

Fifth edition of Commward to be held tomorrow

STAR BUSINESS DESK

Bangladesh Brand Forum (BBF) will honour and inspire creative communication professionals in marketing and business through the fifth Commward in Dhaka tomorrow.

Organised in association with Cannes Lions, the daylong festival will feature a communication summit, a showcasing panel discussion and gala award ceremony at Pan Pacific Sonargaon hotel, BBF said in a statement yesterday.

About 600 professionals from advertising and public relation firms, production houses and creative departments of local and multinational companies will attend the event.

Creative and effective advertisement campaigns run in the press, electronic and online media will be honoured through 21 categories. The recipients will be ranked as grand prix, gold and silver winners on their concept, strategy, execution and impact, according to the statement.

Two new categories—Art Direction and Campaign for Women—have been added this year. Commward received 367 nominations from 36 advertising agencies and creative departments of various organisations this year, the highest number of

nominations ever in the event's history.

The summit is designed to disseminate knowledge on creative marketing and communication in six sessions with world-renowned speakers.

Indranil Chakraborty, founder of StoryWorks; Bickey Russell, head of agency development at Global SMB Revenue Organisation of Google; and Dave McCaugham, a marketing thought leader and storyteller at Bibliosexual, will speak at the summit.

Muralidhar Salvateeswaran, managing director of Milward Brown in South India; Dan Mobley, regional head of corporate affairs at Standard Chartered for India and South Asia; and Syed Gousul Alam Shaon, managing partner and country head of Grey Dhaka, will also speak.

Cannes Showcasing, a display of the best of international creativity in communication, will remain open for all visitors.

Around 60 award-winning creative communication works ranging from print ads, billboards to interactive campaigns, will be shown, according to the statement.

The event is powered by The Daily Star and sponsored by Rakeen Development, RFL, Webable, Masthead PR, Maverick, Roaring Lions and Aamra Technologies.

China sets yuan rate at four-year low against dollar

AFP, Shanghai

China's central bank on Thursday set its daily reference rate for the yuan currency at a four-year low against the US dollar, but it closed stronger than the previous day.

The yuan was fixed at 6.4085 to the greenback, according to the China Foreign Exchange Trade System, just 0.07 percent weaker from the previous day. But it was the lowest since August 2011, the Shanghai Securities News said on its website.

The yuan still ended the day at 6.4053 to the dollar, up from both Wednesday's close of 6.4095 and the reference rate, also known as central parity.

The lower fixing followed an interest rate cut announced on Tuesday.

The central bank on August 11 devalued the yuan by nearly two percent, saying the decision was aimed at moving towards a more flexible exchange rate though the market interpreted it as a sign of economic weakness. It fell further in the following days.

The yuan is restricted to trading up or down two percent from the daily rate on the national foreign exchange market.

Before the August 11 change, the central bank used to decide its daily yuan reference rate by polling market-makers, but now says it takes into consideration the previous day's close, foreign exchange supply and demand, and the rates of major currencies.

The central bank injected 150 billion yuan (\$23 billion) into the money market on Thursday, according to a statement, amid recent tight liquidity.



Muhammed Ali, managing director of United Commercial Bank, and KM Mozibul Hoque, chairman of Total Air Services, the general sales agent of Air Asia in Bangladesh, pose at the signing of an agreement at the bank's corporate head office in Dhaka on Wednesday. UCB debit and credit cardholders will enjoy special airfare of Tk 24,300 (all inclusive) for Dhaka-Kuala Lumpur-Dhaka from Total Air Services.

Philippine economic growth quickens to 5.6pc in Q2

AFP, Manila

Philippine economic growth quickened in the second quarter, the government said Thursday, placing the country in a better position to weather the global fallout from China's economic woes.

Officials credited the growth to "prudent fiscal management" and policies pursued by President Benigno Aquino, which has

helped transform the country into one of the fastest-growing economies in the region.

Boosted by higher government spending, the April to June gross domestic product (GDP) grew 5.6 percent, outpacing the 5.0-percent growth in the previous quarter, which was the lowest in three years, Economic Planning Secretary Arsenio Balisacan said.

Industrial units get new gas connections

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Envoy Group, which exported around \$300 million worth of apparel last year, is moving fast to set up a third spinning unit at a cost of around Tk 450 crore in preparation.

As per the latest decision, industrial units under Titas Gas Transmission and Distribution Company will get 160 new connections and 139 additional loads.

Karnaphuli Gas Distribution Company in Chittagong will give 11 new connections and 12 additional loads.

Bakhrajan Gas Distribution Company will provide 12 new connections and five additional loads.

Eight new connections and seven additional gas loads will be provided to industrial consumers under Paschimanchal Gas Company.

Most of these new connections and additional loads have been approved for the textile, garments, steel and ceramic sectors, according to Petrobangla.

Private sector credit growth will increase significantly riding on these gas connections, said Touhidul Alam Khan, deputy managing director and chief business officer of Prime Bank, one of the largest private lenders in the country.

At the end of fiscal 2014-15, private sector credit growth went down to 13 percent from over 25 percent three years ago.

Many bankers attributed the credit downfall on poor infrastructure, particularly no new gas connections to industries.

Petrobangla's website showed that the country produced 2,702 million cubic feet of gas on Wednesday. The production is short by 500-600mmcf against the country's daily demand.

Energy Secretary Md Abubakar Siddique recently said they have no problem in providing new connections as an additional 125mmcf-150mmcf is required for 354 industrial units.

He said all the fertiliser factories had been shut down as a part of the government gas rationing programme and, if necessary, the government will reduce supply of natural gas to the power plants to facilitate supply of the fossil fuel to industries.

Production from Bibiyana gas field is set to increase by 300mmcf, said a Petrobangla official.

The committee also decided not to provide any new connections to CNG stations that consume around 5 percent of the country's total gas production. Captive power plants in factories will also not be given new gas connections.

Meek gain for stocks at end of week

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Of the traded issues, 160 advanced, 105 declined and 57 securities closed unchanged on the premier bourse.

Square Pharma dominated the turnover chart with 11.93 lakh shares worth Tk 29.5 crore changing hands, followed by Islami Bank, Titas Gas, Shahjibazar Power Company, and Lafarge Surma Cement.

Among the major sectors, fuel and power gained 1.4 percent in market capitalisation, followed by food and allied that increased 0.47 percent and bank 0.17 percent.

Conversely, engineering lost 0.45 percent, followed by textiles 0.14 percent and telecommunication 0.1 percent.

Standard Ceramic was the day's best performer, gaining 9.76 percent, while Kay & Que was the worst loser with 6.61 percent fall.

Chittagong stocks also rose marginally with the bourse's benchmark index, CSCX, increasing only 8.74 points or 0.09 percent to finish the week at 8,970.61.

Gainers beat losers as 103 advanced and 99 declined, while 41 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 91.25 lakh shares and mutual fund units, generating a turnover of Tk 29.78 crore.



Shahid Hamid, executive director of Dhaka Regency Hotel and Resort, and Jakaria Shahid, managing director of Edison Group, pose at the signing of an agreement in Dhaka on Tuesday. All members of the hotel's Premier Club will get exclusive discounts on products of Edison Group.

It's time to take advantage of low oil prices

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This cannot happen overnight, but we need to ignite the reform process. Elements of natural monopoly are present along the natural gas supply chain, requiring economic regulation. Ad hoc energy pricing makes it easy to politicise price adjustments. The more formally the decision to move to market-based pricing is communicated, the more public accept new price announcements. Also the higher the frequency of price changes, the more likely will the implementation of the announced pricing policy reform be sustained.

Generalised underpricing of energy is not the most efficient way of addressing equity concerns. One option is to introduce energy vouchers for the poor which they can get free from the government and use these vouchers to buy energy products at market prices. Metering of each customer makes it easier to provide targeted subsidies for natural gas than for liquid fuels. Using rising block tariffs, lifeline rates as offered for the first block in Bangladesh, is another way. However, one political challenge is to keep the block relatively small so as not to subsidise richer households disproportionately.

There is ample evidence that generalised subsidies are inefficient and inequitable, but they are popular, easy to introduce, and difficult to dismantle. This is all the more so with subsidies for goods that are purchased by a large segment of the population, such as fuel, and electricity. A number of countries had mounting subsidies financed by the

government until a year ago. The sharp decline in world prices in late 2014 automatically reduced fuel price subsidies without governments' having to take significant action. This has happened in Bangladesh as well.

Several governments have announced the decision to eliminate price subsidies for certain fuels and to move to market-based pricing or pricing based on cost recovery. For example, India eliminated the diesel subsidy in October 2014, earlier than anticipated. The subsidy for gasoline had been removed some years earlier.

Malaysia announced in December 2014 that it had moved gasoline and diesel to a "managed float" and terminated price subsidies. Morocco ended most fuel subsidies by the end of 2014. In December 2014, Indonesia announced that it was ending the price subsidy for gasoline and limiting the diesel price subsidy \$0.08 per litre. Kerosene and LPG subsidies were untouched. With the exception of LPG, Jordan has been adjusting fuel prices in line with the world price movement every month since the end of 2012.

Bangladesh has so far missed out on taking advantage of the current low oil prices to move initially to an automatic price adjustment mechanism and eventually to a deregulated system of pricing with competition from a well regulated private players. Coordinated price adjustments of all energy products would have made the financial burden on the public more bearable. The time to act is now.

BB steps in to cool down onion prices

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In Dhaka, Kaymu can deliver products on the same day or the next day of purchase, while it takes a few days to deliver outside the capital, he said. The company uses courier services to deliver goods outside Dhaka.

Kaymu will sign an agreement with bKash, a mobile financial service provider, for easy payment options, Balasubramanian added.

Schroeder said the company's website will add many more products soon.

"People will not need to go to markets anymore. They can buy everything online," Schroeder said. "All that a person needs in his day-to-day life will be

available in the online bazaar. It will act as an online super market for the customers."

Registration with the Kaymu website is free for buyers and sellers, Balasubramanian said.

The company started charging commission on sales two months ago, with the rate varying between 2 percent and 12 percent, depending on the product, he said.

"What is happening in Bangladesh's e-commerce business now is similar to how Amazon started its business many years ago. People did not accept the online marketing system of Amazon initially, but now they do."

BB steps in to cool down onion prices

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Unfavourable weather affected the production of the crop in India.

Onions are now selling at Tk 90 a kilogram in the capital's kitchen markets, up from Tk 60 a week ago, according to TCB.

To cool down prices, TCB has decided to run open-market sales next month and has already floated tenders to buy 400 tonnes of the vegetable locally, with more to follow in the coming days.

"We want to ensure that people get the cooking ingredient at reasonable prices,"

said TCB spokesman Md Humayun Kabir. The state-run agency though is yet to decide on the price at which it will resell the onions to consumers, Kabir said, adding that it will be lower than the current average market price.

Bangladesh consumes nearly 21 lakh tonnes of onion a year, of which 5-8 lakh tonnes are imported, mainly from India, according to data from Bangladesh Bureau of Statistics and National Board of Revenue. Domestic production meets the rest of the demand.

SSG spokesman Md Humayun Kabir said the agency will cool down onion prices by running open-market sales next month and has already floated tenders to buy 400 tonnes of the vegetable locally, with more to follow in the coming days.

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Mohammed Ibrahim, managing director of Super Star Group, launches the company's renovated website. Aftab Mahmud Khurshid, group chief market officer, was also present.

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