

# Chinese bank opens 6 Grameen-style branches



YUNUS CENTRE

**Nobel Laureate Professor Muhammad Yunus launches six bank branches to be run by Grameen style microcredit programme at Henan province in China recently as collaboration between Zhongyuan Bank and Grameen China. Chairman of Zhongyuan Bank Dou Rongxing and Secretary of Henan Provincial Government Zhu Huan Ran were also present.**

**STAR BUSINESS DESK**  
A Chinese bank in collaboration with Grameen China has opened six branches in the country's Henan province which will follow the microcredit model of Grameen Bank. Nobel Laureate Prof Muhammad Yunus attended the launch as the chief guest on February 26. Zhongyuan Bank and Grameen China have teamed up to provide financial services to the rural poor of the province, Yunus Centre said in a statement yesterday. Zhongyuan Bank is a new bank in Henan that was created in 2014. Last year it posted a profit of \$3 billion, according to the statement. The bank, which will provide the loan capital and bear the operational expenses of the new initiative, invited Prof Yunus to its headquarters at Zhengzhou in Henan to meet with the top officials of the bank and discuss about the collaboration. Grameen China will implement the initiative. The opening ceremony was

addressed by the secretary of Henan provincial government and the bank's chairman in presence of about 250 dignitaries. Earlier, the Nobel laureate and his delegation were received by Xie Fuzhan, secretary of the Communist Party of China in the province, at the party office in Zhengzhou. Fuzhan said he was delighted to see the collaboration between Zhongyuan Bank and Grameen China. He thanked Yunus for his work on behalf of the poor around the world, and especially for his efforts aimed at supporting the poverty alleviation initiative in China. He said Prof Yunus and his work and philosophy are well-known and admired throughout China. Fuzhan pledged his support for the programme and introduced Yunus to the senior members of the party who, he said, would be at the economist's disposal for any help to run the microcredit activities. Yunus congratulated the secretary for China's commitment to poverty reduction and for its success in lifting

300 million poor people out of poverty in the last three decades. The founder of Grameen Bank said he would be delighted to support China's goal to eradicate poverty by 2020. On the previous day in Beijing, Grameen China hosted a half-day conference on the progress of Grameen microcredit in China. It was attended by all the microcredit leaders in the country. The session was addressed by Yunus, Prof H Latifee, managing director of Grameen Trust, which has been implementing microcredit in China since 1994, and the senior representatives of the Chinese Association of Microfinance such as Du Xiaoshan and Bai Chengyu. Yunus also attended the launch of the first Yunus Social Business Centre at a leading university in Beijing. The centre is collaboration between Renmin University and Yunus Centre, Bangladesh. The university organised a daylong conference to discuss the progress and prospects for microcredit and social business in China.

## Finnair to cancel flights due to staff strike

**REUTERS**  
Finland's state-controlled airline Finnair said it would cancel 15 flights on Sunday and Monday due to a strike by Finnish airport service workers. Service workers went on a five-hour strike on Friday and the action is likely to be expanded on Monday after trade unions and business representatives failed to resolve a pay dispute. "The strikes and support strikes taking place on Monday... will have a significant impact on Finnair's operations despite the fact that Finnair is not in any way a party to the labor dispute," the company said in a statement on Sunday. The canceled routes were mainly domestic, while one was between Helsinki and Gothenburg, Sweden. Finnair said all passengers should also prepare for delays on Monday.

## Opel takeover by Peugeot comes after years of crisis

**AFP, Frankfurt Am Main**  
The imminent takeover of General Motors' European subsidiary Opel by French carmaker PSA Peugeot Citroen comes after almost two decades of crisis for the historic manufacturer. Despite remaining a familiar sight on German roads, the carmaker with the "Blitz" (lightning) logo and its British sibling Vauxhall haven't booked a profit since 1999. Recent woes cast a pall over the firm's storied history, dating back to its founding in 1862 by Adam Opel as a sewing-machine and later bicycle manufacturer. Based in Rueselsheim outside Frankfurt, the company was Germany's largest carmaker for decades before being overtaken by northern rival Volkswagen. As GM lets go of a subsidiary it has held since 1929, here are some of the problems prospective new owner PSA will inherit. Opel hoped to finally return to profit in 2016, three years into the tenure of chief executive Karl-Thomas Neumann. The carmaker's future had been in doubt before his arrival, as GM mooted selling it off in 2009 -- a year when the US giant was itself bailed out by taxpayers after going bankrupt -- before changing its mind. After a flurry of short-lived CEOs, Neumann managed to reduce losses and stop the slide in Opel's market share only to run up against a slump in the value of the pound

after Britain's vote to quit the EU last June. The UK is the biggest market for the Insignia and Corsa models, sold there under the Vauxhall brand, and Opel ended up booking a 257 million-euro (\$271-million) loss for the year. By contrast, Cologne-based competitor Ford Europe managed to make a pre-tax profit in 2016 even as sterling plummeted. "Brexit is a false excuse" for Opel, industry expert Ferdinand Dudenhoeffer of the CAR automotive research institute argued, pointing to the manufacturer's other problems. Experts agree that Opel has not matched the success of other manufacturers like Ford or PSA -- the French group behind Peugeot, Citroen and DS -- in reducing overcapacity at its factories. The situation has worsened since the 2008 financial crisis, which sent car sales in Europe tumbling. Operating production sites below their maximum output weighs carmakers down with costs, and Opel's 2014 shuttering of its plant in the western German city of Bochum with the loss of 3,000 jobs has not staunched the outflow. "Opel suffers more from overcapacity than other European carmakers, meaning it has to offer big discounts to keep up a certain level of production and that hits its profitability," Stefan Bratzel of the CAM research institute explained.



**Managing Director of BBS Cables Abu Noman Howlader launches the company's new product—FR Skin Coated Cables—at Six Seasons Hotel in Dhaka yesterday.**

BBS CABLES

## Fashion designers seeks inspiration in secondhand shops

**AFP, Paris**  
It is a humdrum secondhand clothing store in one of the most down-at-heel districts of the French capital. But for designer Francisco Terra and other rising stars of the Paris catwalk, the shop stuffed with shirts and skirts that sell for the price of a coffee is "a temple of fashion research". Terra loves the place so much he held his Paris fashion week show in the store, the flagship "friperie" of the Guerrisol chain. "It is not just people who don't have much money who shop here," the creator behind the Neith Nyer label said, "but all the stylists of the big labels who come to do their homework." His show comes only six weeks after hip brand AVOC presented their menswear collection in another more upmarket vintage store. With high street chains going hell for leather for throwaway fashion, those in the know are embracing better quality vintage clothing while designers are turning to secondhand and charity shops for inspiration.

Parisian friperies where the poor still buy pre-owned shoes and suits are now the haunt of hipsters and fashionistas looking for clothes that help them stand out. Putting together "a look is all about the exclusivity of the piece", said Brazilian-born Terra, who worked for Givenchy and Carven before striking out on his own. "Today with mass market fast fashion, you can only find that in vintage of secondhand shops," he added. Influenced by Margiela and Jean Paul Gaultier, two fashion houses who have long embraced the art of recycling, 34-year-old Terra began to repurpose clothes for his own brand, which he named after his Austrian grandmother. His new show is set in a fictional future Tokyo in 2083. Faced with a chaotic economy, young people are forced to patching their ancestors' old clothes together to create their new styles. The storyline was inspired by the Japanese capital's thriving secondhand stores, Terra said, which often rework old clothes. Upcycling, as remaking existing clothes is called, has long been the trademark of a number of Paris labels, including streetwear brand Andrea Crews. Upcycled jeans made from cut

up old Levi's were also one of the things that helped make French brand Vetements the label of the moment. Vintage is also a major theme at a trade fair running alongside Paris fashion week, which this year contains a shop bringing together some of the capital's "pre-worn" designer stores and the online luxury secondhand site Vestiaire Collective. Amnaye Nhas, a manager of one such luxury Paris store, Thanx God I'm a VIP, said sales rocket during the runway shows, particularly when labels revisit historic looks for coats and aviator jackets. Her store only sells clothing from the very top designer labels. They refuse to handle anything in synthetic fibre and outfits have to be in perfect condition, she said. With prices ranging from 40 euros to 2,000 (\$42 to \$2,100), Nhas said their clients are demanding and know what they want. A green toned Leonard silk jacket is on sale for 995 euros, while a 1978 Burberry coat is priced at 450 euros. "Some customers are real sticklers" for designer labels, she said, "but others would normally shop in high street stores like Zara and just want to find something original to wear with that."

## Sonali Bank to inject Tk 171cr into UK arm

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According to Sonali Bank, the UK operation has not been able to raise its business exposure to more than 25 percent of its capital since December 2014 because of its "Third Country Jurisdiction" status. Moreover, the operation was facing an annual loss of 15 million pounds in retail and remittance businesses. Under these circumstances, it needs more capital to carry on business. According to a report of BB, Sonali Bank (UK) was holding foreign currency beyond the authorised limit because of the liquidity crisis faced by the company. The UK operation's foreign currency position was \$90.84 million as of May 2016, which was 12 percent higher than the authorised ceiling of \$76.15 million. BB found that a large portion of foreign currency of Sonali Bank is kept with Sonali Bank (UK), which took the foreign currency holding above the permissible limit.

Despite repeated warnings from BB, the UK operation has failed to bring down the foreign currency holding to the authorised limit. The central bank queried why the UK operation has not been able to reduce the foreign currency holding. In reply, Sonali Bank said the British operation needs huge amount of foreign currencies to deal with international trade. Sonali Bank will have to count losses because of holding so much foreign currencies abroad. For example, if Sonali Bank keeps \$160 million to \$170 million in reserves in its UK operation it misses out on business opportunities worth Tk 100 crore annually in Bangladesh. At present, Sonali Bank (UK) has two branches in the UK -- one in London and another in Birmingham. Two of its branches were shut last year due to financial irregularities and losses.

## Contraband goods of Tk 100cr seized in Ctg

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The first consignment of six containers arrived at the port on March 3 by a Liberian ship MV Vasi Sun. "Having prior information of smuggling illegal or harmful goods, we were tracking the consignments and kept those under surveillance," Khan said. After opening the containers, the officials found a huge number of LED, HD and curved televisions of different brands, cigarettes and liquors. Meanwhile, Jamraj Industries, the exporter of the containers, said in a letter to Chittagong customs that the containers were mistakenly sent to the Chittagong port,

according to Khan. "We have already asked our shipping agent to put the delivery of the containers on hold," the exporter said. Khan said they are not taking the letter into consideration. "The perpetrators might have sent the letter to protect themselves from legal actions," he said. The actual quantities of the seized goods could not be known until filing this report as the inventory was still being prepared. A team from the directorate's Dhaka headquarters arrived at Chittagong to oversee inventory filing.



CITYSCAPE

**Nahid Sarwar, managing director of CityScope bd International, receives an award for being one of the leaders in green commercial building, at Bangladesh Innovation and Development Expo at Bangabandhu International Conference Centre in Dhaka.**

## DSE income declines 11pc

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The DSE has become a profit-oriented company owned by shareholders after demutualisation in 2013. The demutualisation scheme was approved by Bangladesh Securities and Exchange Commission in 2013, and the law on the issue was passed in 2012, to bring transparency to the stockmarket. Demutualisation is a way to separate the bourses' management from ownership. Prior to demutualisation, Bangladesh's stock exchanges were non-profit cooperatives, owned by the exchange members, who were usually stockbrokers.



## New Deputy Managing Director for Nuvista Pharma Limited

At a recent Board Meeting, Mr. Kanai Lal Saha FCA, has been promoted to the position of Deputy Managing Director of Nuvista Pharma Ltd. He joined the Company, formerly Organon (Bangladesh) Ltd., in 2002 as Financial Controller, becoming Director (Finance) in 2006. Mr. Saha obtained his M.Com from Dhaka University in 1987, qualified as a Chartered Accountant from the Institute of Chartered Accountants of Bangladesh in 1991 and became a Fellow of the Institute in 1996.