

# MTBiz

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## GLOBAL FOOD SECURITY ALARM Vs. BANGLADESH

Continued from previous issue



Food Security is gradually at a risk at global level. On the other hand, Urbanization and industrialization have been consuming arable land since last century. Thus, amount of arable land has been observed being squeezed notably in the LDCs, and of course in Bangladesh. Bangladesh's Rice production is right on the equilibrium between demand and supply. Yet, in order to maintain this achievement and growing, Bangladesh has to immediately address the population issue, adopt policy to strict the conversion of arable land to non-arable activities, to have focused usage policy of natural gas adhered to agriculture, and moreover finding new technology for irrigation and replacing the usage of underground water.

*see page 02*



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**GLOBAL FOOD SECURITY ALARM Vs. BANGLADESH Part II**



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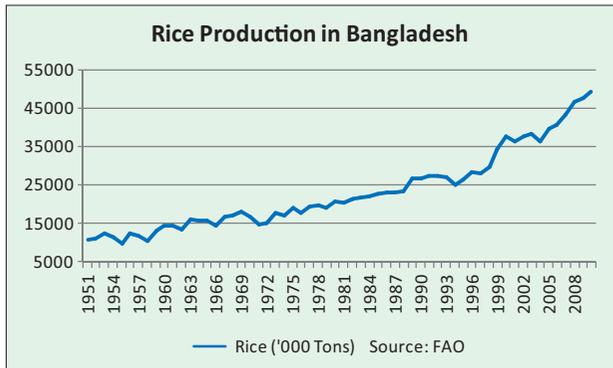
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# ARTICLE OF THE MONTH

## GLOBAL FOOD SECURITY ALARM VS. BANGLADESH [Part II]

This following article is a continued part of its earlier issue published at MTBiz August 2012. In the preceding issue, it was observed that, Food Security is gradually at a risk at global level whereby at national level in Bangladesh, it has been showing a steady growth of production of food grain and gradual reduction of import of the same. In brief, it looks as if Bangladesh achieves higher food security compared to global level, as of Bangladesh Rice Outlook 2012 – 13.



In this second part of the article it will be observed in more detail, if there is any fluctuation in total food grain production and underlying reasons behind them. Further, necessary dimensions of food security in Bangladesh will also be discussed at a level indicative for policy formulation. However, before, all of these, definition and scope of food security would be opening topic in this article.

### What is Food Security?

According to WHO, The World Food Summit of 1996 defined food security as existing “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”. Commonly, the concept of food security is defined as including both physical and economic access to food that meets people’s dietary needs as well as their food preferences.



According to FAO (1996), “Food security” means that food is available at all times; that all persons have means of access to it; that it is nutritionally adequate in terms of quantity, quality and variety; and that it is acceptable within the given culture. Only when all these conditions are in place can a population be considered “food secure”.

According to Rome Declaration on World Food Security (World Food Summit, 1996), All people at all times have physical and economic access to sufficient, safe and nutritious foods to meet their dietary needs and food preferences for an active healthy life.

Considering the above definitions, which are, by far, almost very close to one another; it is summed up that there are FOUR (04) Dimensions of Food Security:

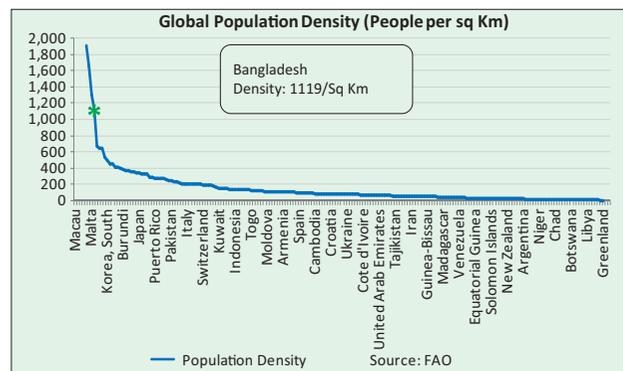
- Physical Availability of Food
- Economic & Physical Access to Food
- Food Utilization
- Stability of the above 03 dimensions over time

Definitions of Food Security coined by International Agencies or

Authorities are drafted to fit universally for human race, for any country. However, author of this article gives in to the definitions, however, in order to achieve food security according to the dimensions mentioned above the author finds following dimensions of the country to be addressed, which otherwise, seem to appear to play as independent variable for Food Security in Bangladesh and these are:

1. Number of Population
2. Land area for Cultivation vs. Residential & Commercial Use
3. Cost of Agricultural Inputs
4. Underground Water Level

### 1. Number of Population:



Ideal or Optimum size of population for a given piece of land is yet to be defined. Effective population size theoretically is defined based on breeding capability of a population in a specific land. However, the world scientists are yet to conclude to any figure, that, how much land is required for a given number of people’s living comfortably and economically; in reverse, how many people can live in a given piece of land at economic equilibrium with social choices met.

However, that does not necessarily give an option to a nation state to let it population grow as many as possible in natural biological way. For any country, resources are the main constraints and given limited resources, an increasing number of populations for any country is an issue to ponder. If we look into the following graph, it may be concluded that in the case of Bangladesh, this is almost at the level of critical alarm:

According to CIA World Fact book, out of 199 countries, Bangladesh is ranked 8th by highest population density from. That means out of 200 countries 190 countries have population density lower than Bangladesh.

Now, if we explore why population density is critical for Food Security, we find population density is the indicator to say, how much land we have left over for commercial and agricultural usage apart from residential usage. From the same data it is further noted, out of 200 countries, Bangladesh is ranked to be 104th, if ordered by area of the country.

Bottom line is, if Bangladesh cannot take necessary steps and strategic decisions regarding where to bind its population, in days to come, there will be demand for more residential and commercial land which would cut the amount of agricultural land.

### 2. Land area for Cultivation vs. Residential & Commercial Use

Urbanization and industrialization have been observed to be inescapable since last century. Both of them seem to take a continuous growth path, though less in developed countries and more in LDCs and under developed countries.

# ARTICLE OF THE MONTH



As a growing pattern, and for the cause of continuity of its pattern, automatically rural areas are converting to semi urban and then urban. This in return is consuming the amount of arable land in the locality. Thus, amount of arable

land has been observed being squeezed notably in the LDCs, and of course in Bangladesh.

A strict policy seems to be mandatory for maintaining and preserving the existing amount of arable land in the country. Otherwise, with the continuous process of urbanization and industrialization, one day Bangladesh will discover that, it has arable land less than required.

According to current production data in Bangladesh, it can be concluded that, total production of food grain in the country is merely satisfactory to the demand as of today. But population will not stay freeze here and not the urbanization process.

Thus, ten years down the line, Bangladesh will start feeling the shock of arable land. In recent days, hybrid grains are in production, that has high productivity, yet, growing of a food-grain plant is a biological process and hence, cannot be assured to be productive in linear relation to time. Therefore, days are not far when, all countries of the world will be banning on export of food grain, and Bangladesh will be in shortage of arable land, provided that, a policy is not formulated and strictly implemented immediately, in order to preserve the existing arable land.

### 3. Cost of Agricultural Inputs

Natural gas is one mineral resource for Bangladesh that has multiple usages. It is used for Power generation, alternative to automobile fuel, industrial fuel and raw material for urea, the major fertilizer for rice production. Bangladesh is still running shortage on Power Generation. Sale of natural gas for automobile has been taken under a rationing system by putting an embargo on selling gas during certain hours (04 hours) a day. All these symptoms indicate that, natural gas that is in hand now, is insufficient to demand. Moreover, mineral resources are always limited by nature. According to different forecasts, Natural Gas will all be consumed by 2050 in Bangladesh.

Given the scenario, it is high time, for Bangladesh that it decided, for which purpose, the mineral resource be used and an immediate intervention in the prevailing gas consumption pattern is necessary, and the author suggests to limit the use of natural gas as industrial fuel for the short term and for agricultural input production for the long run.

### 4. Underground Water Level

In the past the Bangladeshi government and researchers have promoted use of groundwater for irrigation to combat seasonal food insecurity among farmers who were otherwise dependent on the timing of monsoon rains for their harvest.

Groundwater, unlike surface water such as ponds, lakes and rivers, is located in water tables beneath the ground which are recharged by seepage from rainfall; groundwater forms about 20 percent of the earth's freshwater supply.

Experts warn rapid depletion of Bangladesh's underground water table could jeopardize food and water security for millions throughout the country and also endanger the biodiversity of one of the world's largest mangrove forests within the next two decades.

Dry season irrigation provided by groundwater is used for 80 percent of Boro rice cultivation - also known as winter rice - which made up almost 60 percent of the country's annual grain production in 2007-2008.



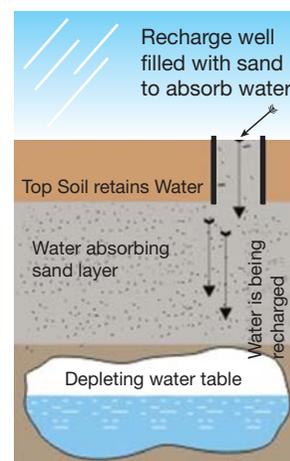
During the peak of the dry season from March to April, 63 percent of the country's irrigation comes from groundwater extraction by shallow tube wells.

This will have two worrying long-term consequences:

**First**, shallow tube

wells which typically go no deeper than 20m into the ground (used throughout the country by farmers and the general population for small-scale irrigation and drinking) will start to go dry as water levels fall below the depth the tube wells are able to reach.

Groundwater depletion situation in the capital	
Year	Bellow the surface
1996	26.60m
1997	28.15m
1998	30.45m
1999	31.86m
2000	34.18m
2001	37.78m
2002	42.00m
2003	46.24m
2004	50.6m
2005	57.42m
2006	59.72m
2007	61.18m



Source: Groundwater monitoring survey project, BADC

**Second**, as the groundwater level drops below sea level there will be saltwater intrusion, with water from the Indian Ocean moving in to fill the underground vacuum.

Both the outcomes are alarming. Yet, second one is more critical. Intrusion of saltwater to the ground will simply bring havoc to the once-fertile land of Bangladesh.

Farmers are yet to know, that by using groundwater they are in fact inviting intrusion of saltwater to their land and in the long run, all land will be non-fertile.



In conclusion, as of now, Bangladesh's Rice production is right on the equilibrium between demand and supply. However, this is a notable achievement for

Bangladesh. Yet, in order to maintain this achievement and growing, Bangladesh has to immediately address the population issue, adopt policy to strict the conversion of arable land to non-arable activities, to have focused usage policy of natural gas adhered to agriculture, and moreover finding new technology for irrigation and replacing the usage of underground water.

Unless, these issues are addressed in immediate effect, today's Food Security in Bangladesh may not prevail for long.

## Global Warming & Climate Change (Doha Talks, 2012)

Global warming has become perhaps the most complicated issue facing world leaders. Warnings from the scientific community are becoming louder, as an increasing body of science points to



rising dangers from the ongoing buildup of human-related greenhouse gases — produced mainly by the burning of fossil fuels and forests. Global emissions of carbon dioxide were at a record high in 2011 and were likely to take a similar jump

in 2012, scientists reported in early December 2012 — the latest indication that efforts to limit such emissions are failing. Over all, global emissions jumped 3 percent in 2011 and are expected to jump another 2.6 percent in 2012, researchers reported.

The new figures show that emissions are falling, slowly, in some of the most advanced countries, including the United States. That apparently reflects a combination of economic weakness, the transfer of some manufacturing to developing countries and conscious efforts to limit emissions, like the renewable power targets that many American states have set. The boom in the natural gas supply from hydraulic fracturing is also a factor, since natural gas is supplanting coal at many power stations, leading to lower emissions. But the decline of emissions in the developed countries is more than matched by continued growth in developing countries like China and India, the new figures show. Coal, the dirtiest and most carbon-intensive fossil fuel, is growing fastest, with coal-related emissions leaping more than 5 percent in 2011, compared with the previous year.

Emissions continue to grow so rapidly that an international goal of limiting the ultimate warming of the planet to 3.6 degrees, established three years ago, is on the verge of becoming unattainable, said researchers affiliated with the Global Carbon Project, a network of scientists that tracks emissions. Yet nations around the world, despite a formal treaty pledging to limit warming — and 20 years of negotiations aimed at putting it into effect — have shown little appetite for the kinds of controls required to accomplish that goal.

For almost two decades, the United Nations has sponsored annual global talks, the United Nations Framework Convention on Climate Change, an international treaty signed nearly 200 countries to cooperatively discuss global climate change and its impact. The conferences operate on the principle of consensus, meaning that any of the participating nations can hold up an agreement. The conflicts and controversies discussed are monotonously familiar: the differing obligations of industrialized and developing nations, the question of who will pay to help poor nations adapt, the urgency of protecting tropical forests and the need to rapidly develop and deploy clean energy technology.

At the 2012 meeting in Doha, Qatar, the agenda was modest, with no new emissions targets and little progress expected on a protocol that is supposed to be concluded in 2015 and take effect in 2020. Previous talks held in Durban, South Africa, in 2011; Cancún, Mexico, in 2010; and Copenhagen in 2009 produced much chaos and last-minute drama, but many environmental advocates were disillusioned by what they saw as meager progress.

Nevertheless, negotiators at the sessions achieved a number of significant steps, including pledges by most major countries to

reduce their emissions of climate-altering gases, a promise by rich nations to mobilize \$100 billion a year by 2020 to help more vulnerable states adapt to climate change, a system for verifying emissions cuts and programs to help slow deforestation.

### Background

Scientists learned long ago that the earth's climate has powerfully shaped the history of the human species — biologically, culturally and geographically. But only in the last few decades has research revealed that humans can be a powerful influence on the climate, as well.

A growing body of scientific evidence indicates that since 1950, the world's climate has been warming, primarily as a result of emissions from unfettered burning of fossil fuels and the razing of tropical forests. Such activity adds to the atmosphere's invisible blanket of carbon dioxide and other heat-trapping "greenhouse" gases. Recent research has shown that methane, which flows from landfills, livestock and oil and gas facilities, is a close second to carbon dioxide as an impact on the atmosphere.

That conclusion has emerged through a broad body of analysis in fields as disparate as glaciology, the study of glacial formations, and palynology, the study of the distribution of pollen grains in lake mud. It is based on a host of assessments by the world's leading organizations of climate and earth scientists.

In the last several years, the scientific case that the rising human influence on climate could become disruptive has become particularly robust. Some fluctuations in the earth's temperature are inevitable regardless of human activity — because of decades-long ocean cycles, for example. But centuries of rising temperatures and seas lie ahead if the release of emissions from the burning of fossil fuels and deforestation continues unabated, according to the Intergovernmental Panel on Climate Change, a group that shared the 2007 Nobel Peace Prize with former Vice President Al Gore.

In addition, a report released by the I.P.C.C. in November 2011 predicted that global warming will cause more dangerous and "unprecedented extreme weather" in the future. Despite the scientific consensus on these basic conclusions, enormously important details remain murky. That reality has been seized upon by some groups and scientists disputing the overall consensus and opposing changes in energy policies.

For example, estimates of the amount of warming that would result from a doubling of greenhouse gas concentrations (compared to the level just before the Industrial Revolution got under way in the early 19th century) range from 3.6 degrees to 8 degrees Fahrenheit. The intergovernmental climate panel said it could not rule out even higher temperatures. While the low end could probably be tolerated, the high end would almost certainly result in calamitous, long-lasting disruptions of ecosystems and economies, a host of studies have concluded. A wide range of economists and earth scientists say that level of risk justifies an aggressive response.

Other questions have persisted despite a century-long accumulation of studies pointing to human-driven warming. The rate and extent at which sea levels will rise in this century as ice sheets erode remains highly uncertain, even as the long-term forecast of centuries of retreating shorelines remains intact. Scientists are struggling more than ever to disentangle how the heat building in the seas and atmosphere will affect the strength and number of tropical cyclones. The latest science suggests there will be more hurricanes and typhoons that reach the most dangerous categories of intensity, but fewer storms overall.

*The New York Times, December 10, 2012*

### BB profits up 105pc



Bangladesh Bank's net profits, buoyed by increased government borrowing and repo operations, shot up 105 percent to BDT 3,858 crore in fiscal 2011-12. The financial results were disclosed after a board meeting that approved the annual accounts for the fiscal year, AFM Asaduzzaman, general manager of Bangladesh Bank (BB), said yesterday.

The amount payable to government offers stood at BDT 3,481 crore, up 109 percent from the previous year's BDT 1,664 crore. Operating profits, at BDT 7,031.74 crore, were 20.48 percent lower than last fiscal year's BDT 8,842.59 crore. "Operating profits have gone down due to a significant loss in foreign currency revaluation," a senior BB official told The Daily Star.

Income from foreign currency revaluation in fiscal 2011-12 was BDT 3,173 crore in fiscal 2011-12, when it stood at BDT 6,957 crore in the previous year. Income from domestic sources jumped to 1,983 crore from BDT 441 crore a year ago. The growth rate was over 122 percent, thanks to higher government borrowings. The central bank earned BDT 1,206 crore by lending to the government, up by nearly 148 percent from previous year's BDT 299 crore.

Source: *The Daily Star*, August 30, 2012 ■

### Forex reserves up in July

Bangladesh's foreign exchange reserves rose for the second month in a row in July as the central bank bought dollars to temper a rising local currency, a senior central bank official said on Wednesday. Reserves rose to USD 10.57 billion at the end of July from USD 10.36 billion in June, and were up from USD 10.38 billion a year earlier, the central bank said.

Foreign exchange reserves rose to a record USD 11.32 billion in April 2011 but have since fallen because of rising imports, mainly oil, while exports and remittances grew more slowly in the weak global economy.

Source: *The Daily Sun*, August 02, 2012 ■

### ADP spending goes up 15pc

The implementation of the government's annual development programme (ADP) increased by 15.26 percent last fiscal year. The government's total expenditure stood at BDT 37,871 crore in the year. According to the government's Implementation Monitoring & Evaluation Division (IMED), the use of local funds rose by 9 percent and such expenditure was BDT 25,131 crore in total. However, the implementation of foreign aid went up by 30 percent and the total amount spent was BDT 12,740 crore.

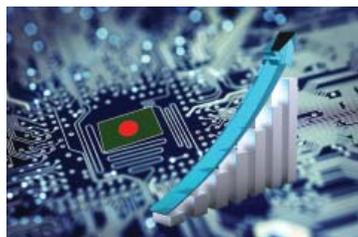
The ministries and departments could spend 92 percent of their revised allocation at BDT 41,080 crore last fiscal year. Of the total revised allocation, 96 percent of the local funds and 85 percent of the foreign money were spent. More than 78 percent funds in the total ADP outlay were for 10 large ministries and divisions, which, except two, spent 92 percent to 100 percent of their allocation.

The Power Division used up all the money of its revised allocation. The health and family welfare ministry spent 88 percent of its allocation, while the railways ministry 84 percent -- less than their average implementation rates. An official of the planning ministry

said the health ministry has started a new programme this year, and so their implementation rate was low as they had to take preparations for the new project. Many of the programmes of the railways ministry were under the USD 1 billion credit scheme of India. Due to delay by both Bangladesh and India in making plans for the project, the money could not be released on time.

Source: *The Daily Star*, August 17, 2012 ■

### IT software exports are on the rise



Export of Bangladeshi software is set to record a significant rise as in the July-April period of the last fiscal year (FY 2011-12) there was a 54 percent growth in its export compared to that of the same period of the FY 2010-2011.

According to data available from the Bangladesh Bank, Bangladeshi software developing companies exported products worth USD 56.7 million in the first ten months of the FY 2011-2012. In the corresponding period of FY 2010-2011 the value of total export stood at USD 45.31 million. Bangladesh Association of Software and Information Services (BASIS), the country's IT (information technology) trade body, expects that the export of IT and IT-enabled services (ITES) is set to hit USD 70 million mark for the FY 2011-12.

BASIS President AKM Fahim Mashroor said if all the exports of freelance exporters and BASIS members are taken into account the total export in the current fiscal (FY 2012-13) would cross USD 100 million. He said with the government's proper support the country's software export is likely to hit USD 1.0 billion by 2015 and the sector may create job opportunities for around 100,000 graduates.

Source: *The Financial Express*, August 25, 2012 ■

### Money market heads back to normal as banks see fresh spurt of deposits

The commercial banks in the country witnessed a fresh spurt of cash inflow after the prolonged vacation, as festival traders started depositing money or repaying loans this week easing pressure on the money market, senior bank officials said.

The commercial banks started witnessing a fresh inflow of funds from traders, especially from those who were involved with consumer trading such fashion and jewelry retailers, as they were depositing their sales proceeds after the Eid vacation, an official of a commercial bank said.

"The fresh inflow of funds from the traders is helping the money market get back to normal after the prolonged holidays," a senior fund manager of a commercial bank told the FE Monday. The inter-bank call money rate for overnight transactions declined to the day's high at 11 percent Monday from 14 percent of the previous day as the banks received a substantial amount of funds from the business community, he said.

Source: *The Financial Express*, August 28, 2012 ■

### Country's aid dependence declines steadily

The inflow of foreign grants in the country has shrunk remarkably over the years and loans have been dominating foreign assistance

# NATIONAL NEWS

since the 90s, which signals that the country is becoming self-reliant gradually. Economic Relations Division (ERD) data shows that the share of grants in the annual project assistance nosedived to 28 percent in 2011-12, from 90 percent in 1971-72.

In the first budget after the independence, donors provided Bangladesh with USD 245.1 million of grants against a loan of USD 25.6 million. But in 2011-12FY, out of total assistance of USD 2.03 billion, USD 573.85 million was grant. "Bangladesh is no more considered as an economically vulnerable country by the donors, which is a good sign for the country," said an ERD high-up.

"Now, the developed world will be attracted to investing in Bangladesh, seeing its economic strength," the official added. In the last decade, the country received USD 12.16 billion foreign loans and USD 5.88 billion grants.

Source: *The Daily Sun*, August 24, 2012 ■

## B'desh at highest financial risk from natural disasters



Bangladesh is at the highest financial risk from the threat of natural disasters like floods, earthquakes and tropical cyclones, UK-based risk analysis organization Maplecroft said Wednesday.

Besides Bangladesh five other Asian emerging economies -- the Philippines, Myanmar, India, Vietnam and Laos -- also face the similar threat due to high exposure of their cities and trading hubs to natural disasters, the international think-tank on natural disasters said. The Dominican Republic, Honduras, and Haiti are among the nine top countries with the highest financial risk due to probable natural disasters, according to the natural hazards risk - 2012 ranking compiled by the Maplecroft.

Bangladesh topped the ranking, followed by the Philippines, Dominican Republic, Myanmar, India, Vietnam, Honduras, Laos and Haiti. These nine countries at risk also have poor capability to recover from a significant disaster which is likely to cause market disruption with poor investment and supply chain. "As the global influence of emerging economies increases; the importance of their inherent natural hazard exposure will have wider and deeper global implications," Helen Hodge further said.

Source: *The Financial Express*, August 16, 2012 ■

## High interest, contraction hit FY12 industrial credit growth

The growth in industrial credit disbursement and recovery fell significantly in the just ended financial year from the FY2010-11 due to liquidity crisis, high lending rate and contractionary monetary policy of the Bangladesh Bank (BB), central bank officials said.

Disbursement of industrial loans by banks and non-bank financial institutions grew by only 8.21 percent in FY 2011-12, down from as much as 21.65 percent in FY 11, according information available from central bank. Banks and non-bank financial institutions disbursed BDT 1,11,953.08 crore as industrial loans in FY 12 as against BDT 1,03,463.55 crore in FY 11. Total loan disbursement in FY 10 was BDT 85,047.61 crore.

The total disbursement of industrial term loans in FY 12 stood at BDT 35,278.10 crore as against BDT 32,163.20 crore in FY 11.

Sukamal Sinha Choudhury, general manager at SME and Special

Programmes Department of BB, said the overall industrial loan disbursement in FY 12 had increased from that of FY 11 due to the higher loan disbursement by the banks in the small and medium enterprises sector.

Source: *The New Age*, August 31, 2012 ■

## Drastic fall in import growth last fiscal

The rate of growth in the country's overall import payments fell drastically in the fiscal year (FY) 2011-12 over that of the previous fiscal because of the lower import of food grains and luxurious items. The import growth rate came down to 8.95 percent in the FY '12 from 38.61 percent of the previous fiscal, according to the central bank statistics.

"The declining trend of import may continue in the coming months as the central bank is working to contain inflation through discouraging credit flow to the unproductive sectors," a senior official of the Bangladesh Bank (BB) told the FE Thursday. He also said the BB is still advising the commercial banks to discourage extending credits to less productive sectors including luxurious items for reining in the inflationary pressures in the economy.

Source: *The Financial Express*, August 10, 2012 ■

## Women entrepreneurs' share of SME loans far off the mark



Women entrepreneurs were far off the mark in getting their access to small and medium enterprise (SME) loans in the first six months of this calendar year, though the overall SME financing kept rising. According to data available with the central

bank, women entrepreneurs went off with a negligible amount of SME loans during the January-June period. It was only BDT 9.81 billion or 3.86 percent of the total SME loans disbursed during the period.

In most cases, the women entrepreneurs cannot submit all necessary documents. So the banks also do not sanction loans for them, bankers said. According to the BB data, the disbursement of SME loans during January-June was BDT 322.55 billion or 55.26 percent of the annual target.

Source: *The Financial Express*, August 11, 2012 ■

## Exports in July fetch USD 2439m, see 4.26pc growth



Export earnings in the first month (July) of the current fiscal year witnessed a positive trend as it totaled USD 2439.08 million notching, a growth of 4.26 percent, although the earnings from the knitwear sector went into negative. The overall export earnings

for the single-month period were also USD 90.08 million or 3.83 percent higher than the strategic target of USD 2349.00 million, according to data provided by the Export Promotion Bureau (EPB).

Bangladesh missed the export target for the last fiscal year (2011-

12) having a shortfall of USD 2212.34 million although the export earnings witnessed a 5.93 percent growth compared to the previous fiscal year (2010-11). Bangladesh fetched USD 24287.66 million from exports in the last fiscal (2011-12) against the strategic target of USD 26,500 million. The figure also represents 8.35 percent shortfall over the target. —UNB.

Source: *The Daily Sun, August 14, 2012* ■

## Second recession in EU, US to hit Bangladesh's exports

Bangladesh's exports will face further contraction this fiscal year, as euro zone and USA head for the second recession in a span of three years, trade analysts and exporters have feared. The 17-nation euro zone and the US are the major export markets for local goods and these western markets accounted for 80 percent of the country's total export last fiscal (2011-12).

The apprehension came yesterday as World business surveys on Thursday painted a picture of economic malaise stretching from Beijing to Berlin, adding to the concerns of global slowdown. A survey suggests that the euro zone's economy is set to contract by 0.5 percent- 0.6 percent in the July-September quarter, tipping it into its second recession in three years.

"The debt crisis in Europe and America forced to cut Bangladesh's export growth significantly last fiscal and a grimmer economic outlook in the western economies will obviously hurt the country's export growth further," Prof Mustafi zur Rahman, executive director of the Centre for Policy Dialogue (CPD) told *The New Nation* on yesterday. Prof Mustafi z further said the latest developments of the global economy will pose a threat to the export-oriented garment (RMG) industry, cutting down demands for local apparels from the western markets. "A sluggish global demand for local garments could lead to closure of a good number of garment industry here," he added. "Our exports are heavily dependent on Europe and American markets and we cannot avoid the fall in exports because of low demand from the key markets," M Siddiquir Rahman, vicepresident of BGMEA. He added there are signs of a significant slowdown in Bangladesh's garment exports, as the exporters are receiving less export orders from buyers. "Exporters are now in an uncomfortable zone due to the fast eroding competitiveness as a result of the rising input cost and infrastructure bottleneck," he said, adding, "If we cannot regain our competitiveness in the global trade regime, the falling trend of export may not be protected."

Bangladesh fetched USD 24.28 billion from exports in the immediate past fiscal year as against the target of USD 26.50 billion, showing a shortfall of 8.35 percent or USD 2.22 billion.

Source: *The New Nation, August 25, 2012* ■

## Carbon emission in brick fields cuts by 59 pc using modern technology

The arrival of modern brick making technology in the country is expected to create scope for earning of a huge amount of foreign currencies through less carbon emission, experts said. Bangladesh has started making bricks using new technology since end of the year 2010, which cuts carbon emission almost by half of the traditional one. The new technology being used by the field owners is Hybrid Hoffman Kiln (HHK) technology imported from China.

Shaymal Barman, consultant (clean development mechanism) of BRACEPL Investment Ltd told the FE that the brickfields in Bangladesh emit around 875 lakh tonnes of CO<sub>2</sub> every year. Barman said HHK kilns will reduce carbon emission almost by half. "Bangladesh also can earn a good amount of foreign currency through cutting carbon emission by the brickfields," Barman added.

Managing Director of Industrial and Infrastructure Development Finance Company Ltd (IIDFC) Asaduzzaman Khan said that the World Bank has agreed to sign an ERPA (Emission Reduction Purchase Agreement) with IIDFC on reporting the quantity of emission reduction, certification of emission reduction and receipt of bulk payment from the Carbon Fund for distributing to the various subproject entities. The management council on the UN Conference on Climate Change and a representative of Denmark have already visited the HHK brickfields and ensured 50 percent less emission of carbon by the units, he said.

A single kiln that runs on HHK technology will produce 15 million bricks and cuts carbon emission by 5,500 tonnes a year. A double unit kiln will produce 30 million bricks and cut carbon dioxide (CO<sub>2</sub>) emission by 11,000 tonnes every year. Bangladesh has about 6,000 authorised brickfields and numerous illegal ones.

Source: *The Financial Express, August 27, 2012* ■

## Bangladesh needs to grow more rapidly: ADB

Juan Miranda, Director General, South Asian Regional Department (SARD) of Asian Development Bank (ADB) Thursday said that Bangladesh has become a part and parcel of the global economy throughout significant progress in terms of economic and social development. He however, said still Bangladesh needs to grow more rapidly and reduce poverty faster.

The visiting ADB top official was addressing a seminar jointly arranged by Canada Bangladesh Chamber of Commerce and Industry (CanCham, Bangladesh) in association with ADB titled "Private sector Development: Role of ADB".

Commerce Minister Ghulam Muhammed Quader, MP, graced the occasion as the chief guest. Heather Cruden, High Commissioner of Canada to Bangladesh, was present as special guest. President of CanCham Mr. Masud Rahman, Mr. Grant Hauber, ADB Principal Private Sector Development Specialist, SARD and Ms. Sujata Gupta, Principal Investment Specialist, ADB also spoke during the program. Ms. M. Teresa Kho, Country Director, ADB, Bangladesh Resident Mission was also present in the program.

CanCham president Masud Rahman mentioned the private sector needs the right policy and regulatory frameworks to secure investments and to incentivize private sector investment for sustainable development. Mr. Grant Hauber focused how Bangladesh has set up a remarkable milestone of progress and development in the Private sector in recent years. ADB highly appreciate ideas, plan and initiatives from the private sectors therefore he asked to contact ADB's PPP department for such issues.

Ms. Sujata Gupta showed some recent examples of ADB's investment in Bangladesh such as Pran Agro, Lafarge Surma Cement, Meghnaghat Power Plant etc. She also added that as a development bank ADB highly supports the private sector and the capital market. The commerce minister expressed his deep gratitude and thanks for arranging such program.

Source: *The Financial Express, August 31, 2012* ■

## WB to introduce new financial mechanism for Bangladesh to fight natural disasters

The Washington-based global lender World Bank is going to introduce a new financial mechanism for Bangladesh to weather natural disasters impact in emergency basis, officials said Tuesday.

Economic Relations Division (ERD) officials said the global lender will provide nearly US\$200 million worth of funds under the newly introduced "Immediate Response Mechanism (IRM)" in Bangladesh. "From the World Bank-funded ongoing projects, the Bangladesh government can be able to divert five percent

of the total undisbursed committed aid to the restoration and rehabilitation programme after any natural disaster," said ERD additional secretary Arastoo Khan.

"We are discussing with the World Bank to select the programmes under the IRM. We are also trying to find out ministries and agencies which will spend the money to implement the disaster responsive programmes," he told the FE. As per proposed arrangement, the government can shift 5.0 per cent money from the total undisbursed aid of the ongoing projects which will be reimbursed by the World Bank later to continue the original scheme execution.

World Bank Dhaka office said they have signed nearly US\$4.2 billion worth of loan deals with the Bangladesh government for some 34 development projects. Bangladesh one of the worst victims of the global warming as the country faces devastating natural disasters like flood and cyclone almost in every alternative year.

"When any disaster takes place, usually the government cannot respond immediately due to lack of funds. The WB's \$200 million fund will be very useful to react immediately to the disasters," said Arastoo Khan. According to ERD, the food and disaster management, communications, primary and mass education and agriculture ministries are likely to be included with the WB introduced IRM. The ministries will be able to undertake projects for responding immediately after any climate change impact on Bangladesh, ERD officials said.

ERD additional secretary Arastoo Khan said the Bangladesh government will be able to divert the funds under the IRM taking approval from the Vice President of the World Bank. "It will not require any endorsement from the WB board like other funds. The bank's Vice President can approve the funds for utilising those in emergency disaster response," he added.

Source: *The Financial Express*, August 08, 2012 ■

## European crisis takes shine off ceramics

Ceramics export, which had been growing at 15 percent on average since 2007-08, witnessed a negative growth last fiscal year due to the ongoing financial crisis in Europe, according to government data.

A surge in bank interest rates has added further woes and decreased competitiveness of the emerging industry, market players said. Bangladesh bagged only \$33.75 million by exporting ceramics in fiscal 2011-12, down by more than 10 percent compared to a year ago, according to Export Promotion Bureau (EPB). "We are seriously affected by the ongoing financial crisis in Europe," said Iftakher Uddin Farhad, chairman and managing director of Farr Ceramics, an export-oriented porcelain maker.

European countries, particularly Italy and Spain, were the biggest export destinations for Bangladesh's ceramics a few years ago. Now these two countries are in deep trouble. "The industry is going through bad times due to the crisis in the export markets, especially in Europe," said Rizvi-ul Kabir, chief operating officer of Shinepukur Ceramics, the market leader in export. In the past, Kabir said they had around 20 buyers only in Italy, but they have none at present.

More than Tk 3,000 crore has so far been invested in the sector from home and abroad. The local market size was at around Tk 1,500 crore in 2011, according to market players. Presently, around 40 ceramic factories are making porcelain wares, tiles, tablewares and sanitary wares. Around 10 new factories have appeared in the scene in the past few years.

Bangladesh exports two types of ceramics -- porcelain and bone

china. Most of the Bangladeshi exporters make porcelain products, which have been affected more than bone china. After Shinepukur, the other exporters are Monno, Farr, Artisan, Paragan and Pratik. But none of them except Shinepukur makes bone-china products. "Our porcelain exports have gone down by 10 percent, but it is covered by a rise in bone-china exports," said Kabir of Shinepukur.

He blamed the downtrend in porcelain exports on a huge competition from thousands of makers in different countries. "There are more than 10,000 porcelain factories only in China," he said. In addition to the crisis in Europe, Farhad of Farr Ceramics finds a jump in bank interest rate as another reason that will erode the industry's competitive edge. "My bank has raised the interest rate to 19.5 percent recently from 16 percent, which was 11 percent a couple of years ago," said Farhad.

He said the entire ceramics industry has to rely on import for raw materials, mostly from China, which is the main competitor of Bangladesh. Introducing a complicated system in paying back tax after export has made the industry's business more critical, Farhad said. The industry has to pay 15 percent value added tax, 5 percent advance income tax and 5 percent duty for import of raw materials. Vat and tax is refundable if goods made of these imported raw materials are exported.

Earlier, exporters got the tax refunded through their banks, but now it has been handed over to the Duty Exemption and Drawback Office of the National Board of Revenue. "The NBR takes lot of time to pay the money back," said Farhad.

Source: *The Daily Star*, August 10, 2012 ■

## Govt eyes changes in industrial sector utilizing Nanotechnology

Industries Minister Dilip Barua Monday said the government is keen to bring revolutionary changes in the industrial sector by utilising nano-technology.

He said through applying the bio-technology, the government is going to enhance agriculture production. The Minister made the comment while addressing a seminar titled 'Nano-Technology: A Big Potential for Today's Industry', organised by the BCIC Officers Welfare Association at the BCIC Bhaban in the capital. Barua urged the universities to strengthening research programme so that the fruit of third industrial revolution can be utilised in the sectors like industry, health, treatment, communication, infrastructure, textile, energy and environment.

With BCIC Officers Welfare Association President Md Altaf Uddin Sheikh in the chair, Industries Secretary K H Masud Siddiqui attended the seminar as special guest while BUET Chemistry Department Professor Dr Al-Naqib Chowdhury presented the keynote paper.

Addressing the seminar experts stressed on setting up 'Nano Research center for Industry' in view to utilise the existing potentials in the industrial sector of Bangladesh. They said building of an industrially developed Bangladesh is possible by utilising nanotechnology in the potential sectors like packaging, pharmaceuticals, electronics, RMG, communications, energy and power. Speakers hoped that employment opportunity will be created for about 10 million people in the industries, mills and factories across the globe by utilising nanotechnology by the year 2014.

Many countries including China and Japan have earned astonishing result through vast use of nano-technology, speakers said. They further advised to apply nanotechnology to face the fertiliser deficit in the country.

Source: *The Daily Sun*, August 28, 2012 ■

# INTERNATIONAL NEWS

## Tokyo court gives win to Samsung after US loss

A court in Tokyo has ruled that Samsung Electronics did not infringe patents held by Apple, a victory for the South Korean company. The patent was related to transferring media content between devices.



It comes after Samsung lost a key patent case in the US last week and was ordered to pay more than \$1bn (£664m) in damages. This is one of many cases brought to courts around the world

by the two smartphone market leaders.

"We welcome the court's decision, which confirmed our long-held position that our products do not infringe Apple's intellectual property," said Samsung in a statement to the BBC.

Tokyo District Judge Tamotsu Shoji dismissed the case filed by Apple in August, finding that Samsung was not in violation of Apple patents related to synchronising music and video data between devices and servers.

Source: <http://www.bbc.co.uk>, August 31, 2012 ■

## Wall Street flat after rally; Apple biggest company ever

Stocks were flat on Monday on signs of fatigue after a six-week run of gains as the European Central Bank quelled speculation about the form of market intervention that may be taken to stem the region's debt crisis.



Despite the lethargic trading, Apple Inc (AAPL.O) shares hit a new high, becoming the most valuable public company of all time, with the combined value of its shares exceeding a previous record

set by Microsoft. Shares closed up 2.6 percent to \$665.15. Facebook Inc (FB.O) shares briefly fell more than 50 percent from its issue price to hit a new low of \$18.75.

Source: <http://www.reuters.com>, August 20, 2012 ■

## Google's Good News in China

Google has long dominated online advertising in much of the world by placing ads next to search results, and it was expected to do the same in China. But since the company's 2010 decision to stop self-censoring Web content on the mainland and move its China servers to Hong Kong, Google's business has fallen further behind Baidu, the local search champ. That Beijing-based company had 78.6 percent of China's search-ad market by revenue in the second quarter, five times that of second-ranked Google, according to Analysts International.

Now, with the help of a recent acquisition, Google has managed to carve out a market niche where it's the mainland leader: ads aimed at mobile phones. Mobile-search advertising goes beyond generating ads related to searches and automatically sends ads to users playing games, viewing videos, or using other apps on their smartphones and tablet computers. Google's AdMob unit, which it bought for \$750 million in 2010, says it has more than 10,000 registered developers in China and that its servers now get 7.9 billion requests a month to show ads to mobile-app users in the country.

"Since 2010, Google has been trying many things to keep its presence in China," says Steven Chang, chief executive officer of



ZenithOptimedia's China division, which buys advertising from Google and Baidu. "AdMob now has quite a significant share of the market."

The bottom line: Google, which gets 96 percent of its global revenue from search advertising,

has found a different niche in China: ads for mobile-phone apps.

Source: *Bloomberg Businessweek*, August 30, 2012 ■

## Pharmaceuticals - Diversified

### FDA Approves Metastatic Colorectal Cancer-Reuters

Reuters reported that the U.S. Food and Drug Administration has approved Sanofi SA's and Regeneron Pharmaceuticals Inc's Zaltrap for use in combination with a folinic acid, fluorouracil and irinotecan chemotherapy regimen to treat adults with colorectal cancer.

### Glaxosmithkline Plc Completes Acquisition Of Human Genome Sciences

Glaxosmithkline Plc announced that it has completed its acquisition of Human Genome Sciences for USD3.6 billion on an equity basis, or approximately USD3 billion net of cash and debt. All outstanding shares of HGS were acquired for USD14.25 per share in cash.

### Glenmark Pharmaceuticals Ltd Announces Demise of Chairman Emeritus

Glenmark Pharmaceuticals Ltd announced that Mr. Gracias Saldanha, Founder and Chairman Emeritus of the Company passed away on July 21, 2012.

Source: <http://www.reuters.com> ■

## A ROUNDUP of news in finance, economics and business from around the world:

MADRID - Spain has downgraded its economic performance in 2010 and 2011, showing it barely recovered from the last downturn before plunging anew into recession.

SAN FRANCISCO - Apple has submitted a list of eight Samsung products it wants pulled from shelves and banned from the US market.

MARIKANA, South Africa - Striking miners' return to work at a South African platinum plant depends on the outcome of crucial "peace talks", after 44 died in an illegal stayaway, a strike leader says.

ARMONK, New York - IBM is buying human resources management company Kenexa Corp for about \$US1.3 billion (\$A1.25 billion), adding to its stable of cloud-based software.

NEW YORK - The New York Times Co has agreed to sell its information website, About.com, for \$US300 million (\$A289 million) to IAC, a conglomerate headed by mogul Barry Diller.

THE HAGUE - South Korean electronics group Samsung is to invest 779 million euros (\$A941.11 million) in the Dutch microchip maker ASML, with about one-third earmarked for research and development.

NEW YORK - Upscale jewellery chain Tiffany & Co has lowered its outlook for the year as the wealthy cut back on buying baubles in an uncertain economy.

MINNEAPOLIS - Best Buy Co Inc has struck a deal with founder Richard Schulze that will grant Schulze access to confidential financial information so he can prepare a formal offer to buy back the company.

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NEW YORK - Oil prices have fallen as Tropical Storm Isaac threatened oil and gas operations in the US Gulf of Mexico, forcing refinery shutdowns that lowered demand for crude.

WELLINGTON - The New Zealand dollar has slipped against the greenback, as traders await the outcome of the Federal Reserve's annual retreat this weekend.

SYDNEY - The Australian dollar has fallen to a one-month low against the US dollar as pessimism grows about the economic slowdown in China.

SYDNEY - The Australian market looks set to open flat after Wall Street finished mixed and gains on European markets despite a key German business sentiment indicator falling to its lowest level since March 2010.

Source: <http://www.news.com.au/business/> ■

## German unemployment rises as economic skies darken

Unemployment in Germany rose in July as the eurozone debt crisis increasingly casts a pall over Europe's biggest economy, official data showed on Tuesday.

Headline unemployment rose sharply, with the total number of people out of work up by 66,800 in July from June to stand at 2.88 million, according to the Federal Labour Agency, responsible for compiling the monthly data. The headline jobless rate, which measures the proportion of people registered as unemployed against the working population as a whole, rose to 6.8 percent in July from 6.6 percent in June.

Labour agency chief Frank-Juergen Weise, presenting the monthly jobless at a regular news conference in Nuremberg, said the rise in unemployment in July was "primarily due to seasonal factors." Nevertheless, "the risks for the German economy are on the increase," he cautioned.

"The underlying trend on the labour market remains positive but there are signs of weakening," Weise added.

Earlier, other data showed a fall in retail sales in Germany for the third month in a row in June.

This could prove worrying since it has been largely strong domestic demand -- as reflected in robust household spending and historically low unemployment -- that has made Europe's top economy largely immune to the worst of the crisis. But Economy Minister Philipp Roesler insisted that Germany was not on the skids yet.

Source: *The Daily Star*, August 1, 2012 ■

## Long-term unemployment: the next threat to the world economy

However bad you think the global economy is today in terms of the business cycle, that is only one lens through which to view the world. In terms of global life expectancy, total world wealth, the overall level of technology, growth prospects in emerging economies, and global income distribution, things look rather good, while on still other dimensions -- say, global warming or domestic income inequality and its effects on countries' social solidarity -- they look bad.

Even on the business-cycle dimension, conditions have been far worse in the past than they are today. Consider the Great Depression and the implications of market economies' inability back then to recover on their own, owing to the burden of long-term unemployment. But, while we are not at that point today, the Great Depression is no less relevant for us, because it is increasingly likely that long-term unemployment will become a similar impediment to recovery within the next two years. At its nadir in the winter of 1933, the Great Depression was a form of collective insanity. Workers were idle because firms would not hire them; firms would not hire them because they saw no market for their output; and there was no market for output because workers had no incomes to spend.

By that point, a great deal of unemployment had become long-term unemployment, which had two consequences. First, the burden of economic dislocation was borne unequally. Because consumer prices fell faster than wages, the welfare of those who remained employed rose in the Great Depression. Overwhelmingly, those who became and remained unemployed suffered the most.

Second, reintegrating the unemployed even into a smoothly functioning market economy would prove to be very difficult. After all, how many employers would not prefer a fresh entrant into the labor force to someone who has been out of work for years? The simple fact that an economy had recently undergone a period of mass unemployment made it difficult to recover levels of growth and employment that are often attained as a matter of course.

Devalued exchange rates, moderate government budget deficits, and the passage of time all appeared to be equally ineffective remedies. Highly centralized and unionised labor markets, like Australia's, did as poorly as decentralized and laissez-faire labor markets, like that of the United States, in dealing with long-term unemployment. Fascist solutions were equally unsuccessful, as in Italy, unless accompanied by rapid rearmament, as in Germany.

In the end, in the US, it was the approach of the second world war and the associated demand for military goods that led private-sector employers to hire the long-term unemployed at wages they would accept. But, even today, economists can provide no clear explanation of why the private sector could not find ways to employ the long-term unemployed in the near-decade from the winter of 1933 to full war mobilization. The extent of persistent unemployment, despite different labor-market structures and national institutions, suggests that theories that pinpoint one key failure should be taken with a grain of salt.

This was the pattern of the long-term unemployed in the Great Depression. It was also the pattern of the long-term unemployed in Western Europe at the end of the 1980s. And, in a year or two, it will be the pattern again for the long-term unemployed in the North Atlantic region.

The current balance of probabilities is that two years from now, the North Atlantic's principal labour-market failures will not be demand-side market failures that could be easily remedied by more aggressive policies to boost economic activity and employment. Rather, they will be structural market failures of participation that are not amenable to any straightforward and easily implemented cure.

Source: <http://guardian.co.uk>, August 02, 2012 ■

## We are teetering on the brink of another global food crisis

At the start of July, a record global harvest was predicted. Yet just a few weeks later, prices for maize and soybeans broke the record levels of the 2007-08 food crisis, when food riots broke out in 30 countries. Wheat prices have also risen, more than 50% in the past six weeks alone. All of this leaves us teetering on the edge of another food crisis. When the UN releases its review of global hunger in September, it seems likely that the total number of people on the planet going hungry -- currently put at 925 million -- will increase.

The chief culprit has been the devastating US drought, which has withered more crops than any weather pattern since 1956. As climate change grips, such extremes are becoming the norm. Biofuels -- which last year swallowed almost 40% of the US maize harvest -- have also been highlighted as part of the problem. In the US, pressure is growing to abandon targets for biofuels in car fuel. Livestock farmers are warning they won't be able to afford to feed their animals.

The emerging crisis highlights the vulnerability of a food system that is increasingly dependent on volatile global trade in a few key cereals. As developing countries face stark choices over the future of their food systems, the food sovereignty movement calls for a more diverse, climate-resilient and locally controlled approach.

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Steps towards this could include building up regional trade and growing a range of indigenous crops, which are often more drought resistant than cereals such as maize.

But power to deliver many of the necessary reforms – not least reform of the global trade system – lies with developed nations. Without a radical change of approach to our food system, including regulation to prevent financial speculators gambling on food prices, the world's poorest people will continue to pay the highest price.

Source: <http://guardian.co.uk>, August 02, 2012 ■

## NIESR scales back UK growth predictions

Britain's economic prospects are being hit by the first worldwide slowdown of the globalised era and austerity measures, one of Britain's leading forecasting bodies said on Friday, as it scaled back its expectations of growth for both 2012 and 2013.

The National Institute for Economic and Social Research (NIESR) said "deterioration in the UK economy has been more pronounced than even we expected" as it warned output was on course to contract by 0.5% this year and grow by 1.3% in 2013. The forecasts suggest that the Bank of England's monetary policy committee decision on Thursday not to announce any further action to support the economy this month, could give way to intervention next month, possibly in the form of a cut in interest rates from the current historic low of 0.5% or more electronic money printing.

NIESR has downgraded its forecasts recently amid evidence that every region of the global economy – including the fast-growing countries of the emerging world – has come off the boil.

"For the first time since the integration of the largest emerging market countries, the world economy faces a slowdown in every major economic region. In 2009-10 the emerging markets, China and India in particular, provided some support to world demand," the thinktank said in its quarterly review.

NIESR said it was more optimistic about unemployment, predicting a peak in 2013 of 8.6% of the UK's labour force. This figure comes in spite of their global forecast, which anticipates unemployment levels in some European countries higher than those seen during the Great Depression, due to weak world demand. Globally, NIESR forecasts world growth to slow from 3.9% in 2011 to 3.3% this year, rising to 3.7%.

The report predicted divergent patterns amongst European countries, with Germany experiencing above-trend growth and southern European countries in recession. In order to maintain sovereign bond markets, Italy and Spain were expected to require some form of international financial support. All major countries were anticipated to adopt similar policies of fiscal austerity and near-zero interest rates, but NIESR said that if the US went ahead with planned fiscal tightening worth 4% of GDP, the world's biggest economy would sink back into recession.

Source: *The Guardian*, August 03, 2012 ■

## Eurozone on brink of double-dip recession as growth falls 0.2%

The eurozone is on the brink of following Britain into a double-dip recession after its economy shrank between April and June. GDP across the 17-nation bloc fell by 0.2% in the second quarter of this year and economists believe the downturn is continuing. Better-than-expected figures from Germany and France were offset by sharp contractions elsewhere, with the Spanish, Italian, Finnish and Portuguese economies all shrinking. The wider European Union also suffered a 0.2% contraction.

Europe's debt crisis is hitting exports, domestic sales and consumer confidence, adding to the pressure on European leaders. Last month eurozone consumer and business confidence fell for the fourth straight month, weakening significantly in France, Germany, Finland and Austria. Tim Ohlenburg, senior economist at the Centre for Economics and Business Research, said Europe's woes, including

plunging business sentiment and weakening trade, are dragging the world economy down. "The fall in second quarter European output adds to the world economy's downward momentum," Ohlenburg said.

In Germany, there was some relief that the economy grew by 0.3%. Analysts, though, fear that Europe's powerhouse could slide into recession soon. "The German economy could contract in the summer," said Jörg Kramer of Commerzbank. "It is fundamentally in good structural shape, but can't decouple from the recession in the eurozone, plus the global economy has also shifted down a gear." With no growth in the last quarter, France has now been flatlining for the last nine months. The finance minister, Pierre Moscovici, said the performance was "not excellent", but was encouraged that France continued to avoid a recession.

Portugal continued to be buffeted by the austerity programme now being implemented. Its GDP tumbled by 1.2% in the latest quarter and is 3.3% smaller than a year ago, while the unemployment rate crept up to a new record of 15%. Greece, whose economy shrank by 6.2% over the last year, sold more than €4bn of short-term debt, easing fears that it would struggle to repay a €3.2bn bond which matures next Monday.

Source: *The Guardian*, August 14, 2012 ■

## Spanish banks borrow record €402bn

Spanish banks borrowed a record €402bn (£316bn) from the European Central Bank in July, leaving them as far as ever from returning to capital markets, and heaping further pressure on Madrid as it tries to avert a full sovereign bailout.

The banks borrowed 10% more than the €365bn they tapped in June, Tuesday's data from the Bank of Spain showed. Spiralling debt costs and balance sheets ravaged by a domestic property bubble that collapsed in 2008 have shut most domestic banks out of the bond markets. The banks' use of the ECB facility has increased sharply this year, rising from €161bn in January, and the sector was propped up in July with the promise of a European rescue package – which it has yet to tap – worth up to €100bn.

The pattern is similar if less acute in Italy – like Spain at the sharp end of the eurozone debt crisis – where banks held €283bn in ECB funds in July compared with €281bn in June, Bank of Italy data showed last week. In Spain, only heavyweights with big operations abroad such as Santander and BBVA continue to have few problems raising funding from the market. One likely factor in the July increase was the higher charges that some clearing houses were levying on the use of Spanish bonds – which many domestic banks have invested heavily in – as collateral for raising funds, one analyst said. LCH.Clearnet, one of Europe's largest clearing houses, raised the cost of using Spanish debt as collateral in July following a series of ratings downgrades on the country's debt to the lower end of the investment grade spectrum.

Many investors fear that cleaning up the banking system as well as Spain's public accounts while recession rages may prove too difficult for the government, and expect the country to seek a full-blown bailout on top of the banking aid.

Source: <http://equity.com> ■

## Global economy to remain weak in 2013, CEBR

The world economy will remain very weak in 2013 even if solutions can be found to the crises in the Middle East and Europe, according to a report by the thinktank CEBR.

In the latest quarterly edition of Global Prospects, CEBR predicts sluggish growth for the global economy in the next four years. It also points to the risk of an Israeli attack on Iran and subsequent actions, and the impact of a disruptive eurozone breakup, both of which would be likely to affect growth. Forecast annual growth for 2014-16 has also been revised down slightly from 3.5% to 3.2%. North America will do better than Europe, with GDP growth in 2013 put

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at 1.7% for the US and 2.1% for Canada. Many emerging economies are likely to see much weaker growth than before, slowing in China to about 7% by 2016, in India below 6% this year and next, in Brazil slowing to 2.1% this year and 3.1% in 2013.

It comes as new GDP data from Greece showed its battered economy shrank by 6.2% in the second quarter of 2012, on a year-on-year basis. That is a slight improvement on the first quarter, when the economy contracted by 6.5%. It fell 7.5% year on year in the last quarter of 2011.

Thomas Costerg of Standard Chartered Bank said: "The bottom line is that we can't yet see any light in Greece's recession tunnel, but at least the first-half contraction is not as large as in the second half of last year. The CEPR believes the weakness in southern Europe is affecting the outlook for strong countries such as Germany. Eurozone GDP is forecast to decline by 0.8% this year and to show a small decline of 0.1% in 2013.

Source: *The Guardian*, August 14, 2012 ■

## Fears of global economic slowdown weigh on emerging markets

It started in America. It moved on to Europe. Now the fear is that the big economies of the emerging world are about to join the west in a blanket slowdown.

This would be a new and worrying development. While the United States, Britain and Europe were having it worse than at any time since the 1930s, Brazil, Russia, India and China grew by 25% between 2008 and 2010. There was talk of a changing of the guard, of a shift in economic power from west to east and from north to south. It was certainly the case that without the strong growth in the big emerging markets, the downturn that followed the financial crisis of 2008 would have been significantly worse.

Figures out last week showed that Chinese exports in July were just 1% up on a year earlier, with shipments to the EU and the US down by 8% between June and July. Import growth was also weak, suggesting that the domestic economy has also softened since the turn of the year. Electricity production, which economists use as a proxy for growth, has been flat during 2012. Nor is China the only Asian exporter seeing reduced demand for its products. Singapore joined Hong Kong in registering falling growth rates in the second quarter of 2012, and Monday's Japanese GDP figures are likely to show a marked deceleration in activity between the first and second quarters of the year.

Beijing has started to respond to the slowdown in China. Official interest rates have been cut and the authorities are starting to make credit available for investment projects, albeit with a bit more caution than they showed during late 2008-09, when emergency action was taken to prevent the economy grinding to a halt. China has oodles of capacity. Investment accounted for almost half of gross domestic product in 2011 (compared with less than 20% in the UK and the US), and much of the spending in recent years has been wasteful. In a more open economy, a combination of high domestic inflation and falling overseas demand would be leading to capital scrapping rather than investment in new plant and machinery.

So, this is a world in which the Bank of England has bought a third of UK gilts, a world in which the Federal Reserve has pumped trillions of dollars into the US economy for fear the money supply will collapse, a world in which the ECB props up European banks so they can buy government bonds nobody else will touch, and a world in which China can keep its growth model functioning only through manipulation of the exchange rate and unproductive investment. Apparently, this is the "new normal". There doesn't, to be frank, seem much normal about it.

Source: *The Guardian*, August 12, 2012 ■

## UK trade deficit hits new record

The UK's biggest trade deficit since modern records began 15 years

ago prompted calls for the government to provide more help for exporters struggling to cope with weakening global demand for their products.

The British Chambers of Commerce called on the business secretary, Vince Cable, to boost infrastructure spending, create a new investment bank and assist with trade finance after the latest official figures showed the gap between imports and exports widened from £2.7bn to £4.4bn in June. David Kern, the BCC's chief economist, said: "British exporters have untapped potential to expand, but they need more government support to help them compete globally and diversify towards growing markets outside the EU. We need firmer action in key areas such as trade finance, promotion and insurance. More infrastructure spending and the early creation of a business bank would make a major contribution towards stronger growth in UK exports."

Labour also seized on data from the Office for National Statistics (ONS) showing that the value of UK exports of goods and services fell by 4.6% between May and June while imports declined by 0.7%. The shadow business secretary, Chuka Umunna, said: "The Business Department has failed to adequately help firms which want to export, in particular small companies. It speaks volumes that the government's finance scheme to boost exports only helped five firms before being quietly dropped."

The ONS said Britain's deficit with the European Union increased by £0.5bn in June to £4.9bn, while the deficit with the rest of the world widened by £1.3bn to £5.2bn. Exports to the US, the Netherlands, France, China, Italy and Spain fell heavily in June. In the second quarter of 2012, the EU deficit increased by £1.8bn to £14.1bn and the non-EU shortfall rose by £1.5bn to £14.2bn. The biggest falls in overseas sales during the quarter were to the US and Germany.

Britain's trade in oil plunged deeper into the red in June, notching up a deficit of £1.5bn. During the 1980s and 1990s, Britain's growing trade deficit in goods was masked by a healthy surplus in oil but the decline in North Sea production over the past decade has meant a deficit averaging £1bn a month during 2012.

Source: *The Guardian*, August 09, 2012 ■

## World Bank issues hunger warning after droughts in US and Europe

The World Bank issued a global hunger warning last night after severe droughts in the US and eastern Europe sent food prices to a record high.

Damage to crop harvests from exceptionally dry weather this year raised sharply the Bank's food price index taking it above its peak in early 2011. The Washington-based bank blamed the drought in the US for the 25% price rise of maize and 17% price rise in soya beans last month, adding that a dry summer in Russia, the Ukraine and Kazakhstan lay behind the 25% jump in the cost of wheat.

"Food prices rose again sharply threatening the health and well-being of millions of people," said World Bank group president, Jim Yong Kim. "Africa and the Middle East are particularly vulnerable, but so are people in other countries where the prices of grains have gone up abruptly."

The bank said food prices overall rose by 10% between June and July to leave them 6% up on a year earlier. "We cannot allow these historic price hikes to turn into a lifetime of perils as families take their children out of school and eat less nutritious food to compensate for the high prices," said Kim. "Countries must strengthen their targeted programs to ease the pressure on the most vulnerable population, and implement the right policies." He added that the Bank was spending \$9bn this year supporting agriculture and pledged that help to poor countries affected by food price hikes would continue.

Source: *The Guardian*, August 30, 2012 ■

# MTB NEWS & EVENTS

## HALF YEARLY BUSINESS CONFERENCE 2012: OTHER MTB BRANCHES

Md. Ahsan-uz Zaman, Additional Managing Director of MTB, Quamrul Islam Chowdhury, Deputy Managing Director of MTB and other MTB senior officials attended the program.



**Date:** August 04, 2012  
**Venue:** MTB Centre , Dhaka 1212

## HALF YEARLY BUSINESS CONFERENCE 2012 (DHAKA DIVISION BRANCHES)

Md. Ahsan-uz Zaman, Additional Managing Director MTB, Md. Hashem Chowdhury, Deputy Managing Director MTB and Head of Dhaka Division Branches are seen at the conference.



**Date:** August 04, 2012  
**Venue:** MTB Square, Dhaka 1212

## LAUNCHING CEREMONY OF MTB SANCHAY

Md. Ahsan-uz Zaman, Additional Managing Director of MTB, Gazi Yar Mohammed, Head of Retail Banking and other guests were present in the event.



**Date:** August 06, 2012  
**Venue:** MTB Centre , Dhaka 1212

## ORIENTATION COURSE FOR MTBSL



**Date:** August 28, 2012  
**Venue:** MTBTI, Dhaka 1212



**এমটিবি**  
**সঞ্চয়**

**“আমিও ব্যাংকিং করি”**  
- রুমা, গার্মেন্টস্ কর্মী

রুমা তার আর্থিক নিরাপত্তার পথ হিসেবে বেছে নিয়েছে 'এমটিবি সঞ্চয়'। কারণ এই সেভিংস্ অ্যাকাউন্টে রয়েছে:

- মাত্র ৫০০ টাকায় অ্যাকাউন্ট খোলার সুবিধা
- অ্যাকাউন্ট পরিচালনায় কোন চার্জ নেই
- আকর্ষণীয় ইন্টারেস্ট
- এটিএম এবং উত্তোলন স্লিপের মাধ্যমে টাকা তোলার সুবিধা

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**13<sup>th</sup>**  
**Anniversary**  
MTB 1998-2012

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# NATIONAL ECONOMIC INDICATORS

## Total Tax Revenue

NBR tax revenue collection in June 2012 was BDT 13944.72 crore which is higher by BDT 1876.97 crore or 15.55 percent against the collection of BDT 12067.75 crore in June 2011. NBR tax revenue collection during FY12 stood at BDT 94457.37 crore which is 18.96 percent higher than the level of FY11. Target for NBR tax revenue collection for FY 2011-12 was BDT 91870.00 crore

Borrowing of the government through NSD certificates as of end June 2012 stood at BDT 63917.34 crore which was higher by 0.76 percent against the amount outstanding at the end June 2011.

### Liquidity Position of the Scheduled Banks

Total liquid assets of the scheduled banks stands lower at BDT 122079.39 crore as of end July 2012 against BDT 124391.09 crore as of end June 2012. Required liquidity of the scheduled banks stands higher at BDT 81198.41 crore as of end July 2012 against BDT 79768.02 crore as of end June 2012.

Scheduled banks holding of liquid assets as of end July 2012 in the form of Cash in tills & Balances with Sonali bank, Balances with Bangladesh Bank, and Unencumbered approved securities are 5.63 percent, 31.11 percent and 63.25 percent respectively of total liquid assets.

Bank Group	As of end July, 2011 (BDT in crore)		As of end August, 2012 P (BDT in crore)	
	Total Liquid Asset	Required Liquidity (SLR)	Total Liquid Asset	Required Liquidity (SLR)
State Owned Banks	37930.26	19228.08	37930.26	22207.68
Private Banks	59374.13	35789.07	22746.21	40217.94
Private Islamic Banks	13386.17	59589.72	40808.27	9188.21
Foreign Banks	10432.68	12539.79	9386.81	5893.93
Specialized Banks	3267.85	11164.12	5910.49	2260.26
<b>Total</b>	<b>124391.09</b>	<b>2996.69</b>	<b>2346.63</b>	<b>79768.02</b>

## Imports

Import payments in June 2012 stand lower by USD 599.80 million or 19.39 per cent to USD 2493.80 million, against USD 3093.60 million in May 2012. This is also lower by USD 416.60 million compared to June 2011 position. Import payments during July-June 2011-12 increased by USD 5.30 per cent to USD 35441.80 million compared to July-June 2010-11 position.

Of the total import payments during the period under review, imports under Cash and for EPZ stand at USD 33369.00 million,

imports under Loans/Grants USD 218.0 million, imports under direct investment USD 109.20 million and short term loan by BPC USD 1745.60 million. The low growth in cumulative import payments and BB's cautious monetary policy stance, are contributing to ease pressure on gross foreign exchange reserves.

## Exports

Merchandise exports in July, 2012 stands higher by USD 127.88 million or 5.53 per cent at USD 2439.08 million as compared to USD 2311.20 million in June, 2012. The amount is higher by 4.26 per cent than the export value of July 2011.

Total export receipts during FY12 increased by USD 1359.44 million or 5.93 per cent to USD 24287.66 million as compared to USD 22928.22 million during July-June, 2010-11.

## Remittances

Remittances in July 2012 stand higher at USD 1193.77 million indicating 17.55 per cent growth against USD 1015.58 million in July 2011. Strong growth in remittances stabilized gross reserves and helped to maintain strength of local currency.

Total remittances receipts during July-June, 2011-12 increased by 10.24 per cent to USD 12843.42 million against USD 11650.32 million during July-June, 2010-11.

## Foreign Exchange Reserve (Gross)

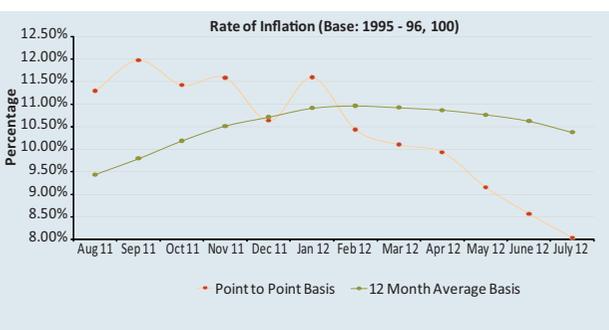
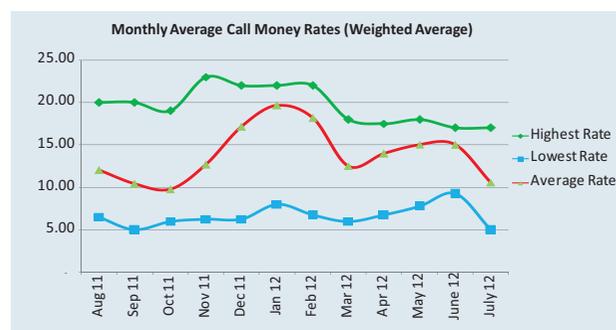
The gross foreign exchange reserves of the BB stood higher at USD10569.76 million (with ACU liability of USD 388.22 million) as of end July 2012, against USD10364.43 million (with ACU liability of USD 667.61 million) by end June 2012. The gross foreign exchange reserves, without ACU liability is equivalent to import payments of 3.45 months according to imports of USD 2953.48 million per month based on the preceding 12 months average (July 2011-June 2012).

The gross foreign exchange balances held abroad by commercial banks stood higher at USD 1177.75 million by end July 2012 against USD 1138.76 million by end June 2012. This was also higher than the balance of USD 1065.46 million by end July 2011.

## Exchange Rate Movements

Exchange rate of Taka per USD appreciated about 3.28 per cent in the month of February and has since hover around that rate, resulted from moderate growth in remittances, foreign aid, and low import pressures. At the end of July 2012 Taka has appreciated by 0.21 per cent from its level at the end of June 2012. On the other hand, during the same period, Indian Rupee appreciated by 1.56 per cent.

(Source: Major Economic Indicators: Monthly Update, August 2012)



Rate of Inflation on CPI for National (Base: 1995-96, 100)	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	June 12	July 12
Point to Point Basis	11.29%	11.97%	11.42%	11.58%	10.63%	11.59%	10.43%	10.10%	9.93%	9.15%	8.56%	8.03%
12 Month Average Basis	9.43%	9.79%	10.18%	10.51%	10.71%	10.91%	10.96%	10.92%	10.86%	10.76%	10.62%	10.37%

Source: Major Economic Indicators

Monthly Average Call Money Market Rates (wt avg)	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	June 12	July 12
Highest Rate	20.00	20.00	19.00	23.00	22.00	22.00	22.00	18.00	17.50	18.00	17.00	17.00
Lowest Rate	6.50	5.00	6.00	6.25	6.25	8.00	6.75	6.00	6.75	7.75	9.25	5.00
Average Rate	12.03	10.41	9.77	12.70	17.15	19.66	18.18	12.51	13.98	15.05	15.02	10.58

Source: Economic Trends Table XVIII (Call Money)

# BANKING AND FINANCIAL INDICATORS

Classified Loans	Dec 09	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12
Percentage Share of Classified Loan to Total Outstanding	9.21	8.67	8.47	7.27	7.27	7.14	7.17	6.12	6.57
Percentage Share of Net Classified Loan	1.73	1.67	1.64	1.28	1.26	1.29	1.24	0.70	1.07

Percentage Change (%)					
Monetary Survey	June, 2010	June, 2011	June, 2012P	FY 2011-12P	FY 2010-11R
Reserve Money (BDT crore)	74142.80	97500.90	97802.70	89.90%	21.03%
Broad Money (BDT crore)	363031.20	440,520.00	517109.50	17.39%	21.34%
Net Credit to Government Sector (BDT crore)	54392.30	73436.10	91944.20	25.20%	35.01%
Credit to Other Public Sector (BDT crore)	15060.70	19377.10	18206.40	-6.04%	28.66%
Credit to Private Sector (BDT crore)	270760.80	340712.70	407771.10	19.68%	25.84%
Total Domestic Credit (BDT crore)	340213.80	433525.90	517921.70	19.47%	27.43%



L/C Opening and Settlement Statement (USD million)	Percentage Change (%)					
	FY 2010-11		FY 2011-12		Year over Year	
	Open	Sett.	Open	Sett.	Open	Sett.
Food Grains (Rice & Wheat)	2426.92	1993.6	854.07	925.87	-64.81%	-53.56%
Capital Machinery	2778.82	2046.13	2189.04	2515.76	-21.22%	22.95%
Petroleum	3085.45	3177.59	4671.25	4479.21	51.40%	40.96%
Industrial Raw Materials	15033.30	12194.67	14455.40	13371.61	-3.84%	9.65%
Others	15257.86	12541.16	14866.06	13522.1	-2.57%	7.82%
<b>Total</b>	<b>38582.35</b>	<b>31953.15</b>	<b>37035.82</b>	<b>34814.55</b>	<b>-4.01%</b>	<b>8.95%</b>

YEARLY INTEREST RATES						
End of Period	Bank Rate	Call Money Market's Weighted Average Interest Rates on		Schedule Banks' Weighted Average Interest Rates on		Spread
		Borrowing	Lending	Deposits	Advances	
2012*	5.00	11.51	11.51	....	....	....
2011	5.00	11.16	11.16	7.46	12.80	5.34
2010	5.00	8.06	8.06	6.08	11.34	5.26
2009	5.00	4.39	4.39	6.29	11.51	5.22
2008	5.00	10.24	10.24	7.09	12.40	5.32
2007	5.00	7.37	7.37	6.84	12.78	5.95
2006	5.00	11.11	11.11	6.99	12.60	5.61
2005	5.00	9.57	9.57	5.90	11.25	5.35
2004	5.00	4.93	5.74	5.56	10.83	5.27
2003	5.00	6.88	8.17	6.25	12.36	6.11

\*: data upto month of August, 2012.

Interest Rate Development *1/												
Period	Treasury Bills			BGTB				Repo	Rev. Repo	Avg Call Money Rate	Lending Rate	Deposit Rate
	91-Day	182-Day	364-Day	5-Year	10-Year	15-Year	20-Year					
2010-11 *r												
September	...	...	...	7.93	8.85	8.91	9.24	5.50	3.50	7.15	11.17	6.00
October	2.94	3.75	4.45	7.96	8.85	8.94	9.25	5.50	3.50	6.19	...	...
November	3.72	4.16	4.65	8.00	8.89	9.05	9.41	5.50	3.50	11.38	...	...
December	4.58	4.85	5.50	8.10	9.45	9.11	9.56	5.50	3.50	33.54	11.19	6.08
January	5.11	5.39	5.94	8.25	9.50	...	9.60	5.50	3.50	11.64	11.34	6.39
February	5.25	5.5	6.00	8.25	9.45	9.12	9.60	5.50	3.50	9.54	11.41	6.54
March	5.48	5.63	6.20	8.26	9.36	9.20	9.63	6.00	4.00	10.59	11.95	6.81
April	5.98	6.03	6.67	8.26	9.45	9.30	9.65	6.25	4.25	9.50	12.02	7.06
May	6.45	6.63	6.97	8.26	9.45	9.35	9.65	6.25	4.25	8.64	12.17	7.24
June	6.75	7.00	7.30	8.26	9.45	9.35	9.65	6.75	4.75	10.93	12.42	7.27
2011-12 *p												
July	7.04	7.28	7.60	8.26	9.45	...	10.00	6.75	4.75	11.21	12.55	7.32
August	7.40	7.65	7.90	8.30	9.50	9.65	10.25	6.75	4.75	12.02	12.63	7.40
September	7.73	8.30	8.65	8.35	9.53	10.30	10.85	7.75	5.25	10.41	12.72	7.42
October	8.12	8.40	8.65	8.50	9.55	10.99	11.50	7.75	5.25	9.77	12.80	7.46
September	8.73	8.90	9.13	8.50	9.55	11.00	11.50	7.75	5.25	12.70	12.83	7.53
December	9.50	9.18	10.00	8.50	9.55	11.00	11.50	7.25	5.25	17.75	13.01	7.55
January	10.50	10.63	10.88	9.00	11.25	11.50	11.95	7.75	5.75	19.67	13.43	7.86
February	11.00	11.23	11.31	11.25	11.35	11.60	12.00	7.75	5.75	18.18	13.63	7.95
March	11.00	11.20	11.25	11.3	11.40	11.65	12.03	7.75	5.75	12.51	13.69	8.11
April	11.21	11.29	11.33	11.37	11.50	11.70	12.07	7.75	5.75	14.18	13.72	8.17
May	11.34	11.36	11.37	11.40	11.56	11.75	12.10	7.75	5.75	15.05	13.70	8.25
June	11.37	11.40	11.40	11.45	11.60	11.80	12.12	7.75	5.75	15.02	...	...
July	11.36	11.42	11.39	11.48	11.65	11.85	12.12	7.75	5.75	10.90	...	...
August@	11.29	11.30	11.36	11.50	11.75	...	...	7.75	5.75	12.23	...	...

Source: MRP, DMD, Statistics Dept., Bangladesh Bank, \*1/ Weighted Average Rate, \*p Provisional, \*r Revised, @ = upto 26th August, 2012, ... Data Unavailable

# DOMESTIC CAPITAL MARKETS

## CAPITAL MARKET – DSE (For the Month of August, 2012)

### Weekly Summary Comparison:

	August 26-30, 2012	July 29-August 02, 2012	% Change
Total Turnover in mn BDT	32,265	8,958	260.18
Daily Average Turnover in mn BDT	6,453	2,239	188.15

### Category-wise Turnover

Category	August 26-30, 2012	July 29-August 02, 2012	% Change
A	80.00%	81.84%	(0.018)
B	1.98%	1.66%	0.003
G	0.00%	0.00%	0.000
N	16.61%	14.77%	0.018
Z	1.42%	1.73%	(0.003)

### Scrip Performance in the Week:

	August 26-30, 2012	July 29-August 02, 2012	% Change
Advanced	239	58	312.07
Declined	32	214	(85.05)
Unchanged	9	3	200.00
Not Traded	4	9	(55.56)
Total No. of Issues	284	284	0.00

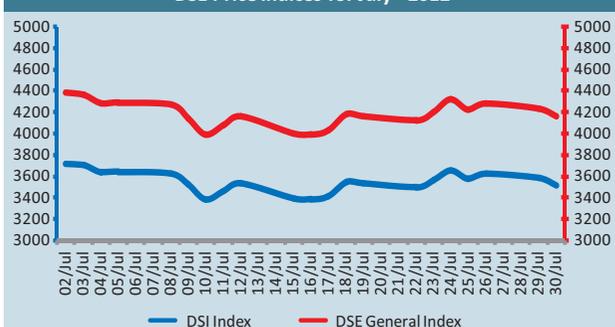
### Top 10 Gainer Companies by Closing Prices, August, 2012

SI	Names	Category	% of Change	Deviation % (High & Low)
1	FINE FOODS LTD.	A	24.19	24.19
2	PADMA ISLAMI LIFE INSURANCE LTD.	N	24.03	37.69
3	AAMRA TECHNOLOGIES LTD.	N	22.29	37.80
4	BANGLADESH SUBMARINE CABLE COMPANY LTD.	N	22.17	39.41
5	STANDARD CERAMIC	B	22.13	19.92
6	HAKKANI PULP & PAPER	B	22.11	23.88
7	RAHIMA FOOD	A	21.64	22.41
8	BSRM STEELS LTD.	A	21.34	23.42
9	SHAHJALAL ISLAMI BANK	A	21.28	27.47
10	BEXIMCO	A	21.21	32.01

### Top 10 Loser Companies by Closing Prices, August, 2012

SI	Names	Category	% of Change	Deviation % (High & Low)
1	SQUARE PHARMA	A	-29.11	8.21
2	ICB AMCL 1ST M.F.	A	-15.48	13.98
3	4TH ICB M.F.	A	-15.04	8.45
4	6TH ICB M.F.	A	-14.26	16.14
5	ICB AMCL 2ND NRB M.F.	A	-12.6	13.64
6	ICB AMCL 1ST NRB M.F.	A	-12.41	13.39
7	8TH ICB M.F.	A	-9.94	5.90
8	1ST T ICB M.F.	A	-6.71	4.42
9	GRAMEEN MUTUAL ONE	A	-5.23	13.16
10	GRAMEENPHONE LTD.	A	-4.96	9.94

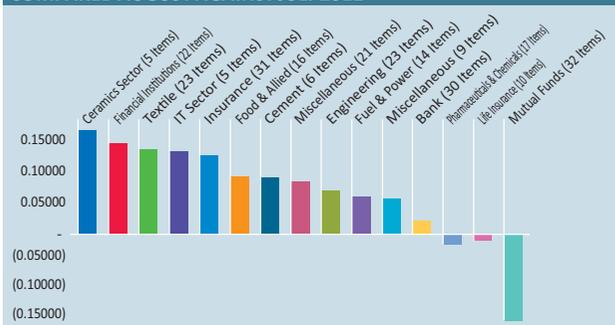
### DSE Price Indices for July - 2012



### DSE Price Indices for August - 2012



### DSE SECTOR WISE MOVEMENT BY STOCK CLOSING PRICE (% CHANGE) COMPARED AUGUST AGAINST JULY 2012



Dhaka stocks closed marginally lower on August 30, 2012, the last trading date of the month with more than four months' high turnover value since April 25, 2012 as the investors realized profit from their previous purchase. The market started with spontaneous buying pressure, lifting the index by about 125 points within the first hour on the same day. However, the index went down sharply for the rest of the session as the investors started to book profit.

The benchmark general index of the Dhaka Stock Exchange (DGEN), the yardstick of the market, went down by 6.56 points or 0.14 per cent to close at 4,446.87. Newly listed companies have seen sharp correction on the day after week long boosted rally. The broader All

Shares Price Index (DSI) plummeted 7.04 points or 0.18 per cent to 3,761.88. However, the DSE-20 Index comprising blue chips surged 23.33 points or 0.67 per cent to close at 3,471.47. The turnover value increased to BDT 7.85 billion, up by 11.66 per cent compared to BDT 7.03 billion in the previous session. Out of 275 issues traded, 116 advanced, 147 declined and 12 remained unchanged. The market capitalization of the DSE stood at BDT 2,470.25 billion against BDT 2,478.01 billion in the previous session.

However, positive movement of heavy weight banking sector saved the index from larger fall. The performance of major sectors was mixed on the day. Two of the major sectors - banks and fuel & power - ended 2.81 per cent and 0.17 per cent higher respectively. Telecommunications sector suffered the most and lost 3.04 per cent as Bangladesh Submarine Cable Company Limited (BSCCL) and Grameenphone (GP) lost 9.6 per cent and 2.70 per cent respectively, while NBFIs went down marginally by 0.50 per cent and pharmaceuticals 1.32 per cent.

BSCCL topped the day's turnover chart with shares worth BDT 398.50 million changed hands followed by Titas Gas, MI Cement, Unique Hotel, KPCL, Beximco Limited, Meghna Petroleum, RN Spinning, Jamuna Oil and Keya Cosmetics. Fine Foods was the day's top gainer posting a rise of 10 per cent followed by BD Finance, Standard Ceramics, Rahima Food, First Security Islami Bank, Ocean Container Limited, Premier Leasing, Summit Alliance Port Limited, KPCL and Bay Leasing. The day's worst losers included BSCCL, Aamra Technologies, Unique Hotel, Saiham Cotton, Padma Islami Life Insurance, CVO Petrochemical Refinery, Pharma Aids, Sonargaon Textile, Maksons Spinning and RD Food.

Source: The Financial Express, August 31, 2012

# DOMESTIC CAPITAL MARKETS

## CAPITAL MARKET – CSE (For the Month of August, 2012)

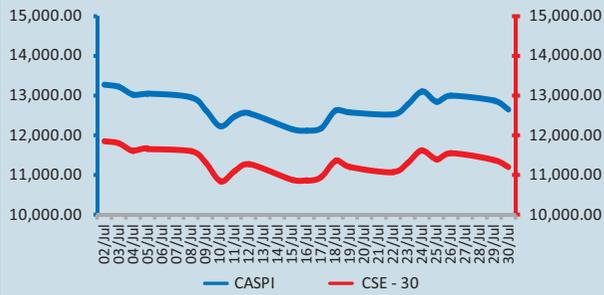
### Top 10 Gainer Companies by Closing Price, August, 2012

Sl	Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
1	ALLTEX INDUSTRIES LTD.	Z	31.57	7.60	10.00	3,168,950.00
2	BANGLADESH SHIPPING CORPORATION	Z	29.75	228.50	296.50	7,733,858.75
3	PRIME TEXTILE SPINNING MILLS	A	25.26	19.00	23.80	1,937,350.00
4	BANGLADESH SUBMARINE CABLE CO. LTD.	N	22.68	101.40	124.40	153,263,038.00
5	AAMRA TECHNOLOGIES LTD.	N	22.59	33.20	40.70	79,571,550.00
6	LEGACY FOOTWEAR LTD.	A	22.56	19.50	23.90	890,410.00
7	RAHIMA FOOD CORPORATION LTD.	A	22.54	17.30	21.20	2,705,500.00
8	BEXIMCO LTD.	A	21.73	61.20	74.50	207,001,106.50
9	H.R. TEXTILE MILLS LTD.	A	21.55	21.80	26.50	1,279,150.00
10	PADMA ISLAMI LIFE INSURANCE LTD.	N	21.30	65.70	79.70	28,455,600.00

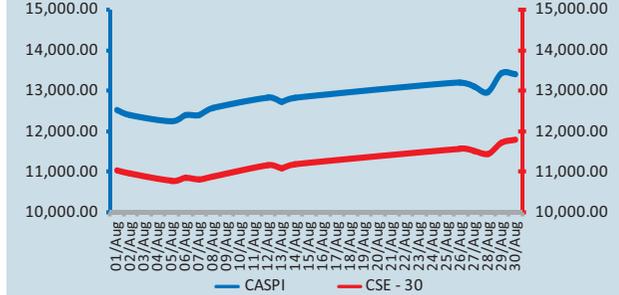
### Top 10 Loser Companies by Closing Price, August, 2012

Sl	Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
1	SQUARE PHARMACEUTICALS LTD.	A	-29.79	261.80	183.80	74,815,400.00
2	LR GLOBAL BANGLADESH MUTUAL FUND ONE	A	-8.79	9.10	8.30	4,150.00
3	ICB AMCL SECOND NRB MUTUAL FUND	A	-8.73	12.60	11.50	514,200.00
4	MBL 1ST MUTUAL FUND	A	-8.33	7.20	6.60	6,600.00
5	GRAMEEN MUTUAL FUND	A	-6.33	42.60	39.90	1,858,100.00
6	APEX ADELCHI FOOTWEAR LTD.	A	-5.45	275.00	260.00	52,000.00
7	AIBL 1ST ISLAMIC MUTUAL FUND	A	-5.17	5.80	5.50	150,700.00
8	GRAMEENPHONE LTD.	A	-4.49	189.30	180.80	155,085,420.00
9	NATIONAL LIFE INSURANCE CO. LTD.	A	-3.36	324.00	313.10	333,070.00
10	ICB AMCL SECOND MUTUAL FUND	A	-3.17	6.30	6.10	31,150.00

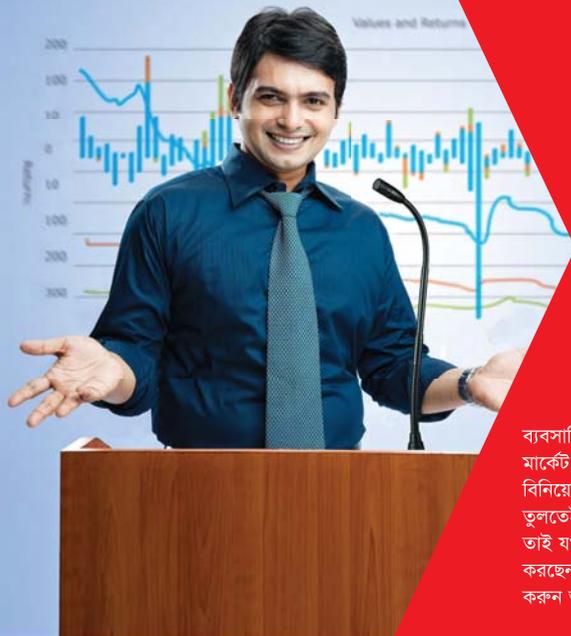
CSE Price Indices for July - 2012



CSE Price Indices for August - 2012



## এমটিবি সিকিউরিটিজ লিঃ



আপনার বিনিয়োগ...  
সমৃদ্ধ হোক আমাদের সাথে

ব্যবসায়িক দূরদৃষ্টি, দক্ষতা, অভিজ্ঞতা ও  
মার্কেট বিশ্লেষণের সমন্বয়ে আপনার  
বিনিয়োগকে আরও লাভজনক করে  
তুলতেই এমটিবি সিকিউরিটিজ লিঃ।  
তাই যখনই কোন বিনিয়োগ পরিকল্পনা  
করছেন, সঙ্গী হোন আমাদের আর নিশ্চিত  
করুন আপনার বিনিয়োগের সমৃদ্ধি।



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# INTERNATIONAL CAPITAL MARKETS

## SELECTED GLOBAL INDICES

### GLOBAL INDICES ROUND-UP FOR THE MONTH OF AUGUST, 2012

August was a painfully quiet month on Wall Street but stocks still managed to end the month with solid gains. Investors slogged through the month with few market moving events, ending August on a high note after Federal Reserve chairman Ben Bernanke hinted that additional stimulus could be on the way. The Dow Jones industrial average, the S&P 500 and the Nasdaq finished the day between 0.5% and 0.7%. That helped all three indexes end the month higher: the Dow gained 0.6%, the S&P 500 rose 2% and the Nasdaq climbed 4%. But trading volume was at its lowest in five years in August so it remains to be seen if the gains will be sustained into September.

The Chicago Purchasing Managers' Index slipped to 53 in August, down from 53.7 in July, according to economic consulting firm Kingsbury International. The University of Michigan's final version of its Consumer Sentiment Index for August edged up to 74.3,

from 73.6 in the previous month. Shares of government contractor SAIC (Fortune 500) rose following the firm's announcement that it planned to split into two separate, publicly traded companies. Shares of software maker Splunk ( ) rallied after the company reported a loss that handily beat estimates and raised its outlook. Shares of U.S. Airways (Fortune 500) and AMR Corp (Fortune 500), the parent company of American Airlines, rose more than 2% on reports that they are in talks about a potential merger and Facebook's stock fell to a new all-time low.

European stocks closed mixed. Britain's FTSE 100 edged down 0.1%, the DAX in Germany added 1.1% and France's CAC 40 gained 1%. Euro area unemployment for July was unchanged from June, holding at a record-breaking 11.3%, according to the European Union's statistic office. At over 25%, Spain had the highest jobless rate in the region. Asian markets ended in the red. The Shanghai Composite shed almost 0.3%, the Hang Seng in Hong Kong lost 0.4%, and Japan's Nikkei dropped 1.6%.

### International Market Movements:

INDEX	VALUE (As of August, 2012)	VALUE (As of July, 2012)	CHANGE	% CHANGE
DJIA	12,393.45	13,213.63	-820.18	-6.2%
S&P 500	1,310.33	1,397.91	-87.58	-6.3%
NASDAQ	2,827.34	3,046.36	-219.02	-7.2%
FTSE 100	5,320.90	5,737.80	-416.9	-7.3%
DAX	6,264.38	6,761.19	-496.81	-7.3%
NIKKEI 225	8,542.73	9,520.89	-978.16	-10.3%
BSE SENSEX	16,218.53	17,318.81	-1100.28	-6.4%
HANG SENG	18,629.52	21,094.21	-2464.69	-11.7%
<b>Arithmetic Mean</b>				<b>-7.8%</b>

## DOUBLE VIEW



(Compiled from Yahoo! Finance)



# INTERNATIONAL ECONOMIC FORECASTS

International Economic Forecasts: Wells Fargo Securities Economics Group™ Monthly Outlook  
(September, 2012)



## US OVERVIEW

### When Subpar Morphs into Normal

We stated in our Annual Outlook back in December that “growth in the coming year will remain modest.” Moreover, what many might have considered a modest, but at least temporary subpar pace of economic and job growth has now morphed into the normal pace of growth in this expansion. This is a real problem for household, federal and state/local budgets that were based on the post-WWII model of rapid economic expansions. We are now facing the economic and political fallouts from such a new reality. For three years now, the annual rate of economic growth has ranged from 1.8-2.4 percent, and we expect 2013 will be at 1.8 percent thereby suggesting that what was perceived as a weak recovery will become viewed as the new reality of the American economy.

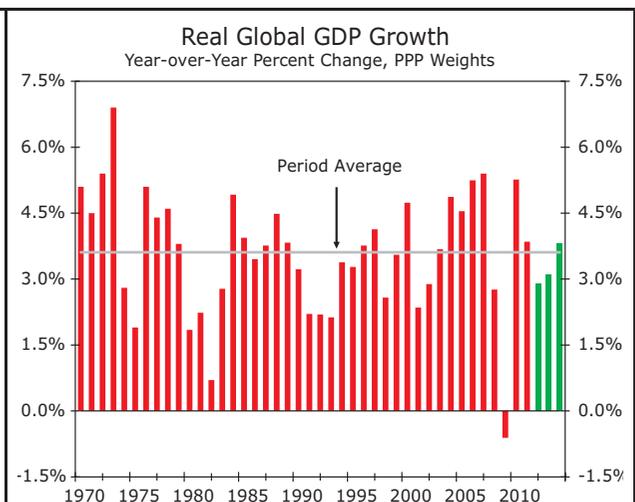
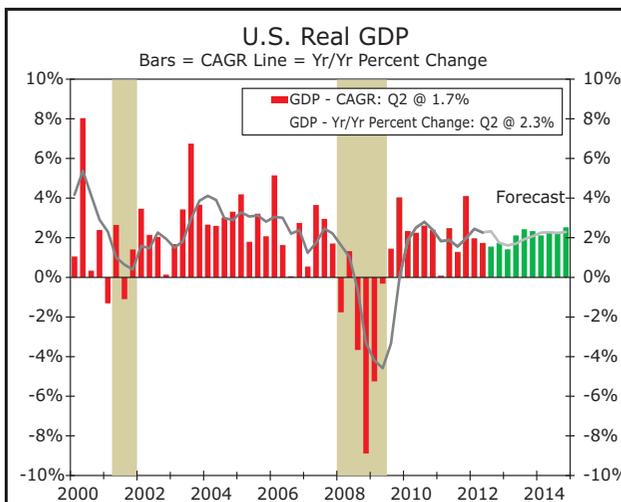
The positive contributions to growth are broad based from personal consumption, equipment & software spending, residential construction and structures but, in each case, the gains continue to be more modest than the traditional economic recovery. Declining government spending continues to be a drag on growth. For decision makers, the challenge remains to find an operational guideline in an economy of modest positive growth with neither boom nor bust. Inflation, as benchmarked by the PCE deflator, will remain below the Fed’s 2 percent target rate, keeping monetary policy biased toward ease this year. We expect 10-year benchmark Treasury rates to remain in the 1.5-2.0 percent range. Corporate profit growth will remain positive, but slower.

## INTERNATIONAL OVERVIEW

### Inflation, Interest Rates and Profits

It is too early to say whether the new ECB bond-buying program will be effective in dispelling some of the market’s nervousness or even do anything positive for the long-term sustainability of the Eurozone. However, this is an important first step in the right direction to, at least, begin the healing process and regain the upper hand in a process that has, so far, been dictated by market speculation of an endgame: the end of the Eurozone region as we know it. Meanwhile, Chinese economic growth remains another big “if” for the global economy, with Chinese policymakers sitting on the sidelines and keeping their options open to see what the future has for the Chinese economy.

According to our forecast, the Chinese economy will grow about 7.7 percent in 2012 and 8.0 percent in 2013, still higher than what many believe is the 5.0 percent floor that government officials will accept. What does this mean for emerging markets? It means that they will also have to reorient their own policies toward their respective domestic markets until the rest of the world economy strengthens. It also means that commodity prices will not surge and will limit the ability of emerging economies to fund some of this domestic expansion. However, the overriding message for emerging markets is: you are on your own; don’t count on exports to save the day.



Source: U.S. Department of Commerce, IMF and Wells Fargo Securities, LLC

This report is available on [wellsfargo.com/economics](http://wellsfargo.com/economics) and on Bloomberg WFEC.

Together we'll go far



# ENTERPRISE OF THE MONTH



**M. Aminul Islam**  
Chairman

Zenith Investments Limited is an initiative of a cohesive group of competent and highly-motivated professional and business personalities. The promoters possess sufficient experience of operating in financial market and business administration. The prime motivation of the initiative is to serve the growing demand for professional management of mutual funds of different nature. Professional management of assets is widely viewed as imperative for amassing small savings of the society and efficient allocation of resources among the deserving sectors of the economy. The enterprise also commits to bring in disciplined investment culture in our capital market.

## Company Overview

Zenith Investments Limited is an initiative of a cohesive group of competent and highly-motivated professional and business personalities. The promoters possess sufficient experience of operating in financial market and business administration. The prime motivation of the initiative is to serve the growing demand for professional management of mutual funds of different nature. Professional management of assets is widely viewed as imperative for amassing small savings of the society and efficient allocation of resources among the deserving sectors of the economy. The enterprise also commits to bring in disciplined investment culture in our capital market.

## Our Vision

To become the foremost, trustworthy, and innovative asset management services provider in the country.

## Our Mission

To create maximum value for all the stakeholders through persistent and diligent efforts while adhering to the highest ethical standards.

## Our Goal

To enhance social welfare by maximizing long-term value of the Stakeholders.

## Our Unique Strengths

1. Zenith would be the first Asset Management Company (AMC) in the country to adopt CFA Institute's Code of Professional Conduct.

2. Zenith would be the first AMC to install integrated automated operating system to ensure better compliance and to establish efficient investment process.
3. The sponsor group holds modern management outlook and possesses hands-on experience in managing Banks, Financial Institutions and Merchant Banks.
4. Zenith will build a management team comprising of highly skilled Professionals.
5. Sponsors are capable to bring in advanced fund management technology through joint collaboration with foreign partners, if necessary.

## Knowledge Centre

### Basics of Mutual Funds:

A Mutual Fund is a body corporate registered with the Securities and Exchange Commission that pools up the money from individual / corporate investors and invests the same on behalf of the investors /unit holders, in equity shares, Government securities, Bonds, Call money markets etc., and distributes the profits. In other words, a mutual fund allows an investor to indirectly take a position in a basket of assets.

A mutual fund is set up in the form of a trust, which has Sponsor, Trustee, Asset Management Company (AMC) and Custodian. The trust is established by a sponsor or more than one sponsor who is like promoter of a company. The trustees of the mutual fund hold its property for the benefit of the unit holders. Asset Management Company (AMC) approved by SEC manages the funds by making investments in various types of securities. Custodian, who is registered with SEC, holds the securities of various schemes of the fund in its custody. The trustees are vested with the general power of superintendence and direction over AMC. They monitor the performance and compliance of SEC regulations by the mutual fund. All mutual funds are required to be registered with SEC.

### Why Mutual funds (Importance of Mutual Funds):

Mutual Fund is a special type of institutional device or an investment vehicle through which the investors pool their savings which are to be invested under the guidance of a team of experts in wide variety of portfolios of corporate securities in such a way, so as to minimize risk, while ensuring safety and steady return on investment. It forms an important part of the capital market, providing the benefits of a diversified portfolio and expert fund management to a large number, particularly small investors. Now a day, mutual fund is gaining its popularity due to the following reasons:

- i. Efficient portfolio management: Mutual fund portfolio managers have the expertise and resources to do the required in-depth research needed before an investment is approved.
- ii. Reduce your risks: Mutual Funds minimize the risk through diversifying the portfolio with various securities. Therefore, mutual funds are not volatile

as other secondary market shares.

- iii. Liquidity: Open ended Mutual Funds can be bought and sold on any business day.
- iv. Affordability: A Mutual Fund allows even a small investor to take the benefit of its investment strategy.
- v. Low Costs: Open ended Mutual Funds are a relatively less expensive way to invest compared to directly investing in the capital markets because the benefits of scale in brokerage, custodial and other fees translate into lower costs for investors.
- vi. Tax Benefits: The tax benefit that Mutual Funds investors enjoy at the moment is the treatment of long-term capital gains. Double taxation can be avoided by investing in Mutual funds for long-term.
- vii. Transparency: The investor gets regular information on the value of his investment in addition to disclosure on the specific investments made by the fund, the proportion invested in each class of assets and the fund manager's investment strategy and outlook.

## Economy of Bangladesh:

From a mainly feudal agrarian base, the economy of Bangladesh has undergone rapid structural transformation towards manufacturing and services. The contribution of the agriculture sector to GDP has dwindled from 50 percent in 1972-73 to less than 20 percent in 2009-2010. The agricultural sector is, however, still the main employment provider. The staple crop is rice, with paddy fields accounting for nearly 70% of all agricultural land.

Industrial production growth has averaged more than 6% over the last 5 years. The export sector has been the engine of industrial growth, with ready-made garments leading the way, having grown at an average of 30% over the last 5 years. Primary products constitute less than 10 percent of the country's exports; the bulk of exports are manufactured/processed products, ready-made garments and knit wears in particular.

## Zenith's Research

Zenith Daily Commentary	Weekly Mutual Fund Review
Weekly Market Review	Upcoming IPO Analysis

It also publishes regular updates on the following:

## Contact Us

### Zenith Investments Limited

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**Telephone:** +88 02 8878413, +88 02 8878415

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**E-mail :** mailbox@zenithinvestbd.com

## Improving Your Sales Force: Fine-tune or Transform?

In the continuous hunt for profitable growth, silver bullets won't fix your sales force. The solutions to most sales force challenges are multi-dimensional. Especially when things are not going well (and sometimes even when they are), sales leaders need to know when evolutionary sales force improvements are enough to drive profitable growth, and when it's necessary to implement a wholesale sales force transformation.

Most evolutionary changes work within the current sales strategy, organizational structure, and sales team. The focus is on getting current sales team members to behave differently. For example, to spend more (or less) time prospecting, to improve customer engagement quality, or to manage the pipeline more effectively. Several operational levers influence sales team activity to help you achieve these ends, including the following.

**Performance management:** set expectations and manage against them

**Data and tools:** provide salespeople with insights that enable success with customers

**Incentives:** motivate high levels of the right sales activity

**Training and coaching:** help salespeople develop the competencies they need

Evolutionary improvements can also involve minor adjustments to sales strategy (e.g. focus more effort on specific market segments), tweaks to sales force size or structure (e.g. close a vacant territory in a low growth market) or small modifications to hiring profiles (e.g. start screening candidates on technology skills). But major changes to these more strategic levers require you to graduate your sales force improvement efforts to a more disruptive, transformational change of your sales model and the people on the sales team. Examples include the following.

**Sales process:** implement a major change to the sales process, such as a move from a relationship-based to a consultative sales process

**Salesperson profile and recruiting:** recruit a different profile of salesperson and eliminate people on the current team who don't fit the new profile

**Sales force structure and scale:** specialize (or unspecialize) the sales force or significantly increase or reduce its size, resulting in major realignment of salesperson-customer relationships

Transformational change typically requires a makeover of operational sales force levers as well (e.g. performance management, data

and tools, incentives, training and coaching) to keep sales activity aligned within the new sales model. Sales forces have realized significant performance improvements through evolutionary and transformational change initiatives. Here are two examples.

**Evolutionary improvement:** Healthcare company Novartis operationalized evolutionary improvement by conducting annual sales force effectiveness reviews. The reviews led to initiatives such as improving customer targeting approaches, and enhancing development programs, coaching tools and performance management processes to reflect the behaviors of top-performing salespeople. These evolutionary improvements contributed to six consecutive years of double-digit top line growth in the U.S., well above the industry average. Many of the improvements were also implemented globally.

**Transformational change:** Temporary housing provider Oakwood Worldwide implemented a sales force transformation to address changing customer needs that necessitated a move from a relationship-based to a consultative sales approach. It designed a new sales process around the best practices of top-performing salespeople. A large percentage of the sales force did not survive the transformation, but most top performers did. The transformation was supported by changes to operational levers such as sales training programs, coaching processes, and sales enablement tools and metrics. A year after implementation, deal win rates had tripled, sales cycle time had dropped by 50%, and salesperson turnover had declined to under 5%.

Transformational change is usually the best option when customer and company results are seriously threatened, or when an opportunity or environmental factor dictates a drastic rewrite of the sales process. This is easiest to do when you face a crucial event, such as a merger or acquisition, a new company strategy, a major new product launch, a missed financial goal, a change in company leadership, or a major market shift, that acts as a catalyst for change. Transformational change frequently results in a short-term dip in performance,

even when done right. You'll get the best results if during the transition you take steps to protect your top customers and your top salespeople who are well-suited to succeed in the new sales model.

The best sales forces make evolutionary improvements all the time.

*(by Andris A. Zoltners, PK Sinha, and Sally E. Lorimer, November 2012)*



# CSR ACTIVITIES

## SIBL donates BDT 250,000 to employee for treatment



Social Islami Bank Limited (SIBL) recently donated BDT 250,000 to one of its employees for heart treatment. Muhammed Ali, Managing Director of the bank, handed over the cheque to Md Samshul Hoque, son of the employee, said a press release.

The Daily Sun, August 05, 2012

## DBBL donates ambulance to beach body



Dutch-Bangla Bank Limited (DBBL) donated an ambulance to the Beach Management Committee (BMC) to ensure emergency support in rescuing visitors in case of any incidents at the longest beach Cox's Bazar. K S Tabrez, Managing Director of the bank handed over the key of the ambulance to Jaynul Bari, Deputy Commissioner and President of Beach Management Committee of Cox's Bazar.

The Daily Sun, August 05, 2012



## Al-Arafah donates ambulance to Kurmitola School

Al-Arafah Islami Bank Limited Saturday donated an ambulance to

Kurmitola High School as a part of its Corporate Social Responsibility. Badiur Rahman, Chairman of the bank handed over the key of the ambulance to the school committee at a function as chief guest, said a press release.

The Daily Sun, August 06, 2012

## Agrani Bank donates BDT 23.98 lakh to CU



**Agrani Bank Limited**  
Committed to serve the nation

Authority of Agrani Bank Limited donated BDT 23.98 lakh to Chittagong University (CU) to install a deep tube well on CU campus. Bank authority handed over the cheque of the said amount to CU Vice-Chancellor Anwarul Azim Arif at the circle secretariat office of the bank at Agrabad.

The Independent, August 11, 2012

## IBBL donates ambulance to child hospital of Faridpur



**Islami Bank Bangladesh Limited**

Islami Bank Bangladesh Limited (IBBL) donated a well-equipped ambulance to Dr. Zahed Memorial Child Hospital of Faridpur as a part of its corporate social responsibility. Prof Abu Nasser Muhammad Abduz Zaher, Chairman of the bank handed over its key to AK Azad, President of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at a ceremony held at Auditorium of the bank premise in Dhaka.

The Daily Sun, August 29, 2012

## New Appointments during August, 2012

### BANKS, FINANCIAL & OTHER INSTITUTIONS

Name	Current Position	Current Organization	Previous Position	Previous Organization
Abdul Momen Bhuiyan	Deputy Managing Director	Apex Adelchi Footwear Ltd	Executive Director	Apex Adelchi Footwear Ltd
Syed Gias Hussain	Managing Director	Apex Pharma Ltd	-	-
Humayun Khaled	Chairman	Bangladesh Jute Mills Corporation	Major General	Bangladesh Army
Mofazzal Hossain	Managing Director	Rajshahi Krishi Unnayan Bank	Deputy Managing Director	Agrani Bank Ltd
Dr. Muzaffar Ahmad	Chairman	Dhaka School of Bank Management	-	-
Gouranga Chakraborty	Executive Director	Bangladesh Bank	General Manager	Bangladesh Bank
Mohammad Shams-ul Islam	Deputy Managing Director	Agrani Bank Ltd	General Manager	Agrani Bank Ltd

## Poverty Impacts Evaluation of Road Projects in Bangladesh



It is widely perceived that by reducing transport costs, improved roads generate market activities, affect input and output prices, and foster economic linkages that enhance agricultural production, alter land use, crop intensity and other production decisions, and stimulate off-farm diversification, income-earning opportunities, and migration. Improved roads also enhance social outcomes, by facilitating access to social service facilities.

Roads have been championed by ADB as instruments for achieving inclusive growth, one of three pillars of Strategy 2020. Transport is a main sector in ADB portfolio: it has accounted for 27% of ADB lending during 2005–2009. Some 70% of ADB transport lending is for roads. Transport projects have performed well: Some 92% of transport projects were rated successful or better. The rationale is that rural poor households can better exploit agricultural and non-agricultural opportunities to employ labor and capital more efficiently.

In 2003, the transport system in Bangladesh comprised about 140,000 kilometers (km) of roads, 2,700 km of railroads, 5,970 km of waterways, two major seaports, and seven airports.4 The primary

road network connecting national and regional roads and district roads comprised 20,800 km,5 while the secondary roads totaled 115,000 km. National and regional roads and district roads are administered by the Roads and Highways Department (RHD) within the Ministry of Communications. Secondary roads are administered by the Local Government Engineering Department (LGED) within the local government division. The performance of the road sector consistently improved in the past decades, with an extension of the road network and demand for road transport that persistently increased at 8% or higher. Roads have become the principal mode of transport.

Road improvement itself would not automatically generate intended outcomes. There are various prerequisites for roads to impact the poor. For a new road to enhance mobility, people must have access to means of transport along the road (e.g. bicycles, motorcycles, buses). For impacts to be felt on input and output prices there must be some means of freight transport and local production for which external demand exists. For the road to have social impacts there must be functioning health and education facilities in its vicinity.

Source: Eunkyung Kwon, *Principal Evaluation Specialist*; [www.adb.org/evaluation](http://www.adb.org/evaluation)

# SKILL DEVELOPMENT

## Entrepreneurial Skills That Matter



Entrepreneurial-minded people (and the ideas they generate) are extremely valuable to an organization. At our research firm, we recently conducted a multi-

variable analysis of a group of serial entrepreneurs and identified five personal skills that clearly make them unique. “Personal skills” — often classified as “soft skills” — develop slowly over time, and we used them to help identify what job-related activities a person has developed. We primarily looked at people who started multiple businesses and experienced both success and failure.

After assessing the subjects on their personal skills and comparing their performance against a control group, we found a certain set of skills were the most predictive of an entrepreneurial mindset. In fact, by examining these five distinct personal skills alone, we were able to predict with over 90 percent accuracy people who would become serial entrepreneurs.

The quality serial entrepreneurs displayed above others was **persuasion**, or the ability to convince others to change the way they think, believe or behave. Persuasion for this study was defined as the ability to persuade others to join the mission. In the study, this was uncovered by ranking on a scale of 1 to 6 prompts such as: “I have been recognized for my ability to get others to say yes,” or “I have a reputation for delivering powerful presentations.” Unquestionably entrepreneurs need to excel at persuasion, whether to recruit a team or get buy-in from investors and stakeholders.

Perhaps not surprisingly, **leadership** is also one of the five areas where entrepreneurs excelled. In this study, good leaders were

criticized for being too competitive.” Serial entrepreneurs ranked both of these prompts highly. For people with an entrepreneurial mind-set, their strength of vision is usually tied to a product or service that provides solutions to challenges, even when the general public is not aware the challenge exists.

Entrepreneurial-minded people also display **personal accountability**. We defined personal accountability as demonstrating initiative, self-confidence, resiliency and a willingness to take responsibility for personal actions. Subjects with strong personal accountability highly ranked prompts such as: “I have been recognized for achieving results when others could not,” or “I have been criticized for holding people accountable for their actions.” As evidenced by these prompts, people who are personally accountable look at obstacles as a part of the process and, rather than give up, they are energized by them. From this we can gather, individuals who blame others for their failures display a significant lack of personal accountability and will most likely stall in any entrepreneurial effort.

**Goal orientation** is another critical skill for entrepreneurial-minded people. In the study, goal orientation was defined as energetically focusing efforts on meeting a goal, mission, or objective (which closely paired with leadership, as it is described above). More entrepreneurs generally agreed with the statements: “I am known for overcoming significant obstacles to reach goals,” or “I am most productive when working closely with others to achieve goals.” As mentioned above, it’s important that entrepreneurs have a strong sense of what their goal is, because their product or service depends on it. Identifying and advocating for the goal allows them to influence others and gain their support.

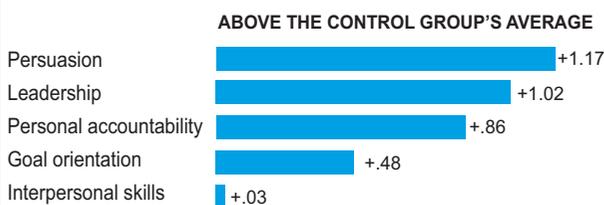
The final identifying skill is a mastery of **interpersonal skills**, the glue that holds the other four skills together. They include effectively communicating, building rapport, and relating well to all people, from all backgrounds and communication styles. In the study, people who excelled here agreed with: “My ability to get along with people has been a key to my greatest accomplishments,” or “I am known for my ability to calm people who are emotionally upset.” Without interpersonal skills, an entrepreneur would be limited to relating only to those who share their exact communication style, thus restricting her ability to convey her vision and goals.

In contrast to ephemeral notions that entrepreneurial success comes as a result of perfect timing meeting brilliant ideas in a cosmic moment of alignment, this research indicates entrepreneurially successful people are successful for a reason — that many of them highly display certain personal skills. And while this research identifies these skills, it should be pointed out these five attributes are not inherent. They can be learned and developed, especially early in life, and further honed throughout an entrepreneur’s career.

*Adapted from: Harvard Business Review, December 2012*

### THE KEY TRAITS OF A SERIAL ENTREPRENEUR

Based on a control group of 17,000 working adults, serial entrepreneurs tested above average in the following skills:



SOURCE TARGET TRAINING INTERNATIONAL

HBR.ORG

defined as having a compelling vision for the future, i.e., surveyors who highly ranked prompts such as: “In the past, people have taken risks to support my vision, mission or goals,” or “I have been



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**MTB Gulshan Branch**



1<sup>st</sup> | **MTB Smart Banking** (Kiosk)  
*have it your way*

In addition to Retail, SME & Wholesale banking  
you can avail the following facilities:

- 24/7 ATM
- 24/7 Cash & Cheque Deposit
- 24/7 Bills Pay
- Lockers
- Internet Banking Access
- 24/7 Contact Centre
- Customer Services from 9.00 am to 9.00 pm

MTB Contact Centre **16219** or +88 096040 **16219**

Old address:  
7 Gulshan Avenue  
South Avenue Tower  
Gulshan 1, Dhaka 1212



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড  
**Mutual Trust Bank Ltd.**

*you can bank on us*

[www.mutualtrustbank.com](http://www.mutualtrustbank.com)



# MTB NETWORK

Corporate Head Office

MTB Centre, 26 Gulshan Avenue, Dhaka 1212  
Tel : 880 (2) 882 6966, 882 2429, Fax : 880 (2) 882 4303



## MTB Dhaka

Aganagar Branch  
 Babu Bazar Branch  
 Banani Branch  
 Baridhara Branch  
 Bashundhara Branch  
 Bashundhara City Branch  
 Chandra Branch  
 Chawk Moghailuli Branch  
 Dhanmondi Branch  
 Dholaikhal Branch  
 Dilkusha Branch  
 Elephant Road Branch  
 Fulbaria Branch  
 Gazipur Branch  
 Gulshan Branch  
 Kapasia Branch  
 Madaripur Branch  
 Meghna Branch  
 Mohammadpur Branch  
 MTB Centre Corporate Branch  
 Mymensingh Branch  
 Narayangonj Branch  
 Pallabi Branch  
 Panthapath Branch  
 Principal Branch  
 Progati Sarani Branch  
 Savar Branch  
 Shah Mokhdum Avenue Branch  
 Shanir Akhra Branch  
 Sonargaon Branch  
 Sreenagar Branch  
 Tejgaon Branch  
 Tongi Branch  
 Uttara Model Town Branch

## MTB Securities Ltd.

Corporate Head Office  
 Extension Office-Motijheel  
 Extension Office-Fulbaria  
 Extension Office-Fakirapul  
 Extension Office-Dilkusha  
 Banani Office  
 Dhanmondi Office  
 Gulshan Office  
 Narayangonj Office  
 Pallabi Office  
 Progati Sarani Office  
 Uttara Office

## SME/Agri Branch

Dhanbari  
 Gafor Gaon  
 Hasnabad  
 Kaliganj  
 Noria  
 Sharulia Bazar

## MTB Booth

Hazrat Shahjalal International Airport  
 - Arrival Lounge  
 - Departure Lounge

## MTB Rangpur

Rangpur Branch  
 Thakurgaon Branch

## MTB Securities Ltd.

Rangpur Office

## MTB Barisal

Gournadi Branch

## MTB Khulna

Jessore Branch  
 Kushtia

## MTB Capital Ltd.

Corporate Head Office

## MTB Exchange UK Ltd.

25 Whitechapel, London E1 1DU  
 United Kingdom  
 Tel: +02086162214  
 Fax: +02073779759  
 Web: www.mtbexchangebd.com

## MTB Rajshahi

Bogra Branch  
 Joypurhat Branch  
 Pabna Branch  
 Rajshahi Branch

## SME/Agri Branch

Belkuchi  
 Ishwardi

## MTB Securities Ltd.

Rajshahi Office

## MTB Sylhet

Habigonj Branch  
 Moulvi Bazar Branch  
 Shahparan Gate Branch  
 Sylhet Branch

## SME/Agri Branch

Syedpur

## MTB Securities Ltd.

Sylhet Office

## MTB Chittagong

Agrabad Branch  
 Alankar Mor Branch  
 Aman Bazar Branch  
 Brahmanbaria Branch  
 CDA Avenue Branch  
 Chokoria Branch  
 Comilla Branch  
 Cox's Bazar Branch  
 Dhorkora Bazar Branch  
 Feni Branch  
 Jubilee Road Branch  
 Karnaphuli EPZ Branch  
 Kerani Hat Branch  
 Khatungonj Branch  
 Nazirhat Branch  
 Oxygen Mor Branch  
 Raipur Branch

## SME/Agri Branch

Dagon Bhuiyan  
 Haidergonj  
 Laksham  
 Nazumeah Hat  
 Ramchandrapur Bazar

## MTB Securities Ltd.

Agrabad Office  
 Alankar Mor Office  
 CDA Avenue Office

## MTB Booth

Shah Amanat International Airport

# 139

## MTB ATM

## MTB Contact Centre



**24**  
HOURS  
a day

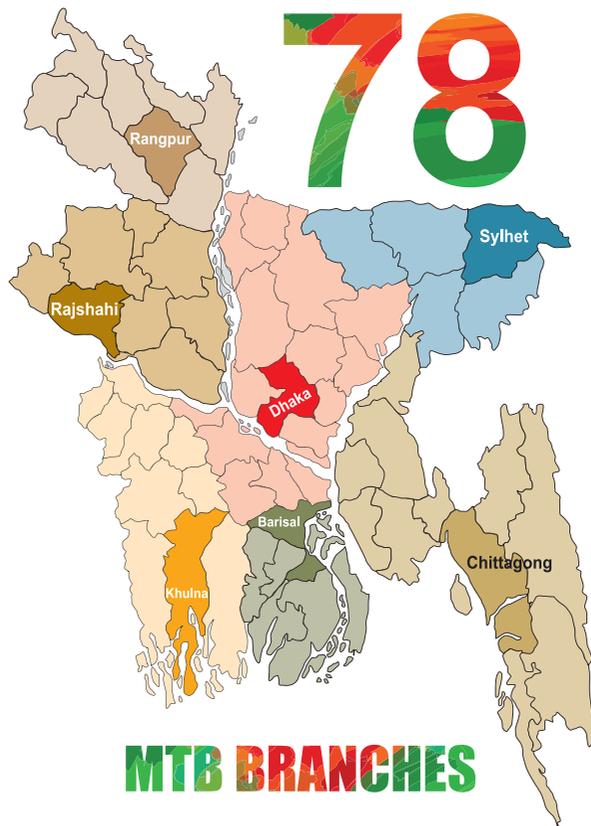


**7**  
DAYS  
a week



**365**  
DAYS  
a year

just dial **16219** or  
**096040 16219**



## MTB BRANCHES

Dhaka Division   Rangpur Division   Barisal Division   Khulna Division   Rajshahi Division   Sylhet Division   Chittagong Division

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## Mutual Trust Bank Ltd.

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