

Citi's awards for microentrepreneurs

STAR BUSINESS REPORT

Citi Foundation, the philanthropic arm of Citigroup, yesterday launched the Citi Micro-entrepreneurship Awards for 2013 to honour microentrepreneurs in Bangladesh.

The awards are aimed at promoting microenterprises and increase awareness of the financial service needs of micro-entrepreneurs in the country, said Wahiduddin Mahmud, chairperson of the awards' advisory council.

He spoke at a press briefing at Sonargaon Hotel in the capital during the launch of the competition's ninth edition since 2005.

Each winner will get prize money ranging from Tk 3.50 to Tk 6 lakh.

The categories of the competition are: best agricultural micro-entrepreneur, best woman micro-entrepreneur, best micro-entrepreneur, best microfinance institution and most innovative microfinance institution.

Of the country's around 2 crore microcredit borrowers, 20-25 lakh have so far set up micro enterprises, said Mahmud, who is also a former caretaker government adviser.

"We are registering a steady economic growth at over 6 percent in the last several years partly



Third from left, Wahiduddin Mahmud, chairperson of Citi Microentrepreneurship Awards advisory council, speaks at a press conference at Sonargaon Hotel to announce the awards. From left to right, council members Salima Ahmed, Rokia A Rahman, M Abdul Aziz, Humaira Islam and Rashed Maqsood are also seen.

because of the contribution of the microentrepreneurs," he said.

"Microentrepreneurs are helping to fill up the 'missing middle' in the country's economy by increasing size of the business, and it is the strength of our economy."

The country has around 1,000 microfinance institutes which disburse around Tk 50,000 crore annually, said Abdul Awal, executive director of the Credit and

Development Forum.

"A large number of micro-entrepreneurs can not develop their businesses due to fund shortage with the collateral requirement being the key impediment to getting bank loans," he said.

Bangladesh Bank should introduce 'credit granting fund' for small entrepreneurs, he said.

Microcredit has played a significant role towards achieving the

millennium development goals of the country, said Rokia Afzal Rahman, president of the Metropolitan Chamber of Commerce and Industry.

Most banks do not want to give loans to small entrepreneurs due to a low profit margin, she said.

"Collateral is not the only barrier to bank loans for small entrepreneurs, and a change in the

bankers' attitude towards small borrowers is an urgent need," said Humaira Islam, founder executive director of Shakti Foundation for Disadvantaged Women.

Banks have to simplify the loan documentation process and behave well with the small entrepreneurs, she said.

The country has now around 8,000 women entrepreneurs, said Salima Ahmed, president of Bangladesh Women Chamber of Commerce and Industry.

The awards will encourage more women to set up businesses, she said.

The Citi Micro Entrepreneurship Awards is being supported by Citi Foundation and implemented by Citibank NA Bangladesh and Credit Development Forum (CDF) as local partners.

Citi Foundation has conducted such award programmes in 32 countries and Bangladesh programme is the biggest among them, said Rashed Maqsood, country officer of Citibank NA, Bangladesh.

The grant of \$75,000 from the Citi Foundation will be used toward implementation of the award programme as well as the prize money disbursement.

A 17-member advisory council is expected to announce the winners after evaluation by next March.



Nazeem A Chowdhury, head of consumer business of Eastern Bank Ltd (EBL), and Sikder Mesbahuddin Ahmed, executive director of Arirang Aviation, shake hands after signing a deal recently at Hazrat Shahjalal International Airport in Dhaka. Arirang will allow 5 percent discount on charter flights and air ambulance services to EBL's priority customers.

Grameen Uniqlo expands after a flying start

FROM PAGE B1

A social business launched in 2010, Grameen Uniqlo is a joint social business venture between Fast Retailing and Grameen Healthcare Trust. Profits are re-invested in the business within Bangladesh, to grow the network of stores.

The venture aims to offer good quality comfortable and affordable clothing, with the outlets selling 32 items for men and 10 for women—shirts, trousers and sportswear—priced between Tk 190 to Tk 1,180 with Uniqlo's signature theme "beauty in hyperpracticality". Uniqlo produces the collection in Bangladesh using locally sourced materials, providing highly practical items made by locals for locals.

The expanding middle class, whose size doubled to 30 million in the last one decade according to the World Bank, has helped the company launch and expand its presence.

Nearly \$100 billion is spent on private consumption in Bangladesh every year, according to the latest World Bank data, with non-essential items such as fashion retail accounting for a growing proportion.

"The economy is growing rapidly. There are 160 million people living in Bangladesh. So, we found that we have a great opportunity to start a retail business," Yukihiro Nitta, chief executive of Grameen Uniqlo, told BBC earlier.

Tax receipts register 15p growth

FROM PAGE B1

Income tax receipts grew to Tk 3,833 crore during the period from Tk 2,951 crore last year.

VAT collection rose 24 percent year-on-year to Tk 5,745 crore in the two months, data shows.

Higher receipts from construction, courier service and cigarettes facilitated the growth in VAT collection, said an official of the NBR. However, collection from imports based duties has slowed down drastically, according to the tax administrator.

"It appears that awareness among people has increased. The fear of hassle in tax payment is also fading. A sense of responsibility to pay tax also increased among people," said Md Bashir Uddin Ahmed, member of tax administration and human resource management at NBR.

Despite the growth in collection, the revenue authority falls behind Tk 1,015 crore from its target for the first two months of the year.

Fourth instalment of \$1b IMF loan likely in Nov

FROM PAGE B1

Another major condition of the lender was to contain the government's hard-term borrowing within the \$3.2-billion ceiling by June 30 this year.

A finance ministry official said the amount is well within the limit and was \$2.86 billion on June 30.

However, the new ceiling for hard-term borrowing for next June could be \$4.5 billion, as the finance minister has called upon the lender to increase the non-concessional debt ceiling to accommodate loan guarantees for power projects.

To minimise subsidies and wastages in some state enterprises, the government has completed 'efficiency audits' into Bangladesh Petroleum Corporation, Power Development Board, and Bangladesh Chemical Industries Corporation, in line with another IMF condition.

DSE asked to probe abnormal price hike of low-cap firms

FROM PAGE B1

The DSE has already suspended trading of two firms—CVO Petrochemical Refinery, and Rahima Food—for an indefinite period as their prices were rising abnormally.

The regulator also gave merchant banks and stock-brokers six more months to restructure their clients' margin accounts, whose deposits drop below 150 percent of debit balance, according to the statement.

The discretionary power will allow stockbrokers and merchant bankers to make "buy-sell" decisions until March 2014 without referring to the client for every transaction to recover the losses in those accounts.



A Rouf Chowdhury, chairman of Bank Asia, poses with the participants of a foundation training course at its conclusion at Bank Asia Institute for Training and Development, in Dhaka on Wednesday. Aminul Islam, managing director (current charge), was also present.



Mohiuddin Ahmed, adviser of Ranks Telecom Ltd, and Ali Asgar, director of Hatim Group of Industries Ltd, attend a programme at the head office of Ranks Telecom in Dhaka on Tuesday. Hatim Group inked a deal with RanksTel for over 1000 PSTN (land phone) connections.

Three nations join efforts to improve factory safety

DIPLOMATIC CORRESPONDENT

The UK, Canada and the Netherlands have signed an agreement with the International Labour Organisation to help improve working conditions in Bangladesh's garment factories.

The ILO, through a programme costing \$23 million, will tackle fire and building safety issues in Bangladesh, and support and strengthen local trade unions, labour inspection and employers' organisations.

The deal was signed during the UN General Assembly in New York on Tuesday. The ILO will also run training programmes to rehabilitate the victims of the recent industrial accidents, according to a statement.

Earlier this year, the Netherlands made nine million euros available to improve labour conditions in Bangladesh. A major portion of this fund is going to the ILO programme.

Before signing the ILO agreement, Lilianne Ploumen, the Netherlands' foreign trade and development cooperation minister, spoke with Dipu Moni, Bangladesh's foreign minister.

Panasonic abandons smartphones

AFP, Tokyo

Japanese electronic giant Panasonic said Thursday it will abandon research into new smartphones for retail consumers at home as it struggles to make inroads in a sector dominated by Apple and Samsung.

The move comes two months after competitor NEC said it was pulling out of the market citing tough competition.

"We will suspend developing new smartphones for the business-to-consumer market in Japan, and instead will pour our business resources into smartphones for the business-to-business market that is expected to grow," Panasonic said in a statement.

IMF warns Sri Lanka of slower growth

AFP, Colombo

The IMF on Wednesday warned Sri Lanka that its economy may grow more slowly than expected as it urged the island nation to improve its business climate.

The IMF mission made the comments after a visit to assess the economy.

Mission chief Todd Schneider told reporters in Colombo his talks with business leaders suggested economic conditions had worsened.

The IMF expects growth for the current calendar year to be about 6.5 percent, Schneider said, a full percentage point lower than the central bank's recent forecast of 7.5 percent.

Lower exports due to weaker overseas markets, slower credit disbursement to the private sector and flat government revenues will drag down growth, Schneider added.

The economy recorded eight percent-plus growth rates for two straight years after security forces crushed separatist Tamil Tiger rebels in May

2009 and declared an end to decades of ethnic war. The island logged growth of 6.4 percent last year.

"Efforts to boost growth should focus on structural measures such as tariff reforms, enhanced revenue mobilisation and improvements in the general business climate," Schneider said.

Sri Lanka must also ensure investments made with foreign borrowing offer healthy returns in order to service external debt, which he described as too high.

Twin bourses on course to adopt new models

FROM PAGE B1

The bourses proposed a 15-member board, but the BSEC sized it down to 13.

The 13-member board would consist of seven independent directors, five shareholder-directors, including one strategic investor, and the chief executive officer, who would have voting rights.

The independent directors will be selected based on the 'fit and proper' criteria mentioned in the demutualisation scheme, which will be made public in seven days.

The tenure of each director and the chief executive officer will be for three years.

Both the stock exchanges will have to create a post—chief regulatory officer—to oversee the regulatory matters.

Faruq Ahmad Siddiqi, a former chairman of BSEC, said the demutualisation will bring the expected results only if the existing stock exchange members mean it and act in line.

"Otherwise, it will not be effective and not bring any good results to the market."

Over the next 30 days, the stock exchanges would adopt the approved schemes by modifying their respective Memorandum and Articles of Association at a general meeting.

At the general meeting, the bourses

will also reshuffle their existing boards to match the board size in the approved schemes.

During the 30-day window, the dematerialised or electronic shares will be allotted to the stock exchange members, with 60 percent of the shares transferred to a block account to be kept for trading right entitlement certificate (TREC) holders, strategic investors and individuals.

Primary shareholders, who will have 40 percent stakes, of the bourses will also get their TREC within this period.

The newly-formed boards will hold their first meetings within 90 days from the date of demutualisation.



Ali Reza Iftekhar, managing director of Eastern Bank Ltd (EBL), attends the launch of United Dredger-1, financed by EBL, at a local hotel in Dhaka on Monday. Officials of United Dredger were also present.



Muhammed Ali, managing director of United Commercial Bank, inaugurates the 132nd branch of the bank in Chinispur of Narsingdi yesterday. Mirza Mahmud Rafiqur Rahman, additional managing director, was also present.



Khairul Bashar Abu Taher Mohammed, chief executive officer of MTB Capital Ltd, and Md Asifuzzaman, managing director of Data Edge Ltd, sign an agreement for share issue management and corporate advisory services, at the bank's corporate office in Dhaka recently.