

# More than 3,000 new women entrepreneurs get credit in one year

STAR BUSINESS DESK

The banking sector lent Tk 395 crore to 3,317 new women entrepreneurs in the last one year, the number being 5 percent of the total new SME borrowers, Bangladesh Bank Governor Atiur Rahman said yesterday.

"Half of our population are women and most of them are jobless. Unless we engage them in activities where they have competitive edge over others, we will be losing national output by under-utilising their skills and creative/innovative ideas."

If a particular woman has better skills and entrepreneurial capacity, she should be given a fair chance to pursue her career, Rahman said at a seminar on credit access for women entrepreneurs.

The event was organised at the

central bank headquarters in Dhaka under the auspices of EU-sponsored Bangladesh INSPIRED (component 3) project.

The Integrated Support to Poverty and Inequality Reduction through Enterprise Development (INSPIRED) programme, funded by the Bangladesh government and the European Union, aims to develop SMEs in the country.

"It has been for a while that we have started our campaign for empowering women through arranging financial access and other necessary supports for them," Rahman said.

In the last five years, a paradigm shift has taken place in the policy regime of Bangladesh Bank, especially in the areas of SME and agriculture financing, which is somewhat unconventional, he said.

"Inclusiveness in all aspects of

BB's policy has been prioritised. Women entrepreneurship development is one of the important dimensions of that inclusive policy."

The banking regulator has instructed banks and non-bank financial institutions to set up 'help desks' for women entrepreneurs and created provision for collateral-free loan of up to Tk 25 lakh, he said.

"Stakeholder engagement is also critical here," Rahman said, adding that the BB will try to motivate the industries ministry to ensure that the SME strategy under consideration should address specific issues in access to finance for women entrepreneurs.

Philippe Jaques, first counsellor and head of cooperation of the EU delegation to Bangladesh, and Ali Sabet, team leader of Bangladesh INSPIRED (component 3), were

## Novo Nordisk earnings rise

AFP, Copenhagen

The world's biggest insulin maker Novo Nordisk Thursday reported rising quarterly profits but cut its yearly sales forecast over the loss of a key US contract and changes to inventory levels.

Net profit rose 7.9 percent in the first quarter of the year from the same period in 2013 to 6.458 billion kroner (716 million euros, \$1.2 billion), slightly above the 6.35 billion kroner forecasted by analysts polled by Dow Jones Newswires.

Revenue rose 1.8 percent to 20.343 billion kroner, but slightly below market expectations of 21.13 billion.

"We are pleased to reiterate our expectations for operating profit growth for 2014 despite a challenging start of the year and a lower outlook for sales growth," chief executive Lars Rebien Soerensen said in a statement.

The group said it expects sales in local currencies to grow between seven and 10 percent this year, down from a January prediction of eight to 11 percent, hit by a strong Danish currency.



Rashed Maqsood, Citi country officer, poses with Citi's management committee and trainers from Anahat, India, after a programme for teambuilding and personal effectiveness enhancement using psychometric tools for the bank's employees at Brac-CDM in Savar recently.

## Call for creating more jobs for women

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Poverty in rural areas can be reduced by creating more jobs for women, said Jahera Khatun, a borrower of Palli Karma-Sahayak Foundation from Nilphamari.

"Women will be empowered if the government creates jobs for them."

Jahera, who provided nine women with employment, shared her success story at a discussion on "the ultra-poor: their current situation and path forward".

PKSF and the Agriculture Labourers' Rights Forum organised the event at the PKSF office in the capital.

"I took Tk 3,000 from PKSF. I gave Tk 1,500 to my husband and bought local chickens with the rest," she said.

"I repaid the loan by selling eggs and chickens, for which the PKSF later selected me for training on how to make mats."

Now she leads a team of nine women, who make mats to be self-reliant.

Rubi Akter, a cleaner from Gabtoli in Dhaka, urged the government to develop a marketing system to enable the poor to sell their handicrafts.

Rubi, who makes clay ornaments, also called for establishing a school for the cleaners in Gabtoli.

"We work for six months a year and remain jobless for the rest of the time," said Champa Begum, a farmer from Manikganj.

Akter Layek, a physically challenged worker, emphasised establishing a disability-friendly workplace.

The government should create more jobs for the disabled, Layek said.

The ultra-poor people should be provided with more jobs to eliminate poverty by 2030, participants said.

"Only microcredit cannot reduce poverty. We should create more jobs for the ultra-poor," said Qazi Kholiquzzaman Ahmad, chairman of PKSF.

"We have taken multidimensional steps to create jobs through different types of trainings for the ultra-poor," Ahmad said.

Commerce Minister Tofail Ahmed said the government focuses on creating jobs for the ultra-poor women to empower them.

Poverty should not exist anywhere in the country by 2030, the minister said, adding that Bangladesh will gain the status of a middle-income country in the next five years.

PKSF designed a microcredit programme for the ultra-poor with low interest rates and flexible repayment methods, according to the lender.

The programme reaches many ultra-poor people living in coastal regions, haor, char, draught and flood prone areas.

Information Minister Hasanul Haq Inu and Social Welfare Minister Syed Mohsin Ali also spoke.



Masud Ahmed, comptroller and auditor general of Bangladesh, attends the launch of a new training partnership programme between Chartered Institute of Public Finance and Accountancy (CIPFA) and LCBS Dhaka at a programme in the capital recently. Adrian Pulham, CIPFA's education and training director, and MA Kalam, chief executive of LCBS, were also present.

## Funds pour into telecom, data processing

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Also, the International Monetary Fund suggested that all banks should complete automation of their branches by 2016.

The BB governor said the software industry will get a boost as banks and corporate houses have targeted massive automation.

Mahmud Hossain, chief corporate affairs officer of Grameenphone, said mobile operators are investing a huge amount of money in developing their 3G network.

Apart from telecom and data processing industries, LC opening for import of capital machinery has increased 100 percent to 318 percent in the leather and tannery, energy and power, and steel and engineering sectors.

However, the growth in LC opening for capital machinery import in the garment and electronic industries has been moderate.

Zahid Hussain, lead economist at the World Bank's Dhaka office, said the overall investment situation is still weak but opportunities have been created in some industries where import of capital machinery is increasing.

The trend has been reflected in the overall import in the first eight months of the current fiscal year. Overall import increased 16.42 percent year-on-year during July-February. However, import had gone down 6 percent during the period last fiscal year, compared to the same period in the previous year.

Meanwhile, the amount of excess liquidity in banks almost halved to Tk 37,368 crore in February compared to June last year due to the rise in import, according to central bank statistics.

However, the capital machinery import situation was dismal for a good number of industries.

Import of capital machinery for the textile industry dropped 18 percent during the period, jute industry around 6 percent, plastic industry 20 percent, packing industry 52 percent, healthcare service and medical industry 30 percent, and shipbuilding and marine industries 49 percent.

According to settlement statistics, import of capital machinery for shipbuilding and marine industries increased 250 percent.

## Sony warns of deeper loss as it exits PC business

AFP, Tokyo

Sony on Thursday warned it would report a bigger-than-expected annual loss, blaming costs tied to its exit from the personal computer business, as the once-mighty firm undergoes a painful restructuring.

The Japanese electronics giant said it would book a 130 billion yen net loss (\$1.27 billion) in the latest fiscal year to March, while it slashed its operating earnings outlook.

The figure is worse than a 110 billion yen net loss forecast just three months ago, when Sony also announced it would cut 5,000 jobs in its struggling computer and television units.

The move came after Moody downgraded its credit rating on Sony to junk, saying the maker of Bravia televisions and PlayStation game consoles had more work to do in repairing its battered balance sheet.

On Thursday, Sony said it now expected to record 30 billion yen in additional expenses owing to its move out of personal computers, and 25 billion yen in impairment charges.

## The governor pledges to work more for the underserved

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In reply, he said: "One person can't be 100 percent perfect. I think there should be some wanting so we can strive more and improve."

"It is true that we could have done a lot better. At the same time, we should not miss the point that we have not achieved less," he said, adding that no central bank in the world has been able to bring in as many changes to the banking sector as BB has in the last five years.

BB particularly came under strong criticism for its failure to act against allegations of corruption at the state-run Basic Bank. But Rahman does not accept the charges.

"Please show me an example where an observer has been installed at any public bank in the country's history. I have sent there a qualified observer. And we have been able to stop the bank's bleeding. We are doing the remaining work."

The governor also touched upon the issue of corporate social responsibility, which went up after he came to the scene. Last year, the banking sector spent Tk 447 crore, one-third of which was scholarship for poor students.

"There is scope to do more in terms of giving back to the society."

Traditionally, the governor enjoys autonomy. At the same time, he has to work with a political government, as historically they are appointed by the government.

"The governor of Bangladesh Bank is all in all in making the monetary policy. We never actually discuss the reserve money or broad money or inflation with the government. Our growth forecast sometimes does not go with the government's forecast."

Rahman said there is no dispute between the government and the central bank, adding that there is, in fact, a very good understanding between the two parties.

About his future plans, the governor said the central bank will accelerate its progress in areas of digitisation and financial inclusion, while not compromising on good governance.

Rahman earns less than 10 percent of what he used to earn from his time as a professor of Dhaka University and other consultancy works. "I am not here to earn money. But I am very, very happy for the opportunity to work for the people."

## Credit scheme starts today for stock investors

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But no fund has so far been released, as the directors of merchant banks and stockbrokers were not giving their "personal guarantee" for company purposes, said Saifur Rahman, a member of the surveillance committee of the refinancing scheme.

The affected retail investors with less than Tk 10 lakh in exposure from January 2009 to November 2011 are eligible for the fund.

The state-run investment company, ICB, will receive the fund at 5 percent interest from Bangladesh Bank and will lend it to merchant banks and stockbrokers at 7 percent.

The merchant banks and the stockbrokers then will disburse the funds among retail investors at 9 percent interest. The borrowers will have to clear one instalment of the loan every three months.

In March 2012, the government announced a compensation package, which also included an interest waiver on margin loans for the investors who suffered losses during the price debacle in 2011.

Meanwhile, the surveillance committee of the refinancing scheme once again extended the deadline for credit applications by three months to June 30.

Retail investors, who lost money to stockmarket downswings in 2011, can apply for credit from the scheme.

The panel, comprising representatives from the central bank, BSEC and ICB, is responsible to monitor the scheme's operations and submitting a report to the

## Six more RMG factories identified for shutdown

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But Shahidullah Azim, vice-president of Bangladesh Garment Manufacturers and Exporters Association, disputed the figures, saying a total of 19 factories—12 in Dhaka and seven in Chittagong—were closed down due to structural flaws and nearly 18,000 workers lost their jobs.

Mesbah Rabin, managing director of Alliance, said the association paid compensation to the workers of the shuttered factories as per the rules of the agency.



Md Ehsan Khasru, managing director of Prime Bank, receives the first prize in the private commercial bank category at the Institute of Cost and Management Accountants of Bangladesh's Best Corporate Award 2013 from Finance Minister AMA Muhith at Radison Blu Water Garden Hotel in Dhaka.



Muhammed Aziz Khan, chairman of Summit Power Ltd, receives the first prize in the power sector category of the Institute of Cost and Management Accountants of Bangladesh's Best Corporate Award 2013 from Finance Minister AMA Muhith at Radison Blu Water Garden Hotel in Dhaka.



CS Moon, managing director of Samsung Bangladesh, hands over a 55" 3D LED TV to Touhidur Rahman, winner of Samsung 4Hit Combo offer by the Transcom Digital Gulshan 1 outlet.



Farzana Chowdhury, managing director of Green Delta Insurance, hands over an entitlement to Shomi Kaiser, the first official subscriber of Green Delta's solely-for-women insurance product 'Nibedita'.



SM Akbar, managing director of UAE-Bangladesh Investment Company, and Khadem Mahmud Yusuf, chief executive of Bangladesh Petrochemical Company, sign an agreement for setting up the country's first petrochemical recycling plant.