

MIDAS creating economic opportunities for many

The NGO set to celebrate 35th founding anniversary on Saturday

STAR BUSINESS REPORT

WHEN Micro Industries Development Assistance and Services (MIDAS) began its journey in 1982 to nurture entrepreneurship, there were few organisations in Bangladesh that supported would-be entrepreneurs.

But when an individual decides to become an entrepreneur by way of initiating a business, he or she needs guidance and assistance such as training, access to low-cost funds and market access so that their ventures become successful.

"That's what MIDAS has been providing for more than 35 years," Parveen Mahmud, chairperson of the organisation, told The Daily Star in an interview recently.

"As a result, MIDAS has become a role model for others. Now, private sector organisations and the government are taking initiatives to help develop entrepreneurship skills," she said.

Her comments came as the non-governmental organisation is set to celebrate its 35th founding anniversary on Saturday.

MIDAS came into being as a non-profit voluntary organisation for the development of micro, small and medium enterprises (MSMEs), the largest job creator in Bangladesh, with the financial assistance of USAID.

Late RMH Hirji of Dacca Refractories, late Samson H Chowdhury of Square Pharmaceuticals, Lailun Nahar Ekram of Engineers & Consultants Bangladesh Ltd, former secretary SM Al-Husainy, and Bazlur Rahman Khan of MIDAS had led the organisation as its chairperson on different occasions, helping it march ahead.

It pioneered in providing collateral-free



Parveen Mahmud
Chairperson

loans to women entrepreneurs, said ASM Mashi-ur-Rahman, managing director of MIDAS.

"We haven't only provided loans, we have provided effective training on skills development, product management, money management, marketing, human resources development and business plan preparation so that they don't default."

Since then, it has developed about 32,000 women entrepreneurs, according to Rahman.

USAID supported MIDAS for 11 years since inception. When USAID decided to stop funding, many had thought that it would not survive.

"But MIDAS hasn't only survived, it has grown from strength to strength because of the dynamic board," said Rahman.

Today, MIDAS has emerged as one of the leading "promotional organisations" in the MSME sector and also has a solid foundation.



ASM Mashi-ur-Rahman
Managing Director

He said MIDAS has supported entrepreneurs who could not avail themselves the support of banks or other financial institutions and NGOs.

"We support the missing middle. As a result, many micro-enterprises have become small enterprises and many small enterprises have become medium-sized enterprises."

The lending operation of MIDAS is now being handled by its subsidiary MIDAS Financing Ltd, a leading non-bank financial institution.

MIDAS's core services include study and research, baseline survey and end-line survey, human resources development, technology transfer for private sector development, project preparation, implementation, management, monitoring and evaluation, and providing marketing assistance to women entrepreneurs.

MIDAS emphasises technical assistance to entrepreneurs and enterprises where

PUM Netherlands is playing a key role to improve quality, said Parveen Mahmud, who previously worked for Brac and Palli Karma-Sahayak Foundation.

The Dutch non-profit promotes entrepreneurship and sustainable economic growth in developing countries and emerging markets with its experts' hands-on advice to SMEs of different sectors.

MIDAS is the institutional representative of PUM Netherlands in Bangladesh and is receiving support from the organisation for its technology transfer for private sector development programme.

The PUM Bangladesh-MIDAS arrangement's beneficiaries include Queens Hospitals in Jessore, LB Trade Link International, Sajib Agro Food Industries, aSix Ltd, Saidpur Enterprise in Nilphamari, the Centre for Development and Peace, Food Edge Ltd, and CORR-the Jute Works.

Kazi Farms Group took services of PUM-Bangladesh through MIDAS for its poultry slaughter house, Bombay Sweets for Aloo potato chips and Aftab Dairy for different livestock services, said Parveen, also the first female president of the Institute of Chartered Accountants of Bangladesh.

Rokia Afzal Rahman, also a former caretaker government adviser, helped MIDAS board implement her idea of collateral-free loans for women entrepreneurs, according to Parveen.

Rokia also helped MIDAS in introducing marketing assistance for women entrepreneurs by launching MIDAS Mini Mart and MIDAS Trade Fair.

"MIDAS firmly believes that micro and small enterprises provide the best opportunity to create new employment and develop a new base of entrepreneurship," said Parveen.

India's services growth slows in August

REUTERS

India's dominant services sector expanded at a slower pace last month than in July as weaker demand and rising input costs kept a lid on hiring, a private survey showed on Wednesday.

The Nikkei/IHS Markit Services Purchasing Managers' Index declined to 51.5 in August from a 21-month high of 54.2 in July.

The new reading was the lowest since May but remained above the 50-mark that separates growth from contraction for a third straight month.

In August, new business expanded at the weakest rate since May, with rising price pressures dragging on overall activity, causing services firms to hire at the slowest pace since November 2017.

"Input cost inflation in the service sector accelerated to the sharpest since November 2017, fuelled by higher oil-related prices," Aashna Dodhia, an economist at IHS Markit, said in a release.

"Meanwhile, firms faced pressure on their margins as they were unable to fully pass on higher cost burdens to price-sensitive customers."

Firms only increased prices modestly, despite a strong increase in input costs, likely cushioning waning demand but raising the chance that overall inflation remains elevated.

Inflationary pressures, alongside strong growth - India's economy grew 8.2 percent last quarter - may help the Reserve Bank of India remain on a track of tighter monetary policy.

Slower expansion in services activity, coupled with an unexpected decline in manufacturing growth, pushed the composite PMI to a three-month low of 51.9 in August. The July level was 54.1.

"However, amid reports of strong demand conditions, the overall economy registered in expansion territory for the sixth consecutive month, marking the longest period of growth since a 16-month sequence ended in October 2016," added Dodhia.

"On another positive note, business sentiment towards the 12-month outlook strengthened to a three-month high, with stronger confidence seen among service providers."

Mega projects lift demand for steel

Experts say at the opening of a global conference

STAFF CORRESPONDENT, Cig

THE rising demand for long and flat steel products is helping the steel sector expand fast thanks to the ongoing large infrastructure projects and construction of several economic zones, experts said yesterday.

They also underscored the need for the government's policy support to protect the local industry in the wake of a new global trend of gated globalisation.

Now, some countries are going for free trade agreements, eliminating tariff barriers among themselves while outsiders continue to face higher tariffs. Economists call this gated globalisation. The experts spoke at the inaugural session of a two-day international conference on steel titled "Bangladesh Steel 2018".

Steel Group, a global networking platform based in Mumbai, organised the event in association with Steel Users Federation of India.

The conference—the fourth such event to be held in the port city—is taking place at Radisson Blu Chittagong Bay View.

Over 250 delegates from 19 countries, including the USA, China, Japan, Germany, South Korea, Australia, Singapore, Italy, Belgium and India,

are taking part in the event along with most of the major stakeholders of Bangladesh's steel industry.

Raghav Productivity Enhancers Ltd of India, BSRM and PHP Family are sponsoring the conference.

Per capita steel consumption in Bangladesh has grown to 45 kilogrammes (kg) last year from 25 kg in 2012, Sufi Mohammed Mizanur Rahman, chairman of PHP Family, said after inaugurating the event.

Per capita steel consumption is much higher in developed countries—400 kg in South Korea, 600 kg in the USA and 1,000 kg in Japan—compared to Bangladesh, he said. The amount of steel consumption is an important ingredient to understanding the economic growth of a country, Rahman said.

The consumption of seven million tonnes of steel every year has made Bangladesh a huge potential market for both long and flat steel products, he said.

"In Bangladesh, we still don't have a basic steel industry due to non-availability of iron ore or coal of our own; rather we are producing intermediate products by importing steel billets and CR [cold rolled] coil."

He, however, hoped for bigger expansion in the sector if the proposed 100 economic zones could be



Sector people and participants are seen at the inaugural session of a two-day international conference on steel at Radisson Blu Chittagong Bay View yesterday.

developed and the required infrastructure development of Chittagong port could be done.

The country's per capita steel consumption is projected to increase to 73 kg by 2022, Aameir Alihussain, managing director of BSRM Group, said while delivering his keynote speech at the session.

The steel sector will grow further riding on Bangladesh's dense population, enhancing life expectancy rate, rapid construction of economic zones, large investments in infrastructures, booming agriculture, thriving garment sector and an increase in energy supply with the import of LNG, he said.

Businesses have to face difficulties in Bangladesh, as they have to roam around different government offices to complete the whole process of setting up an industry or operate an industry, he said. However, things are changing as bureaucracy is now becoming more business-friendly, but it needs to be improved a lot to

facilitate business, he said.

Mentioning the new trend of gated globalisation, Alihussain said every country now wants to do trade, but only after protecting its own market.

"Particularly in the steel sector, China and some other countries have overcapacity. If we don't protect our industry we may have to see other countries go for dumping in Bangladesh."

Many countries are now imposing taxes on imported products while the USA is promoting gated globalisation by securing its own interests, the BSRM chief said.

"Though our government is aware of that and they are ensuring required level of protection, but the government has to remain more alert so that the countries having overcapacity cannot dump their products here."

China shared 49.2 percent of the world's total steel production of 1,689 million tonnes in 2017 while the part of China's steel use stood at 46.4 percent of the world's total use of 1,587 million tonnes, said Raghav Kabra, chief operating and innovation officer of Raghav Productivity Enhancers Ltd, India.

Ajay Tambe, CEO of Steel Group, and Md Salim Uddin, chairman of Bangladesh House Building Finance Corporation, also spoke.

Greener growth could add \$26tr to world economy by 2030: study

REUTERS, Oslo/London

Strong action to combat climate change could cumulatively add at least \$26 trillion to the world economy by 2030, according to a study on Wednesday which seeks to dispel fears that a shift from fossil fuels will undermine growth.

President Donald Trump, for instance, said last year that he will pull the United States out of a global climate pact called the Paris Agreement because it would impose what he called "draconian financial and economic burdens" on his country.

By contrast, the Global Commission on the Economy and Climate, which includes former heads of government, business leaders and economists, said there was "unprecedented momentum" towards greener growth that would boost jobs and countries' economies.

Bold climate action could deliver at least \$26 trillion in net cumulative benefits from now until 2030 compared with business as usual, it said.

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