

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.34%	▲ 0.04%	\$1,196.58 (per ounce)	\$71.89 (per barrel)	▲ 0.19%	▼ 0.78%	▼ 0.26%	▲ 0.99%	BUY TK 78.15	95.72	121.51	0.66
4,772.55	8,952.62			28,438.91	17,248.50	3,340.396	2,630.05	SELL TK 79.15	99.72	125.51	0.69

Star BUSINESS

DHAKA FRIDAY NOVEMBER 28, 2014, e-mail: business@thedailystar.net

জীবনে প্রয়োজন আরো বেশি স্বাস্থ্য
 সর্বাধুনিক প্রযুক্তি সম্বলিত ব্যাংকিং সেবায় মাসিক আয়ের সাথে বাড়তি আয় যোগ করুন আর জীবন করুন সুস্বন্দ্ব।

যে কোন প্রয়োজনে ০৯৬১২০০১১২২
 ইসলামী শরীআহ'র মূনারাবা নীতির চিহ্নিত পরিচালিত



Unilever goes from strength to strength

STAR BUSINESS REPORT

Innovations and sustainability are at the heart of growth. That's why Unilever is integrating both into its business strategy. Paul Polman, chief executive officer of Unilever Plc, says he is happy with the progress in driving the company's sustainability agenda in Bangladesh and this has contributed significantly to the strong growth of business here. Polman spoke to The Daily Star in an email interview to give an overview of Unilever's strategy and the positive contribution being made by markets like Bangladesh to its global business growth.

The Daily Star (TDS): For nearly two and a half decades, Bangladesh clocked about 6 percent growth and the economy is expected to maintain similar or higher growth in the coming years. How does Unilever interpret the growth trajectory? What prospects do you see in Bangladesh and what are your future plans here, especially in addressing the needs of upmarket consumers?

Paul Polman (PP): Developing and Emerging (D&E) markets are the key driver of growth for Unilever and markets like Bangladesh have contributed positively to the company's growth momentum. Bangladesh represents a long-term growth opportunity for us and we are fully committed to our business here. Increasing salaries, younger population and growing middle class indeed provide a high growth potential for a business like ours.

The per capita consumption (PCC) of most of the categories that we are present in is lower in Bangladesh than other D&E markets. For example, the PCC of face wash, skin cleansing and the shampoo category in India and Pakistan is approximately double that of Bangladesh. There is significant headroom for growth in those categories.

Our strategy for growth in a market like Bangladesh is to straddle the consumer pyramid and invest to grow in all the segments from the mass market to the premium segments. For example, in the fabric wash category, we have Wheel for the mass market, Rin for mid-market and Surf Excel for the premium consumer segment.



Paul Polman

TDS: Bangladesh's expanding economy has created a burgeoning middle class and sped up urbanisation, which many believe, fuels demand for fast moving consumer goods (FMCG). As the biggest FMCG company here, what's your take on this?

PP: Unilever operates in over 100 countries across the world. We have seen this trend of a burgeoning middle class and urbanisation driving market growth in several D&E markets.

In Bangladesh, we have seen the transformation as people's income grew and they began spending more on hygiene and personal grooming products. As a company, which specialises in such products, Unilever has helped the Bangladeshi consumers make safe and the best choices.

We have also helped change consumer behaviour through our initiatives under the Unilever Sustainable Living Plan. The Lifebuoy Lifesaver programme, for example, helped teach hand washing techniques with soap to almost 18 million people in Bangladesh. At the same time, Lifebuoy has enjoyed rapid growth as more and more people started investing in hygiene products.

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At least 10 years needed to move out of LDC list: economist

STAR BUSINESS REPORT

Bangladesh will need at least ten years to move out of the list of least-developed countries as none of the criteria was met to come out of the list, Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue, said yesterday.

Bangladesh is not a potential candidate for an uplift in a UN review next year that will decide which country will shake off the LDC status, he said.

Even if Bangladesh fulfils all the criteria in -- per capita income, economic vulnerability, and human assets -- before another review in 2018, the country will still have to remain under observation for up to six years.

Bhattacharya spoke at the launch of the LDC Report 2014 prepared by the United Nations Conference on Trade and Development, at Cirdap auditorium in the city.

Bangladesh is yet to reach the threshold in per capita yearly income which should be raised to \$1,242 by next year to become a developed country.

The country also could not achieve the required score in the economic vulnerability index, which is now 32.4 points. It will have to be brought down to 32 points.

Bangladesh is also behind the threshold in the human asset index that reflects health and educational status. A country will have to achieve 66 points in the human asset index criterion, whereas Bangladesh has 54.7 points.

Bhattacharya, however, said Bangladesh can achieve the status of a middle income country anytime due to higher national income arising mainly from remittances.



Left, Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue, speaks at the launch of an LDC report at Cirdap auditorium in Dhaka yesterday. Right, Mustafizur Rahman, executive director of CPD, and Towfiqul Islam Khan, a research fellow, are also seen.

LDCs must focus on higher productivity

UN report suggests

STAR BUSINESS REPORT

Least-developed countries like Bangladesh will have to focus on structural transformation and human development to achieve the sustainable development goals in the post-2015 period, said an UN report.

The countries need to go beyond economic growth to complete a virtuous circle of sustainable economic and human development, said the Least Developed Countries Report 2014 by the United Nations Conference on Trade and Development or UNCTAD.

This requires structural transformation, combining increases in labour productivity within sectors, and a shift of labour from low-productivity sectors to high-productivity sectors, Towfiqul Islam Khan, research fellow of the Centre for Policy Dialogue, said at the unveiling of the report yesterday.

Structural transformation is needed to enhance labour productivity. The more labour moves into

industry, the faster the overall productivity increases, he said.

To assist the LDCs' progress towards the sustainable development goals, UNCTAD proposes a post-2015 development agenda for the LDCs, comprising both domestic and international policy measures. Domestically, LDCs should focus especially on resource mobilisation, active industrial and prudent macro-economic policies, the report said.

Resource mobilisation requires a strategic and selective approach to domestic investment and foreign direct investment.

Industrial policy should follow a dual track, developing sectors of current comparative advantage and at the same time anticipating and promoting changes in comparative advantage.

The garment sector, which accounts for 80 percent of Bangladesh's exports, has so far been the key focus of the industrial policy.

But the policy should also pay

attention to other potential sectors such as plastic, leather, shipbuilding, said Khan.

Macroeconomic policies should support resource mobilisation and industrial policies by ensuring credit for productive investment and strong and steady demand growth.

As international measures, the report stressed donors' fulfilment of their long-standing commitments on the quantity and the terms of aid to LDCs.

Debapriya Bhattacharya, distinguished fellow of CPD, said Bangladesh should focus on diversification of economy and development of human capital as a strategy to come out from the LDC list.

"It is an urgent need to focus on active and promising sectors for diversification of economy," he said, adding that the country now has some thrust sectors which are in want of coordination between policy and goal.

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Banks cash in on dollar demand

REJAUL KARIM BYRON and SOHEL PARVEZ

Some banks have artificially created a greenback scarcity to charge more from importers, seeing a spike in imports.

Within a span of 15 days, some banks have inflated the dollar rate by Tk 2-3, although the greenback has not appreciated as much, several importers told The Daily Star.

Abul Bashar Chowdhury, chairman of Chittagong-based BSM Group, said his firm bought dollars at Tk 77.35-77.40 each ten days ago. Now, some banks are demanding Tk 79.25 for a dollar.

The sudden spiral in the exchange rate of the dollar has put the commodity importer in difficulty as it makes deferred payments of up to 180 days to suppliers, he said.

"We place import orders by projecting cost -- the sudden and significant increase in exchange rate is making us incur losses."

The prices of import-based commodities are bound to rise as a result of this and ultimately the consumers will be the losers, he said.

Meanwhile, bank officials said the rise in imports and the sluggish export growth have increased the demand for greenbacks.

The imports of fertilisers and petroleum products usually go up during October-November. This coupled with the dip in remittance Eid-ul-Azha has put pressure on greenback supply, they added.

The treasury head of a leading private bank said the inter-bank forex market is seeing liquidity crisis of US dollars. About a month ago, around \$70-\$80 million would be transacted every day; now, the figure has plunged below \$10 million.

However, a Bangladesh Bank official said the data is not correct: \$127 million was transacted even on Wednesday.

Around \$500 million has been paid so far this month for petroleum imports, he said. Furthermore, about \$110 million of advance payment would be made for different components of the Padma bridge next week.

This has raised the demand for dollars "slightly", he said. In the inter-bank market on Wednesday, banks sold the dollar for Tk 77.68, which was Tk 77.42 on November 2.

On the apprehension that the rate of dollar may increase in future, many importers have been rushing to make their deferred payments, the official said.

The payment could be made a week or 15 days later but they are driven by panic and the banks are increasing dollar rate taking advantage of the situation.

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Electricity prospects brighten on Saarc deal

REJAUL KARIM BYRON

A power deal signed by Saarc countries in Kathmandu yesterday has raised hopes for cross-border electricity trade among the South Asian nations through a common grid.

Once the network comes into being, power-starved countries like Bangladesh will be able to import surplus electricity of their neighbours.

Officials said the deal would further strengthen regional cooperation in the power sector and allow Bangladesh to import electricity from neighbouring countries such as Nepal and Bhutan that have immense potential in hydropower.

Bangladesh now imports 450 megawatts of electricity from India

through a bilateral arrangement.

Under the Saarc (South Asian Association for Regional Cooperation) power deal, the member states will enable their buying and selling entities to negotiate the terms, conditions, payment security mechanism and tenure of electricity trade.

The Saarc Framework Agreement for Energy Cooperation (Electricity) was signed at the closing ceremony of the 18th summit of the eight countries' regional bloc.

The countries will work for exempting duties, levies and fees on export and import for cross-border trade and exchange of electricity, the agreement said.

They will now draw a plan on how to set up cross-border grid connections through a study and by sharing technical information.

Member states will enable their transmission agencies to build, own, operate and maintain the associated transmission systems of cross-border interconnection, according to the draft of the agreement.

The countries will jointly develop a coordinated network for cross-border interconnection to ensure reliability and security of the grids of the countries.

If any dispute arises regarding interpretation and implementation of the agreement, it will be resolved amicably among the member states. If unresolved, the countries may choose to refer the dispute to the Saarc arbitration council.

Challenge conventional economic models Yunus urges entrepreneurs at Social Business Summit

SUSHMITA S PREETHA, from Mexico City

Nobel laureate Muhammad Yunus has called for collective effort at both academic and practical levels to challenge conventional economic models and create openings through social business.

Unlike established economic models, social business believes that human beings are not inherently selfish and that everyone, irrespective of their age, education and background, has the capacity to be entrepreneurs, he said.

"We have to challenge the existing well-argued thinking and establish that all young people are entrepreneurs and should not be condemned to be mere job seekers," he said in his speech at the second Global Social



Muhammad Yunus

Business Summit Research Conference on Tuesday.

The event, which was a curtain-raiser for the sixth Global Social Business Summit, brought

together researchers in the field of social business to share their findings.

Organised since 2009 by Grameen Creative Lab and Yunus Centre, the Global Social Business Summit is now the main platform for social businesses worldwide to foster discussions, actions and collaborations to develop effective solutions to the most pressing problems plaguing the world.

Held in Mexico this year from November 27 through to November 28, the summit will aim to expand the concept of social business to Latin America, especially Mexico, where the opportunity for bolstering the model is ripe, said speakers at the conference.

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