its balance of payment surplus on the back of high inward remittance and low import bills.

The surplus stood at \$1.11 billion in the first quarter of fiscal 2012, according to data from Bangladesh Bank.

A deficit of \$99 million was recorded in the same period last fiscal year.

Import spending in the first three months of the current fiscal year increased by only 1.98 percent, while remittance increased by more than 19 percent.

As per a BB official, the decrease in export growth accounts for the fall in import bills, as a big chunk of import spending is earmarked for the export-oriented garment factories.

Exports grew by 1.34 percent in the first three months, due to the slowdown in the Eurozone and the US.

Another reason for the lower import spending is the decrease in food imports, the official said.

Since both of export and import growth fell, there was more or less no year-on-year change in trade deficit.

The current account balance in the first quarter was \$135 million surplus, while it stood at \$8 million deficit in the same period last fiscal year.

The BB official further said there is no pressure on the balance of payment this fiscal year as the foreign exchange reserve has been hovering around \$11 to \$12 billion, equivalent to four months' import bill.

As per global standards, foreign exchange reserve equal to three months' import bill is adequate.

AT A GLANCE		
(IN MILLIONS OF DOLLARS)	July-September 2011-12	July-September 2012-13
Trade Balance	-1,907	-1,984
Current Account Balance	-8	135
Overall Balance	-99	1,114