



STAR
Dirk Niebel, *second from left*, the German federal minister for economic cooperation and development, speaks at a press conference at Sonargaon Hotel in Dhaka yesterday. Andris Piebalgs, *second from right*, the European Union commissioner for development cooperation; Holger Michael, *extreme left*, German ambassador to Bangladesh; and William Hanna, *extreme right*, head of the Delegation of the European Commission to Bangladesh, are also seen. Related story on page 1

German minister points to social business hurdles

STAR BUSINESS REPORT
A German federal minister yesterday told the finance minister that their companies are facing legal barriers in spending money in social business projects in Bangladesh.

The issue was raised when a 32-member team led by Dirk Niebel, the German federal minister for economic cooperation and development, and Andris Piebalgs, the European Union commissioner for development cooperation, met Finance Minister AMA Muhith at his office at the secretariat.

After the meeting, Muhith told reporters that a German private company wants to invest 30 million euros in social business projects in Bangladesh.

“Our regulation stipulates that a company must go to stockmarket after a certain period. But it is a problem as social businesses cannot go to the share market,” he said.

The finance minister said the government was considering ways to address the issue.

He said, as investment in social business has not gained much ground in Bangladesh, rules on it are yet to be formulated.

The minister said, except some social investment made by microcredit pioneer Prof Muhammad Yunus, no noteworthy investment has flown into the sector.

Social business, championed by the Nobel laureate, is a cause-driven

business, which allows the investors or owners to gradually recoup the money invested but not to take any dividend.

The social business concept has created a buzz in Germany, particularly after last year’s “Global Social Business Summit” in the country.

The event brought Prof Yunus, Danone Group Co-Chief Executive Officer Emmanuel Faber, Adidas CEO Herbert Hainer, chemical giant BASF CEO Dr Jurgen Humbrecht and Otto Group Chairman Michael Otto, among others, under one roof.

Grameen of Dr Yunus and BASF, the world’s largest chemical company based in Germany, have already formed a joint venture to create mosquito nets to protect the poor against malaria.

During the meeting with the finance minister, the German minister and an owner of a German company expressed their interest to make investment in social business projects in Bangladesh. But the existing rules in Bangladesh have been standing on their way, they said.

Muhith also briefed the delegation about the country’s overall economic situation. He said inflation is the biggest problem the country faces now. “In coming days tackling inflation will be a very, very tough job.”

He said, after the present government assumed power two and a half years ago, inflation was under con-

trol at the beginning, but as the food and petrol prices increased on the international market, inflation started going up.

He said, although the country harvested a bumper crop, it has little impact on the market.

The finance minister urged Germany and other EU countries to invest in Bangladesh’s weak infrastructure including energy, power and transportation.

The German minister emphasised creating congenial environment for investment with no corruption and low bureaucracy.

Niebel termed the trip a historic one as for the first time in the last 15 years an EU development commissioner and a development minister from an important member state are traveling Bangladesh together.

“This shows that Bangladesh is an important partner for us,” he said.

The EU commissioner said the government must step up efforts to tackle corruption, otherwise aid money would not be effective. “I have nothing special in my mind about the issue, but you need to really demonstrate strong leadership to fight corruption,” said Piebalgs.

He also said: “We are looking at ways to increase the attractiveness of your country for our investment.”

The commissioner also called for fixing energy problem to attract long-term foreign investment.

Business awards with a difference

STAR BUSINESS REPORT
Awards always bring pleasure to winners, but there is some recognition that gives awardees a special feeling -- a new height, past winners of Bangladesh Business Awards said yesterday.

Their comments came as The Daily Star and DHL Express jointly prepare to stage the Bangladesh Business Awards ceremony to disclose this year’s winning companies, enterprises and entrepreneurs that are making big strides in business.

“Definitely, any recognition gives a better feeling to the awardee,” said KM Rezaul Hasanat, chairman and managing director of Viyellatex Group, who won the Business Person of the Year 2007 award. “But the business award has given me another sort of good feeling. It has recognised my presence in the business world.”

Hasanat said the business award is no typical award. “It has a specialty. Its jury board includes top officials from the Bangladesh Bank and National

Board of Revenue. They eagerly go through all the details and assess the applicants.”

“The judgment part is quite transparent,” he said.

“Probably, I am the youngest businessman who won the award in the category. I only had passed a decade in business when I achieved the award. So the accolade early in the career gave me immense support,” he said.

Hasanat said the award is helping him a lot in terms of business. “My reputation in the eyes of my customers and business associates has gone up.”

The turnover of Viyellatex Group stood at \$190 million in 2010-2011, with its nine production units having 15,000 people.

Sabrina Islam, chief executive officer of Reflections, won the award in 2009 in the “Outstanding Woman in Business” category.

Set up in 1998, her business pioneered in decorative and architectural art glass market in Bangladesh,

and Reflections is now the country’s leading producer of designer glass products.

“I felt very good. In Bangladesh, we did not have so many recognitions to this stature. It has been a major achievement for a small entrepreneur like me,” she said.

Sabrina said the award helped her a lot. “In one hand, people in general came to know for the first time about me and what I do. On the other hand, I received a lot of enquiries about my products. Orders increased sharply.”

She said there are a few awards in Bangladesh that encourage the country’s growing number of women entrepreneurs.

Sabrina said the process to pick the winners is praiseworthy. “A well-known company Nielsen is conducting independent assessment. The jury board is also widely acceptable.”

Reflections has three showrooms, including one in Chittagong, employing about 25 people.

The eleventh edition of the awards is due to be held at Sonargaon Hotel in Dhaka on Saturday.

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