

Social business summit kicks off in Paris today

STAR BUSINESS REPORT

The eighth Global Social Business Summit begins in Paris today with an aim to find solutions to some of the world's most pressing needs through the business concept developed by Bangladeshi Nobel Laureate Prof Muhammad Yunus.

The two-day summit will take place at the Cité Internationale Universitaire de Paris and will bring together more than 700 delegates from the private sector, civil society, governments and academia of the globe.

Prof Yunus and the City of Paris are jointly organising the event.

The annual gathering will foster discussion, collaboration and the sharing of best practices around social business and its positive impact, Yunus Centre in Dhaka said in a statement.

This year's edition titled "New Wave of Hope!" will focus on four key themes: Food and its Value, Plastic Pollution, Solidarity and Refugees, and the Paris 2024 Olympic Games.

World-class speakers, including Prof Muhammad Yunus; Anne Hidalgo, mayor of Paris; Joel Bouzou, president of World Olympians Association, and Thomas Gass, assistant secretary-general of the United Nations, will speak at the event.

In the statement, Prof Yunus said, "What we need is to think strategically about development, analysing a country's potential role in its region and the world in search of opportunities for growth. Platforms like the Global Social Business Summit can facilitate the process of bringing about change."

Entrepreneurs in Paris and other cities in the world are constantly creating new

projects that are both economically coherent and socially beneficial, Hidalgo said.

"It is crucial that we give them means and make this worldly generation capable of kindling new hopes with a forum."

"The Global Social Business Summit is on this account a momentous occasion, as it enables all major international actors of this collaborative economy to work together, to share ideas and experiences, and to come up with new ambitions."

Hidalgo aims to turn Paris into a hub of social business and start implementing this through the momentum of the 2024 Olympic Games.

Hans Reitz, head of the summit, said, "We have to show that we are a global movement with a thoughtful and powerful concept behind."

The summit will also include a presentation and discussion about the latest book of Prof Yunus titled "A World of Three Zeros". In addition, a plastic exhibition will take place in front of the Paris City Hall.

The Global Social Business Summit began its journey in Germany in 2009. Subsequent events took place in Germany, Austria, Malaysia, Mexico and again in Germany.

Born out of Prof Yunus's experience from running the Nobel Prize-winning Grameen Bank, a social business is a non-dividend company to solve a social problem.

Like a non-governmental organisation, it has a social mission and like a firm it generates its own revenues to cover costs. Investors may recoup their investment.

All profits are reinvested for growth and innovation or to seed new social business ventures.



Md Akhtaruzzaman, vice-chancellor of Dhaka University, and Selim RF Hussain, CEO of Brac Bank, at a programme at the university on Saturday to hand over scholarships to 25 students of the Faculty of Business Studies under poet SM Abul Hussain Memorial Trust.

25 DU students get poet Abul Hussain scholarship

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"Poet SM Abul Hussain Memorial Trust" scholarship was presented to 25 students for their brilliant scores in the entry test of the Faculty of Business Studies of Dhaka University.

Vice-Chancellor Md Akhtaruzzaman and Selim RF Hussain, CEO of Brac Bank, handed over the scholarships at a ceremony at the faculty on Saturday. Two poems of the poet were also recited.

"As family members of the poet, we are proud and honoured to provide the scholarship," said Hussain, son of SM Abul Hussain.

"SM Abul Hussain was a renowned modern Bangalee Muslim poet. He worked for the education and socio-economic development of the country throughout his life. We believe students will become enlightened human beings with the help of the scholarship."

Dean Prof Shibli Rubayat Ul Islam and the poet's family members were present. Hailing from different districts, all of the 15 female and 10 male students stay in the DU residential halls.

Govt securities can now be traded on DSE

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The officials of the RJSC requested the central bank to provide the Credit Information Bureau report of the company owners, said Subhankar Saha, executive director and spokesperson of the BB.

The RJSC will use the CIB report to check if the individuals are already defaulters before offering the licence to form a company, he said.

The BB assured the RJSC that it would provide the CIB report as per requirement of the regulator, Saha added.

US dollar enters centre stage for earnings

REUTERS, New York

The dollar has moved from a supporting role to a featured player this earnings season, a boon to US multinationals which have benefited from the biggest quarterly year-on-year decline in the greenback in three years.

Since the start of October, at least 35 US companies have cited currency "benefits" or "tailwinds" and "weaker dollar" for boosting quarterly earnings, compared with few mentions a year ago, and some see that extending to the fourth quarter, a Reuters analysis shows.

"The quarter was one where the dollar weakened over the course of the quarter, more so than analysts expected," said Jill Carey Hall, equity and quantitative strategist at Bank of America Merrill Lynch in New York.

"That's what's in part been helping multinationals," Carey Hall said. "They have seen some of the strongest results so far."

The US dollar index's .DXY average in the third quarter fell from its year-ago level by about 2.5 percent, the weakest showing since 2014, Thomson Reuters data shows.



High officials of Asian Consumer Care Private Ltd (Dabur Bangladesh) attend the launch of "Dabur Methi Amla Hair Oil" at a programme in Dhaka on Thursday.

Blockchain becoming the rage at US business schools

AFP, New York

US business schools are beefing up training in the software that underlies digital currency bitcoin, a technology expected to be a game changer in many industries.

The move makes sense as more students seek careers in financial technology, or "fintech," which has captivated leading Wall Street banks and been called "the most important technology since the internet."

In January, the Haas School of Business at the University of California at Berkeley will offer its first ever course in blockchain software.

The Haas school, which is near San Francisco and Silicon Valley, will handpick 60 students from the departments of business, engineering and law and split them into groups of six to explore possible applications of the technology.

"When people think about blockchain they think about cryptocurrencies," said Haas school lecturer Greg LaBlanc, who sees the technology as potentially disrupting many sectors.

"We believe it will have the biggest impact on contracting, logistics and supply chains, healthcare, public administration, assets clearing, property, transactions," he said.

"Pretty much every function of businesses are going to be affected by this."

Blockchain runs by recording transactions as "blocks" that are updated in real time on a digitized ledger that can be read from anywhere and does not have a central recordkeeper.

It was originally developed as the accounting method for bitcoin. But while that cryptocurrency remains controversial with some players in finance, bankers increasingly see exposure blockchain as a must.

Blockchain is "something we are very optimistic about," JPMorgan Chase chief financial officer Marianne Lake said on a conference call last month.

Newer technologies could be "very transformational for the financial services industry and we are forward-leaning and optimistic about that," Lake added.

The technology, which lets users trace items back through their supply chains, also could offer a means to limit tainted food problems, or to guard against "blood diamonds" that come from a war-ravaged area.

In finance, blockchain could be used to permit parties to check the solvency of counterparties, significantly reducing costs.

Training students for that function and other evolving roles in finance is altering curricula at universities and shifting how students structure their programs.

Students who wish to work in trading must learn how to code, while bankers need to understand algorithms and big data to be able to attract new clients and devise strategies for fast-changing markets.

"Anyone who is coming into the financial industry is expected to have some skills in technology," said Stephen Daffron, a founder of Motive Partners, a private equity firm specializing in

fintech investment.

"If they don't understand how to evaluate a company that tries to employ blockchain, then they won't probably be a good fit for us," said Daffron, who lectures at the Yale School of Management.

Barbara Hewitt, senior associate director in the career services office at the University of Pennsylvania, home to the Wharton School, also noted the rising interest in new skills and technology.

"I increasingly see students opting to explore technical minors, such as in computer science, to be well prepared for the growing use of technology in many fields," she said.

But if exposure to fintech has become more important to hireability, traditional skills such as accounting, mathematics and understanding of economics remain the top criteria for recruiters, the schools say.

Companies "want people with strong technical skills, people with management skills," said Abigail Kies, assistant dean of career development at Yale.

At Yale, about 20 percent of 2016 graduates found jobs in finance, according to figures supplied by the university.

Fritz Foley, a finance professor at Harvard Business School said jobs in this sector still "require strong analytical abilities, an understanding of institutional details, and good judgment."

"These requirements have not changed as innovations have occurred."

Bank of England's Carney sees slower growth without Brexit deal

REUTERS, London

Britain's economy will grow more slowly in the short term if the country fails to secure a deal for its future trading relationship with the European Union after Brexit, Bank of England Governor Mark Carney said on Sunday.

Asked in an interview with ITV television if Britain's economy would take a hit if there is no Brexit deal, Carney said: "The short answer is yes, in the short term..."

"In the short term, without question, if we have materially less access (to the EU)

than we have now, this economy is going to need to reorient and during that period of time it will weigh on growth."

Carney also said British business investment should be booming, given the strength of the world economy and other factors, but it was only just growing because of the uncertainty about the outcome of the Brexit negotiations.

The BoE on Thursday raised interest rates for the first time since 2007, before the start of the global financial crisis, but sterling fell sharply as the central bank also said it expected only "very gradual" rate rises ahead.

Govt to build 3,600MW LNG-based power plant

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The power plant will run on imported gas and an LNG terminal will also be set up there.

The government has taken an initiative to import a huge quantity of LNG from next year. Both land-based and floating LNG terminals will be set up.

Japanese firm Tokyo Gas Engineering Solutions Corporation has been appointed as a consultant to carry out the feasibility study for setting up the land-based terminals.

The sites being considered for the land-based terminals include Kutubdia, Moheshkhali and Payra. Each of the two land-based terminals will supply 1,000 million cubic feet of gas per day (mmcf), according to an official of the energy ministry.

Besides, the government has approved two floating LNG terminals, each of which will supply 500mmcf of gas.

ate its energy shortage largely caused by depleting domestic reserves and rising demand. Gas supply stands at about 2,700mmcf against the demand for 3,300mmcf.

The shortage of gas has affected power generation.

Import of 1,000mmcf gas will cost Bangladesh \$3 billion a year.

Still, the overall result is going to be positive as the import of 1,000mmcf gas could help produce almost 5,000 megawatts of electricity, which is more than half of what the country produces today.

AM Khurshedul Alam, managing director of North-West Power, and Sunil Mathur, chief executive officer of Siemens South Asia, signed the deal at an event at the Bidyut Bhaban in Dhaka.

Tawfiq-e-Elahi Chowdhury, the prime minister's energy, power and mineral resources adviser, and Thomas Prinz, German ambassador to Bangladesh, also spoke.

Honda investing \$29m in motorcycle plant

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From January to September this year, 270,000 motorcycles were sold in Bangladesh and the demand is on the rise, said Rahman.

Rahman said the Japanese company came in Bangladesh in December 2012 and started production in a rented factory in Sreepur of Gazipur.

BHL has a production capacity of 80,000 units in its 8,700-square metre Sreepur plant.

Currently, BHL produces seven models of motorcycles in Bangladesh such as CD80, Dream New 110, Livo 110, CB Shine 125 and CB Trigger.

Industries Minister Amir Hossain Amu, Bangladesh Economic Zones Authority (BEZA) Executive Chairman Paban Chowdhury and newly appointed Japanese Ambassador in Bangladesh Hiroyasu Izumi were present at yesterday's ceremony.

BEZA, the economic zones regulatory body, awarded a licence to AMEZ in January this year to set up the economic zone on a 315-acre land.

Chowdhury said Honda purchased 25 acres of land from AMEZ to set up the plant.

"Production in five BEZA-developed economic zones has already started and the development work of 30 more is ongoing in full swing," he added.

BEZA is working with a target to develop 100 economic zones across the country, he said.

NBR demands Tk 925cr unpaid VAT from Robi

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He said Robi claimed all rebate in accordance with the law and it is unfortunate that the telecom industry is treated differently when it comes to VAT.

VAT on merger fee or VAT on any regulatory fees is already a sub-judice matter, he said.

If Bangladesh Telecommunication Regulatory Commission gets VAT registration, all issues related to regulatory fees and VAT will be resolved.

"We cannot pay VAT on various regulatory fees and charges to the BTRC as it cannot issue chalans against VAT payment in the absence of VAT registration. It is unfortunate that the NBR is not taking action to help resolve the issue," Kabir added.

Low-cost WB funds for entrepreneurs

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"By bringing private sector provision for infrastructure development and expanding exports to sectors where the country has already shown comparative advantages, Bangladesh can create more and better-paid jobs and boost prosperity for its citizens," said Qimiao Fan, WB's country director for Bangladesh.

Due to limited capacity and market constraints, local financial institutions traditionally could not meet the longer-term financing demand for building infrastructure.

Built on the success of an earlier project, the IPFF II will help local financial institutions to lend to private sector infrastructure ventures through the Bangladesh Bank for a longer term of 8 to 20 years, beyond the usual term of 5 to 7 years, according to the statement.

The other one—the \$100 million Export Competitiveness for Jobs Project—will aim in diversifying exports in labour-intensive and globally competitive industries such as leather goods, footwear, plastics and light engineering.

"Both the projects will help Bangladesh create more and better jobs for its population," the World Bank said.

The WB said it will help create 90,000 more jobs by focusing beyond the garment sector and diversifying exports in other labour-intensive sectors.

The project will help firms access interna-

tional markets, overcome technology, infrastructure and skills shortfalls and enable them to comply with international quality standards.

These improvements will help Bangladesh increase the number of exporting firms in target sectors by about 30 percent.

Nine out of 10 Bangladeshis work in the informal sector, often in poor working conditions. The project will provide industry-specific training to students, workers, and particularly women.

By the end of the project, average wage is expected to grow by 33 percent, the WB said.

"These two projects will contribute to the country's vision of achieving upper-middle income status by its 50th birthday," said Kazi Shofiqul Azam, secretary of the Economic Relations Division.

Both the agreements were signed by Azam and Fan.

The credits came from the International Development Association (IDA), the WB's credit arm for grant and no or low interest.

The credits are interest-free and repayable in 38 years, including a six-year grace period, and carry a service charge of 0.75 percent.

The IPFF II also includes \$100 million credit from the IDA's scale-up facility that has a 30-year term, including a nine-year grace period.

13 banks overshoot SME lending targets

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The central bank has recently asked the 19 banks to speed up SME loan disbursement to keep up with their targets.

Together, banks and non-bank financial institutions (NBFIs) lent 62 percent of their yearly SME loan target of Tk 133,854 crore in the first six months.

The BB sat with banks and non-banks in separate meetings between October 9 and 11 and asked them not to disburse loans excessively in the trading sector.

Banks and NBFIs were also asked not to disburse more than 55 percent of their SME loans to the trading sector in a single year.

The central bank will not consider any loans exceeding the 55 percent "threshold" as SME credit, the official said.

The BB found that some banks disbursed between 70 percent and 80 percent of the SME loans in the trading sector in the first half, pushing the overall SME loan disbursement higher, he said.