

Social business getting popular globally: Yunus

STAFF CORRESPONDENT, Chittagong

Many cities in the world have been inspired by the social business concept and some of them have already declared their respective cities as social business city, Nobel laureate Muhammad Yunus said yesterday.

Thirty-two universities in the world have social business centres, he said.

Yunus spoke on "Social business: international and Bangladesh perspective" at the inaugural ceremony of the 180-year celebration of Chittagong Collegiate School in the port city.

Generally business is intended for profit but social business does not return profit to the investors, he said.

In social business, the capital is returned to the investor and the profit is invested again to expand the business, he said.

The aim of social business is to solve social problems, he said, adding that the business will be run by its own money.

Business leaders in France have accepted the concept of social business and formed 'social business action tank', he said.

Now Indian business leaders are also taking steps to form social business action tank in India, Yunus said.

Paris wanted to be the host of 2024

Olympic and the mayor of the city wanted to adopt the concept of social business in every events of Olympic, he said.

Ammer Humayun Makhmud Chowdhury, convener of the programme, and Mostaque Hossain, member secretary, also spoke with MA Malek, Daily Azadi editor, in the chair.

The idea of social business derived from the concept of "Tebhaga Khamar (tripartite farm)" which Yunus introduced in Jobra village in Hathazari upazila of Chittagong in 1976 when he was a teacher of Chittagong University, the Nobel laureate said. The aim of Tebhaga khamar was to make the village self-sufficient in food, he said.

The harvest of the lands was divided into three equal shares among the land owners, farmers and the khamar committee, which provides money for cultivation, he said.

"Microcredit programme was introduced in the same village to free the poor from the clutches of the moneylenders in 1976," he said, adding that it was turned into Grameen Bank in 1983.

The concept of the bank was that it would be owned by its members, he said.

"At that time I was thinking about a business which will be non-dividend but will solve a social problem. This concept is the concept of social business."

First batch of Japan Automechanic School completes graduation

STAR BUSINESS REPORT

The first batch of Japan Automechanic Training School has completed graduation with all the students getting jobs, according to a statement.

The graduation ceremony took place at the school in Dhaka on Thursday, according to a statement from Yunus Centre yesterday. The vocational training centre is a joint initiative of SK Dream Japan, an NGO, Grameen Shikha, a non-formal school programme for slum children, and Rangs Workshop.

Nobel laureate Prof Muhammad Yunus presided over the ceremony, while Hirao Tsuneki, managing director of the school, and Duncan Powers, general manager, were also present.

Three of the new graduates have been hired by the school itself as junior teachers while the remaining seven have been recruited by Rangs Workshop, according to the statement.

"With world class training and experience, I hope one day, today's graduates will become the new generation of entrepreneurs and open their own workshops and be job creators. These young graduates will open a new door for the youths of Bangladesh," Yunus said.

The aim of the school is to train

Bangladeshi youths in the maintenance and repair of automobiles, especially cars manufactured in Japan.

The school commenced its operations in January 2015 with 10 students, all of them are children of Grameen Bank borrowers. The training centre is located at the Rangs Workshop in Tejgaon.

The school has now 32 students and aims to scale up its capacity gradually to 200 students.

The joint venture provides hands-on mechanic and English language training, enabling the students to work in any part of the globe. Highly skilled local and foreign trainers from different countries, including Japan and Australia, teach at the school.

Applications from the children of Grameen Bank borrowers are screened once a year and the selected applicants get interest-free education loan from Grameen Shikha.

Students get all equipment, dress and accommodation covered in the loan, and get one year grace period before starting to pay back the loan through long term instalments.

About 37,000 reconditioned cars hit the streets of Dhaka each year and there is a chronic shortage of qualified mechanics in the city.

US new home sales revive in November

AFP, Washington

Sales of new homes in the United States in November rose to their highest level since July, Commerce Department figures released Friday showed.

New single-family houses sold at a seasonally adjusted rate of 592,000, 5.2 percent above October's level, handily surpassing an analyst forecast which predicted a rate of only 573,000 for the month.

Year-on-year, sales were 16.5 percent above the same month in 2015.

The Commerce Department data coincided with industry figures released this week which showed sales of existing homes in November hitting their fastest pace since 2007, with 5.6 million condos, co-ops and single-family homes changing hands.

According to Friday's report, the median sale price was \$305,400.

The estimated number of new houses for sale stood at 250,000 by the end of November, a supply of 5.1 months at the current rate, down from 5.4 months a year ago, pointing to a shrinking stock.

Jim O'Sullivan, chief US economist at High Frequency Economics, said the November figures confirmed an overall upward trend in sales.

"Still unclear is the extent to which the recent rise in mortgage rates will hurt momentum," he wrote in a note to clients.

"On the positive side, both consumer and builder confidence have been rising."

ICAB gets new office bearers

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Kamal held the position of chairman of Dhaka regional committee of the ICAB for 2010-2011.

Hosain has served in senior management position in different multinational companies for 13 years.

Annual General Meeting

Date : Friday, December 23, 2016
Time : 10:30 AM
Venue : Corporate Head Office

NRB Global Bank



Nizam Chowdhury, chairman of NRB Global Bank, presides over the third annual general meeting of the bank, at its corporate head office in Dhaka on Friday. The bank's directors' report and audited financial statements for the year ended December 31, 2015 were adopted in the meeting. Proshanta Kumar Halder, managing director, was also present.



Shahana Khan, chairman of Daffodil Computers, presides over the 19th annual general meeting of the company in Dhaka on December 22. The shareholders approved 15 percent cash dividends in the meeting. Md Sabur Khan, managing director, was also present.

Focus of savings tools must be realigned: economist

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Net sales of savings certificates more than doubled from the target set by the government for fiscal 2015-16: it stood at Tk 33,688.6 crore -- the highest in the country's history -- against the target of Tk 15,000 crore.

This fiscal year, the target has been set at Tk 19,610 crore, but 80 percent of it has already been achieved in just four months.

Mujeri, also a former chief economist of the central bank, said there are two broader objectives of the national savings schemes.

The first is to borrow to meet the financing needs and the other is welfare implication, which will help pensioners earn something.

But the benefits are being pocketed by relatively rich people, he said.

"It is time to design a policy to reset the target -- welfare for whom? -- to reduce leakages of the schemes," he added.

The declining interest rates on bank deposits have been forcing people to buy savings certificates, said Anis A Khan, managing director of Mutual Trust Bank.

"Now many people buy these schemes in their names, in their wives, sons and daughters' names," said Khan, also the chairman of the Association of Bankers Bangladesh, a forum of banks' managing directors.

But there are no other options in the absence of savings schemes for pensioners.

"Retired people depend on the government's savings certificates."

He, however, said high returns on these schemes are affecting the banking industry.

In May last year, the government slashed deposit rates on savings instruments by up to 2 percentage points. But still it is higher than the others.

The interest rate on the five-year family savings certificates has been brought down to 11.52 percent from 13.45 percent, according to a notice of the Internal Resources Division.

The five-year pensioner savings schemes saw its interest rate slashed to 11.76 percent from 13.19 percent.

The interest rate on the three-year post office savings certificates came down to 11.28 percent from 13.24 percent.

For Bangladesh Savings Certificates, the rate was fixed at 11.28 percent, down from 13.19 percent.

The three-year profit-based savings certificates saw their deposit rates go down to 11.04 percent from 12.59 percent.

Presently, an individual can invest up to Tk 30 lakh in five-year term certificates and three-month profit-bearing certificates.

An adult female can purchase up to Tk 45 lakh in savings instruments under Paribar Sanchayapatra (family savings certificates), and the relatively rich take advantage of this by investing big sums in them.

Chinese consortium wins 40pc stake bid in Pakistan bourse

AFP, Karachi

A Chinese consortium is set to acquire a 40 percent stake in Pakistan's main bourse, the country's stock exchange said Thursday. At least 17 entities had expressed an interest in the Pakistan Stock Exchange (PSX), whose benchmark stock index was one of the best performing indices worldwide in 2016.

The deal is estimated to be worth about \$84 million, according to an official who requested anonymity.

The PSX is currently owned by more than 300 Pakistani brokers.

"The bid submitted by Chinese Consortium @ Rs. 28 per share emerged as the highest and acceptable under the relevant regulations," the PSX said in a statement.

The consortium comprises three Chinese exchanges -- China Financial Futures Exchange Company Limited, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and two local financial institutions -- Pak-China Investment Company Limited and Habib Bank Limited.

"The Divestment Committee will now issue the Letter of Acceptance to the above Consortium, subject to formal approval of Securities and Exchange Commission of Pakistan (SECP)," the statement added.

Following the sale, the company plans to offer 20 percent of its shares to the public, officials say.

Under its stock exchange reforms, Pakistan merged its three stock exchanges -- the Karachi Stock Exchange, the Lahore Stock Exchange and the Islamabad Stock Exchange -- to form the PSX in January this year.

The benchmark KSE index of 100 shares was at the level of 46,699 points on Thursday, compared with 32,816 points on January 1.

Bangladesh drops in global trade rankings

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Bangladesh has retained its spot of 130 in the efficiency and transparency of border administration rankings.

The country made a major jump upward in the availability and quality of transport infrastructure rankings, climbing to 109th place from 123rd two years earlier.

It also moved up five places to 100th in the availability and quality of transport services rankings, and six spots to 118th in the availability and use of ICTs pillar rankings.

It slipped 17 places to 128th in the operating environment pillar rankings.

In the preface of the report, Richard Samans, member of the managing board of the WEF, said the report is launched at a time of uncertainty for global trade.

"The year started with the signing of the Trans-Pacific Partnership agreement, bright hopes for the Transatlantic Trade and Investment Partnership, signs of progress in the WTO and a positive mood among leaders round the world."

By November, anti-trade rhetoric in the US election, the UK's vote to leave the European Union and stark divides among WTO members had brought progress on these fronts close to a halt.

However, liberalisation efforts did continue in other regions, via Asia's Regional Comprehensive Economic Partnership, Africa's Continental Free Trade Area and other negotiations.

"Amid the uncertainty, business and

governments look for navigation markers -- signs to show them which aspects of trade policy and practice are working well and which aren't."

According to the report, which is published every two years, Bangladesh's trade openness is 34.8 percent of its gross domestic product, while its share of world trade is only 0.22 percent of the total international trade.

The report identified a number of problematic factors that imports face.

They include: tariffs and non-tariff barriers; burdensome import procedures; corruption at the border; high cost or delays caused by domestic transportation; crime and theft; high cost or delays caused by international transportation; domestic technical requirements and standards; and inappropriate telecommunications infrastructure.

Problematic factors for exporters are: identifying potential markets and buyers; high cost or delays caused by domestic transportation; inappropriate production technology and skills; difficulties in meeting quality/quantity requirements of buyers.

Access to imported inputs at competitive price and trade finance; high cost or delays caused by international transportation; technical requirements and standards abroad; tariff barriers abroad; rules of origin requirements abroad; burdensome procedures at foreign borders; and corruption at foreign borders, are the other factors.

United Airways to raise Tk 312.8cr to resume flights

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In another development, the stockmarket regulator allowed Premier Bank and Bank Asia to raise Tk 500 crore each by issuing non-convertible subordinated bonds to meet their capital requirement.

The face value of the bonds, which can be issued only to financial institutions and high-net-worth individual investors through private placement, will be Tk 1 crore per unit.



Chairman of Bangladesh Petroleum Exploration and Production Company Nazimuddin Chowdhury presides over the 27th annual general meeting of the company at Bangladesh Shooting Sports Federation in Dhaka on December 20. The meeting approved the company's audited accounts, auditors' report and financial statements for 2015-16.

Saudi to sell 49pc of Aramco within decade

AFP, Riyadh

Saudi Arabia plans to sell up to 49 percent of its oil giant Saudi Aramco within 10 years as the world's largest crude exporter tries to lower its deficit, local media said Saturday.

The Al-Eqtisadiyah daily quoted an unnamed official as saying the sale would raise funds to be spent "at home and abroad" in what is expected to form the world's largest state investment fund.

The kingdom is looking to diversify its oil-dependent economy and has already announced cutbacks after its 2015 deficit snowballed to \$97 billion (93 billion

euros).

The IPO for state-owned Aramco could take place in 2018 and an initial sale of a five percent share is expected to form the basis for the fund holding around \$2 trillion in assets.

The firm will next year begin publishing quarterly results in a bid to attract potential investors, Aramco chief Amin Nasser has said.

Riyadh earlier this month agreed to slash its oil production beyond cuts agreed among OPEC members, giving crude prices a lift. They remain at around half of their mid-2014 levels.