AFP

France's President François Hollande receives Nobel Laureate Professor Muhammad Yunus at the Elysee Palace in Paris on Tuesday. They discussed microfinance activities in France and other countries.

Yunus urges French president to promote social business

STAR BUSINESS DESK

NOBEL Laureate Professor Muhammad Yunus on Tuesday invited France's President François Hollande to champion the cause of social business globally and become the global social business ambassador.

Hollande agreed to assume the role when they had an hour-long meeting at Elysee Palace in Paris, according to a statement of Yunus Centre yesterday.

This is their first meeting since Hollande became the president.

Yunus briefed the French president on microfinance activities in France and other countries. They discussed the status of social business in Bangladesh and globally.

Since Hollande made a political commitment to give his administration's top priority to the youth of France, he took keen interest in understanding the role of young people in social business.

Earlier on the day, the Nobel laureate addressed a specially convened gathering of over 500 students of HEC, the top French business school.

Yunus's initiatives are a valuable source of inspiration for the French government, said Hollande.

The French president expressed his full support behind the social business movement in France and in other countries and wanted to have full brief on the status of social business worldwide.

Prof Yunus also briefed the French president on the status of the collaboration with several French companies, such as, Danone, Veolia, Schneider and Credit Agricole.

He underlined the pioneering role played by these companies in strengthening the social business movement around the world.

New rule for raising funds through debt instruments

STAR BUSINESS REPORT

COMPANIES, both listed and non-listed, can now raise funds of up to 60 percent of their tangible assets by issuing debt instruments through private placement.

The rule is aimed at bringing this fund-raising process under regulation, the Securities and Exchange Commission said in a notice on its website on Monday.

It stipulates the company must have a good track record of profitability and liquidity or its forecasted financial position must concretely indicate so, to be able to issue debt instruments.

The company must explain the purpose of the issuance and its plans to use the proceeds, in its application to the stockmarket regulator.

The issue will have to be rated by a credit rating agency, and the company's financial statements will have to be prepared as per the Bangladesh Accounting Standards.

Upon receiving applications, the commission will scrutinise all these requirements, and will notify of their decision within seven working days.

The issuer will then have to pay 0.10 percent of the face value of the securities to be issued, within 15 days of receiving the letter of consent.

Prior to this regulation there was no specific rule or guideline for issuance of debt securities; it was governed by the capital issue rules.

Debt instrument, essentially, is a paper or electronic obligation, such as a bond, which enables the issuing party to raise funds by promising to repay borrowed money to the investor in accordance with the terms agreed.

Tangible assets are assets that have physical form, such as plant and equipment.

European Union revises its GSP

STAR BUSINESS DESK

THE European Union yesterday issued its revised import preference scheme -- generalised system of preferences (GSP) -- for developing countries most in need.

The new scheme will be effective from January 1, 2014, according to a statement of the European Union.

Following an agreement with the Council and European Parliament, yesterday's publication contains the specific tariff preferences granted under the GSP in the form of reduced or zero tariff rates and the final criteria for which developing countries will benefit.

"I am delighted that EU member states and the members of the European Parliament have backed the commission\s proposal to make our preferential import scheme more effective. It was an important recognition that key developing economies have become globally competitive," said EU Trade Commissioner Karel De Gucht.

"This now allows us to tailor our pro-development trade scheme to give the countries still lagging behind some additional breathing space and support."

Currently 176 developing countries and territories have preferential access to the EU.

The new scheme will be focused in fewer beneficiaries to ensure more impact on countries most in need. Eighty-nine counties will enjoy the preference from January 1, 2014.

Under the new scheme, 49 least developed counties, including Bangladesh, and 40 low and lower middle income countries, including India, Pakistan and Sri Lanka, will have preferential access to the EU.

The LDCs will continue to enjoy, without any change, the open-ended Everything But Arms (EBA) scheme. The LDCs will also continue to benefit from the recently amended and more favourable GSP Rules of Origin.

Under the new GSP, the effectiveness of the EBA scheme will be strengthened. Reducing the GSP to fewer beneficiaries will reduce competitive pressure and make the preferences for LDCs more meaningful, providing for new opportunities to export.

The new GSP incorporates a wider though limited expansion in products and preference margins mainly dealing with raw materials.

These products have been carefully selected to avoid negative impacts on the poorest, which already have duty-, quota-free access for all products.

It may be mentioned here that 95 percent of Bangladesh's exports to EU receive duty free access under GSP and the exports to EU reached a record 8.5 billion euro in 2011, compared to 6.6 billion euro in 2010.

BRAC puts women in the driving seat

AFP

A female driver poses at the wheel of a vehicle in Dhaka. About 600 young women from poor backgrounds are being taught to drive at an eight-week course in Dhaka, funded by the BRAC.

AFP, *Dhaka*

MOSAMMAT Shahanara, 22, is a rare breed in Bangladesh: a qualified professional female driver, and she is ready to hit the road in a new career that should bring her independence and an income.

Shahanara, who comes from a poor village in the southwest of the country, is one of 21 women to be the first graduates from a training scheme designed to promote women drivers and challenge deep gender prejudices.

About 600 young women from poor backgrounds are being taught to drive at an eight-week course in Dhaka, funded by the BRAC, a Bangladeshi charity in co-operation with the government. The first course started in July.

For Shahanara, defying the taboo against women drivers has given her a shot at a better life, but it has come at a high price in a Muslim-majority country where conservative values remain strong.

"Village elders declared my family an outcast. They said that a young woman like me should not live alone away from her family and that driving is not for women," she said.

"I told my parents everything will be fine if I become financially solvent. Village elders don't give us food when we go hungry," said Shahanara, who divorced her husband after he demanded gold and a motorbike as dowry.

"I've seen that if you have money you can win over any social stigma," she told AFP, holding her driving certificate in her hand at BRAC headquarters, surrounded by classmates who nodded in agreement.

Unlike many Muslim-majority nations, millions of women do take up salaried jobs in Bangladesh, but the overwhelming majority are employed in the garment export sector making clothes on low pay.

Each driving school graduate will each earn at least 10,000 taka ($122) a month if they get a job as a government or private driver -- three times the salary of a garment worker.

Ahmed Najmul Hussain, head of the programme, believes the course could be one small step towards female drivers becoming a common sight in Bangladesh as women seek to become wage-earners.

"All 21 have received job assurances from two private firms on the day of their passing-out," he said. "I am sure the success of these women will have a huge impact in their villages."

At the BRAC School of Driving, classes include parking, lane discipline, basic vehicle maintenance and practising on a simulator.

Training starts in small cars and moves up to sports utility vehicles and minibuses, with later lessons held on Dhaka's busy and congested roads.

In the capital city, home to 15 million people, most drivers are untrained and illiterate and few abide by traffic rules, while vehicles are dilapidated and roads often in bad condition.

According to the national Accident Research Institute (ARI), the accident rate in Bangladesh is at least 50 times higher than Western Europe and North America, based on the number of fatalities per 10,000 registered vehicles.

Hussain said the training programme has generated interest from many firms that now want to recruit future graduates, prompting plans for the scheme to be expanded.

"Every Bangladeshi business realises how important it is to find a good driver. It saves a lot of money and time," he said.

Only a few women work as drivers -- state figures show the country has only 265 professional women against an estimated 2.4 million males.

"We thought the best way to cut accidents will be to have more women drivers," said head of state-run Bangladesh Road Transport Authority (BRTA) Ayubur Rahman Khan.

"Female drivers are less aggressive. Their involvement in fatal accidents is 50 percent less than male drivers, and road rage is comparatively less."

But finding female volunteers for the course proved tricky as some fear it could be seen as breaking strict Islamic law.

"My parents and neighbours warned me against the profession. They said it's a taboo job, not for women," said 25-year-old single mother Shirina Khatun said.

Showing off her pass certificate, she said: "I can now earn on my own and ensure a decent education for my daughter."

"I have got used to driving in Dhaka and ignoring comments from men. Most of them do not know how to drive, but I do, and I also see respect in the eyes of women on the street."

Barclays hit by fresh US investigations

AFP

A man walks past a branch of Barclays bank in central London. British bank Barclays, which was rocked by a rate-rigging scandal earlier this year, said it fell into a nine-month net loss as it took a vast charge on the value of its own debt.

REUTERS, *London*

BARCLAYS, already rocked by an interest rate rigging scandal, unveiled two new US regulatory investigations into the bank's financial probity on Wednesday and said its profit was hit by charges for mis-selling insurance.

Following investigations in the UK over its dealings with Qatari investors, Barclays said the Department of Justice and Securities and Exchange Commission were investigating whether its relationships with third parties who help it win or retain business are compliant with the US Foreign Corrupt Practices Act.

The bank is currently under investigation by Britain's financial regulator and fraud prosecutor into payments to Qatari investors after it raised billions of pounds from the Gulf state five years ago to save it from taking a taxpayer bailout.

The Financial Services Authority (FSA) is investigating the bank and four current and senior employees, including finance director Chris Lucas, to determine whether it made adequate disclosure of the fees it paid in a 2008 capital raising.

Barclays disclosed the FSA investigation when it released half-year results in July. The FSA investigation relates to fees paid to the Qatar Investment Authority on deals in June and November 2008, when Barclays raised 11.5 billion pounds ($18.5 billion).

Barclays declined to comment on whether the US probe was linked to the same transactions.

Barclays also said on Wednesday that the US Federal Energy Regulatory Commission was investigating whether it manipulated power prices in the western United States from late 2006 until 2008.

FERC could notify the bank of proposed penalties as early as Wednesday, it said. Barclays said it would "vigorously" defend this matter.

New Barclays Chief Executive Antony Jenkins, who took over at the end of July when his predecessor Bob Diamond quit after the bank admitted rigging Libor interest rates, is in the midst of a review aimed at changing its culture and boosting profitability, which is expected to cut jobs and the size of investment banking.

"While we have much to do to restore trust among stakeholders, our universal banking franchise remains strong and well positioned," Jenkins said.