

Ex-BB chief stresses evaluating banks' SME lending

STAR BUSINESS REPORT

A former central bank governor has pointed out that Bangladesh Bank needs to consider local commercial banks' performances in SME (small and medium enterprises) lending when it prepares CAMELS rating to boost up their participation.

"The government should take some performance-based measures to encourage banks and non-bank financial institutes to come to help SMEs get more access to finance," said Dr Salehuddin Ahmed, suggesting introduction of a sub-section in the present CAMELS rating to initiate the measures immediately.

The inclusion of SMEs in such rating will certainly mount pressure on banks to raise transactions for the sector, the ex-BB boss elaborated.

He also sought government's intervention in lowering interest rates on the amounts borrowed by SMEs.

Ahmed was speaking at a seminar on 'Access to SME Financing: Reforms in Policy and Regulatory Framework', jointly organised by Dhaka Chamber of Commerce and Industry (DCCI) and SME Foundation in the capital.

The CAMELS rating indicates performances of banks in Capital, Asset, Management, Earning, Liquidity and Sensitivity.

Salehuddin Ahmed also suggested the government take a holistic approach, which will include training, marketing, business advisory services, technical services and access to information to enhance growth of the sector.

In this context he cited the examples of Korea, Taiwan and India where governments encourage banks in sourcing capital for small and medium enterprises.

HT Imam, prime minister's adviser on establishment ministry and administrative affairs, said banks have to ensure credibility with more SME activities to give a boost to economic growth.

"The banking system should be more SMEs-friendly, as 80 percent of the country's total industrial units falls in this category. At the same time, the government should consider boosting SMEs to create more employment," he said.

Imam suggests banks ease conditions to give loans to women entrepreneurs to create more opportunities for them, as their repayment rate is higher.

He urged both the public and pri-

vate banks to disburse collateral-free loans to small and medium entrepreneurs at low interest.

In the SME fair concluded yesterday, as many as 26 banking and other financial institutions participated to showcase financial products and programmes.

The World Bank gave Tk 112.32 crore grants, including \$10 million for re-financing the SME sector, to Bangladesh in the fiscal year 2008-09. A total of Tk 206.39 crore has been disbursed among 2,341 SME entrepreneurs from this fund through 14 banks and 14 non-bank financial institutions.

Aftab-ul Islam, chairperson of SME Foundation, said the large-scale industries of Bangladesh could contribute only 12 percent in the total employment generation, while the SME sector accounts for the remaining.

"So, the sector deserves more government policy support, which will help remove all institutional and policy barriers and help advance the sector," he said.

Muhammad Abdul Mazid, former chairman of National Board of Revenue (NBR), and Zafar Osman, president of DCCI, also spoke.

Recruits under service scheme to be tasked with 13 types of work

STAR BUSINESS REPORT

The persons recruited under National Service Programme will be tasked with 13 types of work, including monitoring of how farmers are provided with agricultural loans and inputs at district and upazila levels, a seminar in Dhaka was told yesterday.

The keynote paper was presented by Dr Helal Uddin Khan Arefin, a professor of Anthropology at Dhaka University.

Arefin said the trained young men and women will also be involved in assisting monitoring of prevention of food adulteration in different hotels, restaurants and other shops.

The Youth Development Directorate organised the seminar on 'National Service in Youth Development: Pledge to Build Digital Bangladesh' in the capital.

This Tk 20 crore service scheme has been incorpo-

rated for the first time in the 2009-10 national budget, which the government plans to execute in two upazilas of Barguna and Kurigram on pilot basis.

The newly recruits at Tk 6,000 salary a month will go under a three-month training prior to their joining during their two-year tenure, as disclosed by State Minister for Youth and Sports Ahad Ali Sarker at the seminar, also attended by Finance Minister AMA

Muhith.

Gopalganj is the next district to be brought under this job scheme after Barguna and Kurigram.

Muhith reiterated the government's pledge to ensure job for at least one person in each family by 2021 when around three crore people are still unemployed.

Youth Secretary Mahbub Ahmed laid emphasis on increased funds for training to overseas job seekers.



HSBC

From left to right, Sami Hafiz, corporate sustainability and communications manager, Mustafizur R Khan, head of marketing and communications, Sanjay Prakash, chief executive officer for HSBC Bangladesh, and Khandaker Amio Shahriar, winning team leader of last year's Young Entrepreneurs Awards (YEA), attend the launch of the 2009-2010 YEA at Bengal Gallery in Dhaka yesterday.

HSBC launches awards for young entrepreneurs

STAR BUSINESS DESK

HSBC Bangladesh launched the Young Entrepreneurs Awards 2009-10 (YEA) at the Bengal Gallery in Dhaka yesterday, the bank said in a statement.

The bank is organising the business plan writing competition for the fourth consecutive year this time.

YEA was originally launched nine years ago to encourage innovation and creativity among students in Hong Kong. Since then, over 14,000 students submitted over 5,300 ideas.

This time, students from Bangladesh, Hong Kong, Malaysia, the Philippines, Thailand and Brunei will compete in the regional final in Malaysia.

In 2009, over 250 teams from Bangladesh made submissions.

Three winning teams (gold, silver and bronze winners) from Bangladesh were sent on a weeklong study trip to Hong Kong.

The gold team competed with the other regional winners and came in third and won the bronze award with a cash prize of HK \$10,000.

Every team, consisting of two or three members, is requested to submit a business plan at the YEA website (www.asiayea.com) by January 24 in 2010, in the three-phased competition.

The regional competition in Malaysia will take place in June.

Sanjay Prakash, chief executive officer of HSBC Bangladesh, said HSBC is proud to provide students with an access to the regional competition and hopes the country will continue to produce talented young entrepreneurs who could compete and win awards on the global stage.

Minister seeks more German investment

STAR BUSINESS REPORT

Foreign Minister Dipu Moni yesterday invited German investment in Bangladesh to develop some key commercial sectors such as jute, ICT and outsourcing, pharmaceuticals, home textiles, leather garments, pisciculture and pearl culture and renewable energy.

The minister made the call when newly

appointed German Ambassador Holger Michael called on her at the foreign ministry.

During the meeting, they discussed development cooperation, good governance, rule of law, bilateral relations and high political level visits between the two countries to encourage cooperation in as many fields as possible.

Dipu Moni thanked German and EU support in

restoration of democracy in Bangladesh and also for their support in the voter ID card project, where they sent election observers.

The minister said Bangladesh deeply appreciated Germany's valuable contribution in promoting broad-based economic development in Bangladesh. She hopes German development assistance will continue.

UAE 'containing' economic downturn

Says president

AFP, Kuwait City

The United Arab Emirates has successfully "contained" the negative impacts of the global financial meltdown on the back of its solid economy, the UAE president said on Wednesday.

"We have been able to contain the negative impacts of the (global economic) crisis and overcome many of its results and consequences," Sheikh Khalifa bin Zayed al-Nahayan told Kuwait's KUNA news agency in an interview.

"We have the ability and determination to continue to work in this direction... to remove all obstacles that prevent strong development," the president said.

Sheikh Khalifa, whose

country is the third largest OPEC producer and which has huge foreign investments, said the UAE economy was based on strong foundations.

His comments came with the UAE's stock markets still tumbling two weeks after real estate giant Nakheel, a part of state-owned conglomerate Dubai World, sought a freeze in payments on a 4.0-billion-dollar Islamic bond debt.

The announcement raised fears of a Dubai debt default and shocked global financial markets. The main Dubai and Abu Dhabi stock market indexes have since plummeted by around 26 and 15 percent, respectively.

Like other oil-rich Gulf

states, the UAE had already been hit hard by the impact of the global financial crisis mainly through the sharp drop in oil revenues and losses in its estimated 400-800 billion dollars of reserves.

After six years of strong growth, the UAE economy had been expected to shrink by more than one percent this year, before returning to positive territory in 2010, according to earlier estimates.

Sheikh Zayed said leaders of the six-member Gulf Cooperation Council will review measures taken to ward off the global crisis and steps to shield their economies during a Kuwaiti summit on December 14-15.



Rajnish Kapur, chief executive officer of Holcim Bangladesh Ltd, speaks at a seminar for the company's nationwide competition Holcim Green Built Bangladesh Contest in Dhaka yesterday. Prof Dr AMM Safiullah, vice-chancellor of Bangladesh University of Engineering and Technology, is also seen.

Holcim seminar pushes eco-correct development

STAR BUSINESS REPORT

Environment, economic and cultural issues should be taken into account for urban development and management, speakers told a seminar in Dhaka yesterday.

Holcim Bangladesh Ltd, a leading cement maker, organised the seminar on sustainable development at Bangabandhu International Conference Centre to come up with some effective projects and ideas that will lead to planned development for the betterment of future generations.

The seminar is the second in Dhaka and the last in a series of regional seminars organised by Holcim across Bangladesh. The seminar was arranged to give a platform to its nationwide contest -- Holcim Green Built Bangladesh Contest.

The series began in Dhaka, followed by Rajshahi, Khulna, Chittagong and Sylhet.

Bangladesh University of Engineering and Technology Vice Chancellor Prof Dr AMM Safiullah was the chief guest at the seminar, which was chaired by Holcim Bangladesh Chief Executive Officer Rajnish Kapur.

Architect Mubashar Hussain, president of Institute of Architects Bangladesh, was present as the special guest.

An advisory board and jury board comprising leading businessmen, engineers, architects and distinguished personalities will guide the contest. There will be two categories -- Built Project and Idea Project -- with Tk 20 lakh in total prize money.

The last date for project submission is January 31 and the result will be declared in April.

Social awareness needed to come out of poverty

Workshop told

BSS, Rangpur

Speakers here at a daylong workshop have underscored the need for building social awareness to accelerate the abject poverty alleviation movement of the hardcore poor throughout the country.

They suggested short, medium and long-term programmes and implementation of those in a coordinated way by the government and non-government organisations to make a society free from poverty.

Brac with the assistance of Rangpur Press Club organised the workshop on Participation of Mass Media in Developing Life Standard of the Hardcore Poor at the auditorium of Rangpur Chamber of Commerce and Industry.

Chaired by Rangpur Press Club President Sadrul Alam Dulu, the workshop was addressed by Deputy Commissioner of Rangpur BM Enamul Haque.

Journalists, government and NGO officials and beneficiaries of the ongoing massive Brac project took part in it. Under the project, beggars, widows, divorcees, distressed and destitute women are being provided with cows, goats and chickens. Besides, capital is being given to small-scale enterprises.

Thirty-one districts, including five poverty-prone districts in greater Rangpur and Thakurgaon and Panchagarh, have been brought under the project.

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- Dyeing, printing, bleaching, washing and make-up Machinery
- Processing Machinery and accessories for making-up industry
- Sewing Machinery for Knitting Industry
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2nd BITE Bangladesh International Textile & Apparel Show 2009

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