

# Small businesses, lenders awarded

STAR BUSINESS REPORT

SIX microentrepreneurs, who made their future from nothing and fought against poverty, and two micro-lenders that helped small borrowers make their way up the prosperity ladder won prestigious awards yesterday.

M Abdul Mannan, state minister for finance and planning, handed the Citi Microentrepreneurship Awards among the winners at Bangabandhu International Conference Centre in Dhaka.

Citi Asia Pacific Corporate Affairs Managing Director Regina Seow gave away the prize money and Rokia Afzal Rahman, a former caretaker government adviser, handed over the certificates.

Md Ole Ullah from Sherpur in Chuadanga was recognised as the 'Best Microentrepreneur of the Year' in recognition of his long struggle against poverty.

Starting as a trainee worker, Ole Ullah went on to set up Janata Engineering, which provides parts and equipment of farm machineries such as tractor, power tillage, ploughs and harvesters.

He now employs 31 underprivileged people to run his two units -- one on his own 25-decimal land and the other on a rental basis.

"If someone works in the right direction, he or she will be successful," he said.

Now that he is expanding his business he is facing problems in getting bank loans.

Subsequently, he urged policymakers and other stakeholders to find ways so that entrepreneurs like him can get bank loans easily.

Apart from the trophy, Ole Ullah received Tk 4.5 lakh as prize money.

Md Nur Islam Sheikh from Devkhowdo in Bogra came the runner-up in the category, winning Tk 1 lakh as prize money.

Fatema Khatun from West Kadirhat in Thakurgaon was recognised as the 'Best Woman Microentrepreneur of the Year' for setting up a factory named M/S Fatema Enterprise that makes mats and prayer mats from garment scraps.

In her journey towards prosperity from poverty, she has created more than 50



CITI

**M Abdul Mannan, state minister for finance and planning; Rokia Afzal Rahman, a former adviser to the caretaker government; and Regina Seow, managing director for corporate affairs and corporate citizenship at Citi Asia Pacific, pose with winners at the 10th Citi Microentrepreneurship Awards in the capital yesterday. Sajedul Islam, director and acting Citi country officer for Bangladesh, and Md Abdul Awal, executive director of Credit and Development Forum, were also present.**

permanent jobs. From a Tk 2.5 lakh turnover per month, she now makes a profit of at least Tk 25,000.

Courage and willingness can make any woman successful, said Fatema Khatun, who started with a Tk 5,000 micro-credit eleven years ago.

She also received Tk 3.5 lakh as prize money.

Momena Akter from Mela Deshipara in Gazipur came runner-up; she won Tk 1 lakh as prize money.

Prohallad Barman from Chachra, Jessore was honoured as the 'Best Microentrepreneur of the Year in Agriculture' for riding out of the poverty trap through fish farming.

He passed his SSC exam with a first division, but could not continue due to poverty. Since his father used to work on others' fishing farms, Barman thought of using his expertise and started a venture of his own.

He leased a three-katha land and cultivated fish fry with investment of only Tk 200.

Since then, he never looked back. Now, he owns four bighas of land and has 54 bighas as lease for fish farming.

Seeing his success, 15 others in the area were encouraged to do fish farming, said Barman, whose roster now includes seven full-time and 12 part-time workers.

He received Tk 3.5 lakh as prize money.

Md Usman Goni from Laxmipur in Chuadanga received the runner-up award in the category. He was given Tk 1 lakh as prize money.

Sajida Foundation won the award in the 'Best Microfinance Institution of the Year' category and received Tk 3 lakh in prize money.

The Centre for Development Innovation & Practice was recognised as the 'Most Innovative Microfinance Institution of the Year' and received Tk 4 lakh in prize money.

Addressing the function, State Minister M Abdul Mannan said the poverty level has come down to 22-23 percent from 44 percent six to seven years ago, while the

extreme poverty level has dropped to less than 10 percent.

"We need to go further and for that, we need contributions from the private sector and individuals, as part of their corporate social responsibilities towards the nation."

"You should do your CSR activities in such a way that the activities are for the interest of the common people," he added.

Citi Foundation, the philanthropic arm of Citigroup, launched the Citi Microentrepreneurship Awards in 2005 to promote microenterprises and increase the awareness of the financial service needs of microentrepreneurs in the country.

The award is being supported by the Citi Foundation and implemented by Citibank NA and Credit Development Forum. Channel i, a leading private television station, and The Daily Star, the country's top-selling English newspaper, are the media partners.

Abdul Awal, executive director of the Credit Development Forum, also spoke.

## China factory growth unexpectedly stalls

REUTERS, Beijing

Growth at China's big manufacturing companies unexpectedly stalled in July as demand at home and abroad weakened.

An official survey showed on Saturday, reinforcing views that the economy needs more stimulus as it faces fresh risks from a stock market slump.

The official Purchasing Managers' Index (PMI) stood at 50.0 in July, compared to the previous month's 50.2. The 50-point mark separates growth from contraction on a monthly basis.

Analysts polled by Reuters had predicted another tepid reading of 50.2, pointing to expansion, albeit a sluggish one. However, both export and domestic orders shrank for the large firms covered by the survey, and in response they continued to cut jobs.

It did not mention any impact from a savage 30 percent drop in stock markets since mid-June, though analysts said wild price swings could hit consumer and business confidence and investment decisions, adding pressure on the already cooling economy.

"It warrants more concrete policy measures to stabilise the real economy. Perhaps the funds used to prop up the share market could be used to support the real economy," ANZ economists Li-Gang Liu and Louis Lam said in a research note. ANZ maintained its forecast that the central bank will cut interest rates by another 25 basis points (bps) this quarter and reduce banks' reserve requirements by 50 bps by year-end.

The government has rolled out a flurry of steps since last year to try to put a floor beneath sputtering economic growth,

including accelerating infrastructure spending and repeated reductions in interest rates and banks' reserve ratio. But growth is still expected to moderate this year to around 7 percent, the slowest in a quarter of a century.

The statistics bureau said the weaker reading was partly due to the weather, as hot temperatures and heavy rain led some firms to reduce production and carry out maintenance.

"The recent fall in prices of oil and other commodity products also affected related industries," it added.

A preliminary, private Caixin/Markit survey last month showed activity at smaller factories contracted by the most in 15 months.

China's slowdown has already become a sharp reality check for many foreign companies doing business there and for its export-reliant Asian neighbours.

Volkswagen lowered its global sales forecast on Wednesday and said it was braced for stagnant volumes in China, after years of double-digit growth in its biggest market.

South Korea on Saturday reported exports to China, its biggest customer, fell 6.4 percent in July from a year earlier, the sharpest decline in five months.

The stock market plunge has stoked fears among global investors about further damage to the Chinese economy, while Beijing's unprecedented but so far unconvincing efforts to hold up share prices have led to doubts about its ability to ensure financial stability.

Market watchers fear that some companies may be facing heavy losses after speculating in stocks, although the overall amount of leverage is hard to quantify.



REUTERS/FILE

Employees work along a production line of a textile factory in China.

## Pacific trade talks fail to end in TPP deal



REUTERS

**The 12 Trans-Pacific Partnership ministers meet to discuss progress in the negotiations in Hawaii on Friday.**

AFP, Washington

DELEGATES negotiating a vast Pacific free-trade agreement failed to reach a final deal Friday after several days of intense talks in Hawaii, in a setback to US President Barack Obama.

But US Trade Representative Michael Froman, in a statement on behalf of the 12 countries involved, insisted that "significant progress" had been made on the Trans-Pacific Partnership (TPP) agreement, the most ambitious trade deal in decades.

"After more than a week of productive meetings we've made significant progress and will continue on resolving a limited number of remaining issues, paving the way for the conclusion of the Trans-Pacific Partnership negotiations," Froman told a press conference.

The negotiators were "more confident than ever that the TPP is within reach," he said, adding that the Pacific Rim countries involved would continue to have bilateral

discussions to try and iron out their remaining differences.

The TPP -- already eight years in the making -- would be a huge free-trade bloc encompassing 40 percent of the world's economy and part of Obama's much-vaunted "pivot" towards Asia in the face of an increasingly assertive China.

China, notably, is not included.

The press conference was delayed by several hours as the countries -- including the US, Australia, New Zealand, Japan and Canada -- attempted to thrash out a deal in what had been billed as the home straight, in talks that reportedly went deep into the night.

The failure by trade ministers to get the accord over the line on Friday are a blow to Obama -- who has faced opposition to the deal from fellow Democrats -- as it could see the TPP become campaign fodder with the United States facing elections in November 2016.

"The progress made this week reflects our long-standing commit-

ment to deliver an ambitious, comprehensive and high-standard TPP agreement that will support jobs and economic growth across the Asia-Pacific region," Froman said.

The 12 countries involved have faced criticism for carrying out their negotiations in what opponents have charged is a high level of secrecy.

Its many critics say the proposals indicate a deal moving more toward protection than free trade; one more about corporate benefits than boosting economies and development.

But backers say the modern global economy needs a new framework of rules to protect intellectual property-dependent 21st century industries that are not covered in traditional free trade pacts like the World Trade Organization.

Trade ministers were keen to talk up the positives.

"Good progress was made this week, but a number of challenging issues remain, including intellectual property and market access

for dairy products," New Zealand's Tim Groser said in a statement, touching on two of the outstanding sensitive issues.

Akira Amari, Japan's minister in charge of TPP negotiations, told reporters it would take another ministerial-level meeting to get the deal done.

"According to my understanding, it is our common view that we will hold a meeting by the end of August," Amari said, according to public broadcaster NHK.

"If we can't conclude it next time, it's going to be very hard."

Australian Minister for Trade and Investment Andrew Robb said they were "on the cusp," with "provisional decisions on more than 90 percent of issues."

The other countries involved are Brunei, Chile, Malaysia, Mexico, Peru, Singapore and Vietnam. Several prickly issues were believed to have held up the talks this week on the island of Maui, prime among them differences over agricultural markets, auto trade and protection for drug makers.

## BB honours top remitters

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Expatriates and non-resident Bangladeshis (NRBs) are invigorating the rural economy with remittances, Bangladesh Bank Governor Atiur Rahman said yesterday.

"Earlier, remittance was mostly used for personal consumption and land purchase. Now beneficiaries invest in productive economic activities, such as agriculture and poultry farming and small industries," Rahman said.

"As a result, the rural economy now is creating employment, reducing poverty and strengthening social safety nets."

The governor spoke at the Bangladesh Bank Remittance Award ceremony at the BB Training Academy in Dhaka.

Bangladesh received \$15.31 billion in remittance in fiscal 2014-15, up from \$14.22 billion a year ago. Now remittance constitutes 6 percent of gross domestic product or GDP and 60 percent of the country's foreign currency reserves.

The central bank introduced the award last year to recognise remitters' contribution to developing the economy and to encourage expatriates to send more money through formal banking channels.

As part of the initiative, the BB yesterday honoured 31 individuals that sent the highest amounts of money to Bangladesh last year. Of them, five individuals were given awards for their investments in foreign currency bonds.

This time, two money changers were also awarded for the first time. Last year, 24 remitters received the honours.

Remitters who sent in at least Tk 2.5 crore in the last year received the awards, BB officials said.

Some of the awardees said the recognition would inspire them and other expatriates to send remittance through legal channels. They also talked about the huge investment potential by NRBs in Bangladesh if some current constraints were addressed.

"We have been demanding a separate export processing zone for the NRBs for the past few years. But there was no response from any side of the government," Mohammed Mahtabur Rahman, chairman and managing director of Dubai-based Al Haramain Perfumes, told The Daily Star.

Al Haramain Perfumes exports to 47 countries and its total sales turnover was \$262 million in 2014. The perfume maker has factories in Dubai and France.

"I want to set up a factory in Bangladesh to export perfumes from," Rahman said, explaining the necessity of an EPZ for NRBs. "More NRBs will come in to invest in Bangladesh."

Rahman, also the founder chairman of Bangladesh Business Council in Dubai, urged the central bank to introduce euro and pound investment bonds instead of just dollar bonds.

Deputy Governors SK Sur Chowdhury, Nazneen Sultana and Abu Hena Mohd Razee Hassan spoke on the occasion.

They spoke of the central bank's initiatives to boost inward remittances, which include electronic fund transfer, mobile banking and agent banking.

## EU opens in-depth inquiry into Fedex's planned takeover of TNT

REUTERS, Brussels

The European Commission said on Friday it had opened an in-depth investigation into Fedex's proposed 4.4 billion euro (\$4.9 billion) takeover of Dutch rival TNT Express.

The Commission, which oversees EU mergers and competition issues, said it had concerns that the

merged entity would face insufficient competitive constraints in small package deliveries from the only two remaining players, UPS and DHL, owned by Deutsche Post.

"Many businesses, and in particular e-commerce, rely heavily on affordable and reliable small package delivery services and many consumers depend on these services to ensure

rapid and safe delivery of goods they have bought," Competition Commissioner Margrethe Vestager said in a statement.

Fedex and TNT Express said they were still on track to complete their proposed combination in the first half of 2016, despite the announcement of the European Commission's in-depth review.

The two said they would work to address the Commission's concerns. FedEx said it believed the deal would increase competition and create benefits for customers.

The Commission has 90 working days, until December 8, to investigate the proposed acquisition and to determine whether these initial concerns are founded.