CITI

Rokia Afzal Rahman, *seated second from left*, a former caretaker government adviser; Salehuddin Ahmed, *centre*, former governor of Bangladesh Bank, and N Rajashekaran, *second from right*, Citi country officer, attend a programme at the Six Seasons hotel in Dhaka yesterday.

Microcredit empowers women

Experts say at the launch of 14th Citi Microentrepreneurship Awards

STAR BUSINESS REPORT

AROUND 90 percent clients of 732 microcredit organisations operating currently in Bangladesh are women, said Sirajul Hoque, a director of the Microcredit Regulatory Authority.

Still women have limited access to finance, he said.

Microcredit empowers women and develops entrepreneurship in women and a majority of them clear loan payments regularly, said Rokia Afzal Rahman, chairman of Arlinks Group and a former caretaker government adviser.

They spoke at a programme where Citibank NA Bangladesh announced the 14th edition of the Citi Microentrepreneurship Awards to honour the most innovative microentrepreneurs of the country.

The advisory council members of the annual awards made the announcement at a programme at the Six Seasons hotel in the city.

"Banks should change their behaviour and mindset in case of providing small entrepreneurs with funds," said Salehuddin Ahmed, a former governor of the Bangladesh Bank.

He said microentrepreneurs never get access to banks due to a lack of collateral.

The contribution of microentrepreneurs to the gross domestic product is still very low at 12-13 percent, said Ahmed, who chaired the programme.

The microentrepreneurs should use modern technologies to diversify their products to improve their contribution to the economy, he suggested.

Microcredit improved living standards of rural people, Hoque said.

This year, the programme is being jointly organised by Shakti Foundation and Citibank NA Bangladesh with the Credit and Development Forum (CDF) as the strategic partner.

The awards will be given in six categories: Best Microentrepreneur, Best Women Microentrepreneur, Best Youth Microentrepreneur, Best Microentrepreneur in Agriculture, Microfinance Institution and Innovative Microfinance Institution.

The organisers will accept applications for the awards through different banks and financial institutions. The award is expected to be given next year after a thorough screening and vetting process.

N Rajashekaran, country officer of Citibank NA, Abdul Awal, executive director of the CDF, and Humaira Islam, founder executive director of Shakti Foundation for Disadvantaged Women, also spoke.

Since the launch of the award in 2005 in Bangladesh, 68 microentrepreneurs and 21 microfinance institutions were awarded.

Channel i and The Daily Star are the media partners of the initiative.

YouTube viewership soars upon 4G rollout

MUHAMMAD ZAHIDUL ISLAM

THE Bangladeshi YouTube channels saw a spike in subscription after the launch of the fourth generation (4G) mobile broadband in the country, with the youth particularly lapping up the entertainment available on the platform.

As of October, viewership of the Google-owned video-sharing platform in Bangladesh has grown 64 percent year-on-year to 2.94 crore, according to Google's internal data report.

YouTube has counted their viewers through the unique Internet Protocol addresses.

Some 47 percent of the Bangladeshi YouTube viewers enjoy entertainment on the platform, 24 percent listens to music and 17 percent watches lifestyle content, according to the report.

The growth in viewership has been driven by youth: 28 percent are between the ages of 18 to 24 and 23 percent between 25 and 34 years of age. Some 11 percent of the viewers are between 35 to 44 years of age.

Five Indian YouTube channels -- Colors TV, T-Series, SET India, Zee Bangla and Sony AATH -- are the most viewed in Bangladesh.

Among the Bangladeshi YouTube channels, NTV Natok is in top position, followed by Rtv Drama.

"YouTube has changed the internet usage patterns," said Shahed Alam, head of corporate and regulatory affairs at Robi.

Data consumption and video streaming have soared in Bangladesh. "This has helped in the digitisation process."

Of the total internet bandwidth in the country, 46 percent goes towards watching YouTube and 17 percent towards browsing Facebook, according to Alam.

A few thousand YouTubers are now developing content for their own channels, according to Khandaker Fakaruddin Ahmed, head of NTV Online.

"It is their main earning source," he said, adding that the market is growing by the day.

The Bangladeshi content on YouTube can mostly be found in the television channels' accounts, he said, while calling for more diversity in content.

"Bangladesh's YouTube industry has just started. The market will be mature in coming days," Alam added.

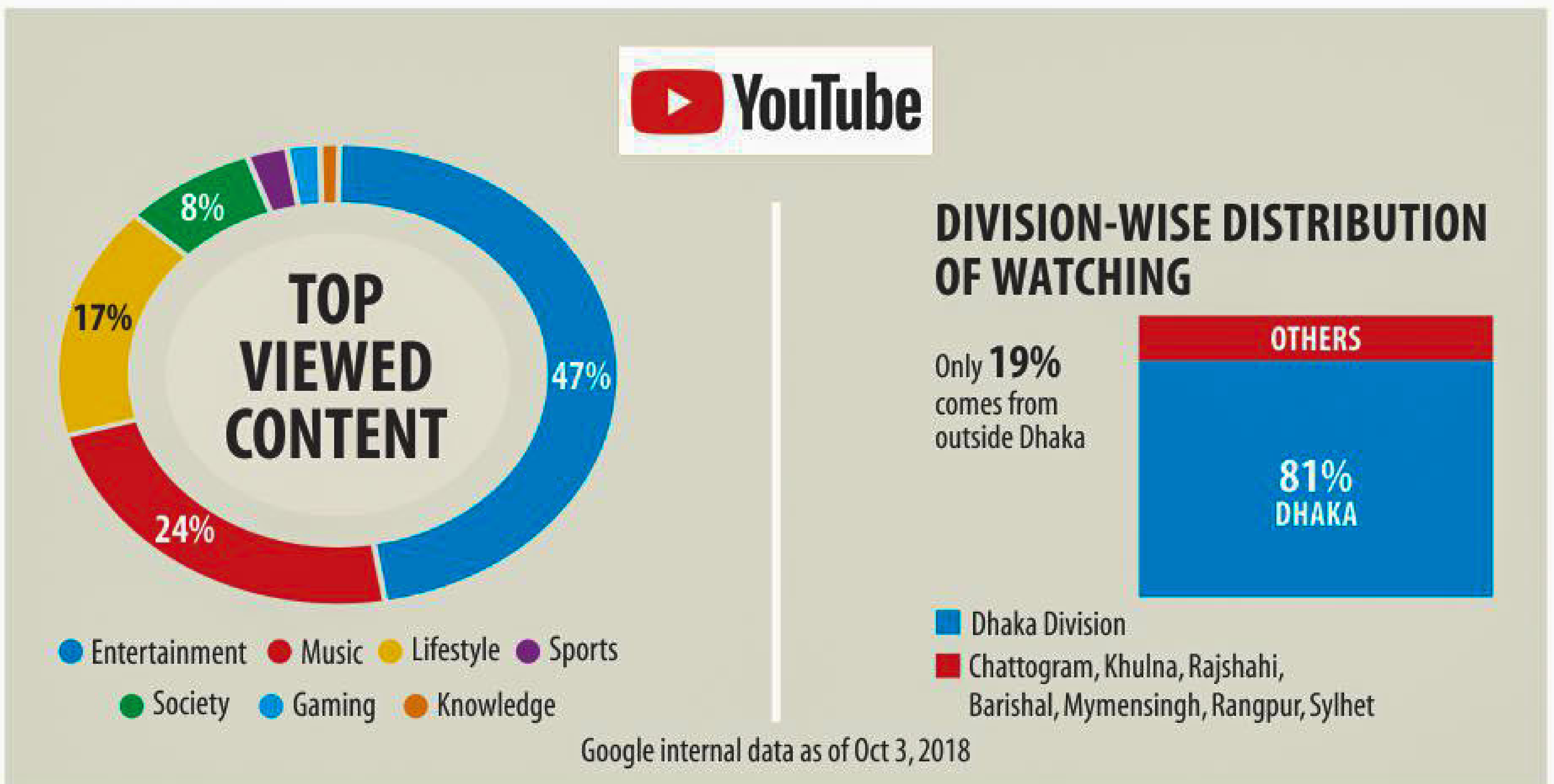
Of late, people are lingering longer on YouTube and engaging more with the content, said Asif bin Azad, a content creator of a YouTube channel BhaiBrothers.

Just a year ago, Azad's channel used to get viewership of 5 lakh hours a month. Now, it is more than 20 lakh hours.

To start earning ad revenue from Google, a YouTube channel needs to have logged in 1,000 subscriptions and 4,000 hours in the past 12 months.

"Lots of YouTubers are earning using this platform in the country," Azad said, adding that rising smartphone penetration and faster mobile internet connection are propelling the growth in viewership.

Dhaka division accounts for 81 percent of the viewership, followed by Chattagram division at 8 percent.



UK traders 'out of time' to cope with no-deal Brexit: govt audit

REUTERS/FILE

A bus passes an anti-Brexit advertisement in London.

AFP, *London*

UK businesses have run out of time to prepare for the consequences of Britain leaving the European Union in March without an exit deal, a government audit showed on Wednesday.

The findings by the National Audit Office, the government's spending watchdog, were published with London and Brussels at loggerheads in Brexit talks.

They threaten to deal a political blow to Prime Minister Theresa May, who has made the phrase that "no deal is better than a bad deal" her mantra.

The audit said uncertainty over the course of the negotiations has delayed preparations for a no-deal scenario, with organised crime gangs potentially stepping in to smuggle goods across the new EU-UK frontier.

"Businesses do not have enough time to make the changes that will be needed if the UK leaves the EU without a 'deal'," it said.

Over the long term, "organised criminals and others are likely to be quick to exploit any perceived weaknesses or gaps in the enforcement regime," it added.

The audit estimated that between 145,000 and 250,000 traders will need to make customs declarations for the first time should Britain break away without coming to terms with the EU.

"Government papers from July 2018 stated that it was already too late to ensure that all traders were properly prepared for 'no deal'," the report wrote.

The number of customs declarations as a whole will grow from 55 million to 260 million, putting existing government management systems under immense strain.

The audit found that 11 out of 12 government projects replacing or upgrading existing border systems to prepare for more rigorous customs checks were -- as of September -- at risk of not being delivered on time to "acceptable quality".

The Financial Times reported on Tuesday that realising the potential chaos, the government was drawing up plans to charter ships to bring in food and medicine in case there was no deal.

The newspaper said a meeting of May's cabinet on Tuesday was told that a heavily used trade route between the British port of Dover and the French one in Calais would quickly become blocked if no customs arrangements were made.

Britain would then ferry in "critical supplies" and possibly also car parts.

Robert Peston, the political editor of the private channel ITV, wrote on Facebook that Transport Minister Chris Grayling told ministers that freight coming into UK from Calais would be reduced by 85 percent.

National Audit Office chief Amyas Morse said the government openly admits that trade between Europe's second-largest economy and the rest of the 27-nation bloc would be "sub-optimal" in a no-deal scenario.

A banker's woe: Chinese wealth may get harder to snag for global bankers

REUTERS, *Hong Kong/Shanghai*

NEWS of a foreign wealth manager being denied exit from China last week is raising concerns for global private banks, as they seek to tap trillions of dollars of wealth offshore in the face of Beijing's growing curbs on overseas investments and outflows.

The banker, a Singapore-based member of UBS wealth management business, was prevented from leaving Beijing and asked to meet local officials this week. Her identity is not known yet.

Although the purpose of the meeting is not publicly known, the news still led several banks including UBS, Citigroup, JPMorgan, Standard Chartered and BNP Paribas to ask private bankers to reconsider travel to China, people familiar with the matter said on Monday.

The Swiss bank on Tuesday rescinded its travel guidance and said in a statement it was business as usual in China. A UBS spokesman in Hong Kong declined to offer any further comment when contacted by Reuters on Wednesday.

The uncertainty around the UBS banker's delayed departure comes at a tricky time for foreign investors in China as Beijing steps up curbs and increases scrutiny on offshore investments and outflows amid a weakening economy and currency.

And as authorities continue a sweeping campaign to root out graft, some bankers are beginning to get nervous about pursuing arguably one of the biggest opportunity worldwide in the wealth management business.

The UBS snag could prompt clients as well as their offshore advisers to be more cautious in making new investments, four senior private banking sources said.

"The immediate impact will be that everyone will be on pause for some time and try to figure out what all these means for China offshore wealth management business," said a wealth management executive at a large European bank.

"All the firms have their rules of engagement with clients when you are handling offshore wealth. The question is if those rules need to be revisited and you have to reinforce that," he said, declining to be named due to the sensitivity of the matter.

UBS is the largest wealth manager operating in Asia, with $383 billion of assets under management, according to Asian Private Banker magazine, ahead of Citi, Credit Suisse, HSBC and Julius Baer.

REUTERS/FILE

An investor watches a board showing stock information at a brokerage office in Beijing.

Foreign private banks have invested heavily in courting the rich in China - home to the world's fastest-growing pool of wealth and the second-largest group of billionaires in the world, after the United States.

Regulations and restrictions on business ownership and products have so far deterred most banks from having an onshore presence. An offshore business, mainly managed out of their Hong Kong and Singapore hubs, remains the preferred route.

While offshore wealth managers often make "social visits" to clients in their home countries, most nations including China don't allow them to solicit business or sell overseas investment instruments in the onshore market.

The number of rich – those with at least $1 million to invest – rose by 12 percent last year in Asia Pacific, led by China. The rate of growth was the fastest in the world, according to consultant CapGemini.

The investible assets of rich in China is estimated to have reached $8.4 trillion last year, and CepGemini says 45.5 percent of the onshore wealth were held outside the home market as of the second quarter of last year.

A high degree of secrecy means there are no credible data on the total assets that Chinese individuals hold offshore.

Offshore private banks are at liberty to help clients - including those from China - manage wealth already outside the mainland via legal means such as through company stock listings, asset sales or the creation of trust companies.

But UBS's recent hiccup comes as bankers and lawyers expect China to get more stringent about the offshoring of wealth. They fear further curbs as Beijing grapples with a weaker currency, and gets access to taxpayer data by sharing financial information with other countries.

Authorities now "may be gradually increasing supervision of offshore assets," said Song Xu, a partner at Shanghai office of law firm Zhong Yin.

The yuan has fallen over 6 percent so far this year, hit by a Sino-US trade dispute, and unobtrusively China has been moving to rein in currency outflows.

Moreover, under new global standards aimed at cracking down on tax cheats, China this year began a two-way exchange of information about bank accounts with other nations, which consultants say will give the authorities more visibility about the offshore holdings of its citizens.

"The capital control measures in China are getting tighter, not loser. And the ongoing crackdown on corruption and deleveraging has also created new barriers for offshore wealth management," said a Beijing-based boutique wealth manager.

"While Chinese clients are still very keen to diversify their assets, there will be a lot more caution on all sides."