Stock turnover hits four-month low

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange fell 15.6 percent to a four-month low of Tk 264 crore yesterday from the previous day, as investors remained inactive to take fresh exposure amid a bearish trend.

DSEX, the benchmark general index of the DSE, ended the day at 4,772.55 points, after gaining 15.94 points or 0.33 percent.

The shariah index of the Dhaka bourse, DSES, fell 1.84 points or 0.17 percent to close at 1,106.86.

Combined with heightened volatility and low turnover, the closing session of the week ended flat, IDLC Investments said.

On November 20, Bangladesh Merchant Bankers Association (BMBA) sent a set of recommendations to the stockmarket regulator that include bringing clients having a margin loan above Tk 1 crore under Credit Information Bureau reporting.

The BMBA's other proposals include a one-year extension on the timeframe to provision margin loans until December 2015, and steps to boost the capital base of merchant banks within three years.

The association's such clarification also helped the market to stabilise, for now, IDLC also said.

The merchant bankers' proposals came in the backdrop of their efforts to recover margin loans worth about Tk 15,000 crore given by the merchant banks and stockbrokers up to the market crash in January 2011.

Meanwhile, the bright economic future of Bangladesh is further enforced with ADB and Chevron's signal of making huge investments in the coming days, the investment banker said.

LankaBangla Securities said the market ended the day on positive note, but turnover activity indicated that the investors were remaining cautious and observing market movement from the sideline.

Food and allied registered the highest gain across all sectors with 3.55 percent gain thanks to the heavy weight British American Tobacco that rose 4.8 percent.

Banks and pharma appreciated by 0.41 percent and 0.15 percent. Telecoms edged up slightly 0.05 percent.

Fuel and power fell by 0.74 percent while non-bank financial institutions marked 0.03 percent loss.

A total of 0.66 lakh trades were executed with 6.56 crore shares and mutual fund units changing hands on the Dhaka bourse.

Gainers took a strong lead over the losers by 162 to 105, while 35 remained unchanged on the DSE floor that traded 302 issues.

Keya Cosmetic featured in the most traded stocks chart with 41.43 lakh shares worth Tk 11 crore changing hands followed by Beximco, Square Pharma and Western Marine Shipyard.

Kohinoor Chemicals was the highest gainer of the day, as it posted a rise of 7.45 percent, while Khan Brothers PP Woven Bag Industries was the worst loser, slumping by 6.34 percent.

Amazon cuts Fire phone price to ignite sales

AFP, San Francisco

Amazon on Wednesday slashed the price of Fire mobile phones that stalled after launch early this year, becoming a drag on the US online retail titan's bottom line.

The price cut, which Amazon said would last until December 1, was the second for Fire and was included in a set of holiday-shopping season deals announced for items including Kindle e-readers.

Fire smartphones free of accompanying contracts with telecom carriers are available for $199 and come with a year-long membership to Amazon Prime subscription service which gives customers free shipping and access to music, videos and other online content.

Fire phones hit the market mid-year at a price of $649 each without contracts, or $200 with multi-year telecom service deals.

Unlocked Fire phones are compatible with GSM networks provided by US carriers such as AT&T, T-Mobile, Metro PCS and Cricket.

DHAKA BANK

ATM Hayatuzzaman Khan, former chairman of Dhaka Bank, opens the bank's 78th branch in Tangail yesterday. Abdul Hai Sarker, chairman, was also present.

Bangladesh, India team up in leather sector

STAR BUSINESS REPORT

Leather manufacturers from India and Bangladesh yesterday signed a memorandum of understanding to intensify cooperation, foster joint ventures and explore possibilities of direct investments.

The Indian Footwear Components Manufacturers Association (IFCOMA) and the Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh signed the agreement on the sidelines of a leather sector fair at Bangabandhu International Conference Centre in Dhaka.

The deal provides for frequent interactions, exchange of information and development of healthy business relationship between the two associations, the Indian High Commission in Dhaka said in a statement.

The MoU is expected to foster joint ventures and also explore possibilities of direct investments in the footwear and component sector with an aim of providing impetus to bilateral growth.

The IFCOMA has been reaching out to the footwear manufacturers in Bangladesh since 2001 and regular interactions have been taking place between the footwear industries of the two countries, according to the statement.

"This has resulted in major advancement in the two-way relationship."

Indian High Commissioner Pankaj Saran was present during the agreement signing.

DBBL

KS Tabrez, managing director of Dutch-Bangla Bank, opens the bank's 139th branch at Kaliganj, Gazipur recently.

FSIBL

Syed Waseque Md Ali, managing director (current charge) of First Security Islami Bank, opens a branch of the bank in Lashkarhat, Feni recently. Wahidur Rahman, zonal head for Chittagong, was also present.

LDCs must focus on higher productivity

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He went on to stress improvements in labour productivity, as it will generate more decent jobs in the country.

More than 54 percent of the country's total jobs still come from the agriculture sector, although the contribution of the manufacturing sector as a percentage of GDP is increasing, he said.

The report also said the international community must learn from the failure of most of the poorest countries to meet the Millennium Development Goals despite registering strong economic growth, a phenomenon the report dubs the "LDC paradox".

The report -- subtitled 'Growth with Structural Transformation: A Post-2015 Development Agenda' -- said the LDCs are the battleground on which the post-2015 development agenda will be won or lost.

The LDC paradox arises from the failure of LDC economies to achieve structural changes despite having grown vigorously as a result of strong export prices and rising aid flows.

Some other developing countries -- not categorised as 'least developed' -- especially those that mostly depend on commodities for production, employment and exports have also faced a similar paradox.

Yet from 2002 to 2008, LDC growth exceeded the 7 percent target agreed by the international community, and even after the 2008 financial crisis they grew faster than other developing countries, at an average of 5.7 percent per year.

Only one LDC -- the Lao People's Democratic Republic -- in South and Southeast Asia is on track to achieve all seven of the MDG targets analysed in the report and only four from the rest of the world.

Under the MDGs, global poverty was halved by rapid progress in the more advanced developing countries, the report says.

But a central goal of the post-2015 development agenda is expected to be the eradication of poverty by 2030.

This means reducing it to zero everywhere -- and it is in the LDCs that this will be the most challenging. Their performance will largely determine the success or failure of the whole post-2015 development agenda.

Eradicating poverty in 15 years is a much more ambitious goal than the MDG target of halving it in 25 years, the report said. Even China has not achieved this, despite extraordinary economic growth and development for twice as long.

Moreover, prospects for export prices are now much more uncertain following the financial crisis, while aid to LDCs has stopped increasing as donor countries implement austerity policies.

As per the UN, 48 countries can now be termed LDCs; in 1971, the number was 25. Equatorial Guinea and Vanuatu are scheduled to be taken out of the bracket in June 2017 and December 2017 respectively.

Mustafizur Rahman, executive director of CPD, and Khondaker Golam Moazzem, additional research director of CPD, also spoke.

New chairman for BDBL

STAR BUSINESS DESK

Md Yeasin Ali has recently joined Bangladesh Development Bank as chairman, the bank said in a statement yesterday.

Prior to joining BDBL, Ali was the chairman of Bangladesh House Building Finance Corporation.

He has previously served Rajshahi Krishi Unnayan Bank, Bangladesh Shilpa Bank, Rupali Bank and Dutch-Bangla Bank as managing director, according to the statement. He has also worked with Bangladesh Krishi Bank and Agrani Bank.

Challenge conventional economic models

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More than 750 participants from 60 countries will attend the event this year. In a panel discussion, Frederic Dalsace, chair of Social Business, Firm and Poverty at HEC Paris, asked Yunus if big firms, including multinational companies, should be encouraged to adopt an inclusive social business model in light of the fact that such a model can be highly successful for big businesses.

"It worries me when I hear the argument that social business will make companies more successful, because that is not the principle behind social business. You cannot go into social business wanting to make profit," Yunus said in reply.

Highlighting the difference between corporate social responsibility and social business, the Grameen Bank founder said the former is akin to throwing money at the poor; it does not change the power structure.

Asked if social business practitioners should aim to get MNCs involved, he said as a matter of strategy, his target is the individual who works within the MNC, not necessarily the MNC itself.

The MNC became a 'monster' because of the task it was given, which is profit-maximisation at any cost.

If enough individuals can be imbued with the ideology of social business, then gradually the structure and philosophy of the MNC would change as well, the microcredit pioneer added. Natalie von Siemens, managing director of Siemens Stiftung, said academics and entrepreneurs are alike in that they are both risk-takers.

"Both ask the hard questions because had they been easy, others would have already answered them," she said, adding that academics can play a crucial part in furthering the agenda of social business across the world.

On the sidelines of the conference, the GSBS Young Challengers Meeting was held, in which selected students and young professionals under the age of 30 got the opportunity to better understand the concept of social business, push the boundaries of existing social business ideas and practices and network with practitioners from across the world.

In his speech during the meeting, Yunus emphasised the crucial role of youth in developing and fostering an entrepreneurial society. Instead of becoming lifelong workers at the constant beck and call of others, he urged them to become entrepreneurs in charge of their own destinies, the Banker to the Poor added.

Unilever goes from strength to strength

FROM PAGE B1

TDS: *With prolonged focus on home-to-personal care products in Bangladesh, Unilever also entered the beverage (tea) and food (Knorr soup) markets. Give us some insight into these two markets.*

PP: The packaged foods business in Bangladesh is in a nascent stage. With urbanisation and increasing incomes, we expect this segment to grow strongly. We see this as a big opportunity for growth as Unilever has a big food business globally with established brands and significant expertise. As has been our strategy, we have leveraged our global portfolio and innovations to serve the local consumers. Our foray into the tea segment with Taaza and soup segment with Knorr is in line with this approach. We have received a good response from consumers and hope to build on this.

TDS: *Unilever has been in Bangladesh for several decades now. What changes have you seen in consumer behaviour, and what factors influence consumer sentiments the most here?*

PP: With the economy growing strongly over the last few years, we have seen a clear trend of urbanisation and increasing propensity for consumer spending. The consumer sentiment is positive, which augurs well for the future. Consumers are increasingly spending on products and services that provide convenience and high order value benefits. This is reflected in the growth of packaged foods and personal grooming segments.

TDS: *Unilever is one of the most in-demand employers, according to Linkedin. Why do people prefer Unilever to other companies as an employer?*

PP: Unilever has been recognised as the most preferred employer in over 22 markets. The Linkedin recognition is another heartening endorsement of our employer brand proposition.

It is indeed a matter of pride for us that talent sees Unilever as a preferred employer. Our culture of leaders building leaders, and providing big responsibilities at an early stage are some of the key distinguishing factors of Unilever's employer brand proposition. We have constantly added to these to make our proposition more current, while ensuring that we remain true to our values. Our efforts to increase agility, inclusion and diversity in our workplace resonate well with the aspirations of the youth and this in many ways has helped to increase their preference for Unilever.

What attracts talent is finally the underlying purpose that drives a business beyond just profits. Our purpose at Unilever is to make Sustainable Living commonplace and the Unilever Sustainable Living Plan (USLP) brings this alive by embedding sustainability in our business. The USLP is a key differentiator for Unilever with young talent as it connects with the aspirations of the youth today to make a positive difference to society and the planet.

TDS: *Over the years, business processes, management styles, marketing concepts and strategies have been reshaped. The internet and smartphones have popularised e-commerce and e-marketing. How has Unilever adapted itself to this trend?*

PP: This is indeed the digital age. The growth of digital technology and social media is shaping almost every aspect of our life, including the way we work and how we engage with our consumers. Globally, this is a key focus area for us and we have built critical capabilities. We have strong global partnerships in place, even with leading companies in this space such as Google, Microsoft and Facebook. We will definitely bear these capabilities in each of our markets to win with our consumers. We are already doing this in many of our markets, such as India and Bangladesh.

The Kan Khajura Tesan Campaign (where cash-strapped and entertainment starved consumers were provided with popular and the latest entertaining content upon placing a missed call from their mobiles) was a huge success this year and portrays our innovation in using digital tools in the D&E Unilever markets. Most of our brands have similarly engaged with consumers through social media. Digitalisation is now an integral part of designing campaigns for brands. Over time, growth of investment in these new platforms has been significant and it will continue to grow faster than traditional media.

Philippine economic growth slows in third quarter

AFP, Manila

Growth slowed sharply in the Philippine economy in the third quarter because of typhoon damage and falling public spending, officials said Thursday.

The economy grew by 5.3 percent in the three months to September -- below expectations -- and 5.8 percent through the first nine months of the year.

Deputy chief statistician Romeo Recide added that gross domestic product (GDP) growth in this period fell to the lowest level since the last quarter of 2011.

The government has set a GDP growth target of 6.5-7.5 percent for the whole of 2014.

"Given this quarter's performance... even meeting the low end of the target growth rate for the year could pose a big challenge," Economic Planning Secretary Arsenio Balisacan told a news conference.

Typhoon Rammasun left 111 people dead or missing, caused a million people to flee their homes and left millions of others without power for several days across the country's economic heartland in mid-July.

Fierce winds and destructive floods generated by typhoons led to a 2.7 percent year-on-year contraction in farm output, Balisacan said.

Apart from agriculture, he said government consumption and public construction activities slowed as President Benigno Aquino's government adjusted to "new spending protocols", some imposed to fight corruption.

He also cited the "lingering negative impact" of Super Typhoon Haiyan, as well as delays in the layout of the government's massive post-typhoon reconstruction programme across the devastated central Philippines.

Economic output had expanded by 7.0 percent in the third quarter of 2013, before Haiyan, the strongest cyclone to ever hit land and the deadliest in the Philippines' recorded history, caused widespread devastation.

Despite the slowdown, Balisacan said business sentiment remained optimistic.

Banks cash in on dollar demand

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Kazi Saidur Rahman, a general manager of Bangladesh Bank, said the central bank has around $22 billion in reserves and sold about $70 million to banks in the last three days. "The market situation will ease next week."

After a gap of two and a half years, BB sold greenbacks of $45 million to five banks on Monday. On Tuesday and Wednesday, another $25 million was sold.

The BB last sold greenbacks, of around $10 million, to a single bank on June 20, 2012, after which it has been purchasing the currency -- $11 billion so far -- in an effort to keep the exchange rate stable.

During the July-October period of the fiscal year, LC openings for food grain imports increased around 30 percent, industrial raw materials 13 percent and other products 23 percent.

A BB official said on expectation that the price of dollar will increase in future banks and exchange houses are not releasing dollar to the market.