

The Business

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Private sector's role in economic growth hailed

MANAMA: Industry and Commerce Minister Dr Hassan Fakhro praised the contribution of the private sector in implementing economic and commercial projects that boost the national economy.

He praised the role of Bahrain Businessmen's Society in enhancing economic development in the kingdom.

This came during the opening ceremony of "BLIS Possibilities and Benefits" forum held under the patronage of Dr Fakhro.

Bahrain Businessmen's Society chairman Ahmed Abdulla Bin Hindi, society members, prominent businessmen, investors and ministry officials were present.

Dr Fakhro expressed government's appreciation for all initiatives launched by the private sector that contribute to the growth of the national economy.

He pledged the ministry's support to enable various economic projects to work in suitable and encouraging environment.

Assistant under-secretary of domes-

H&M planning expansion in US and China

STOCKHOLM: Fashion retailer Hennes & Mauritz (H&M) said yesterday it plans to expand its business over the coming year by increasing online sales and opening new stores, particularly in its largest markets, the US and China.

Chief executive Karl-Johan Persson says the Swedish company is in a "very intensive investment phase" and plans to open eight to 10 online markets next year on top of 375 new stores in locations worldwide.

"Within online shopping, we are in the midst of an exciting expansion," Persson said. "We see our online store as a very important complement to our physical stores as the online store makes it possible for us to increase our level of service and availability to our customers."

His comments came as the company reported a near 20 per cent increase in third-quarter net profit to 5.3 billion kronor (\$742 million) from 4.4bn kronor in the same period a year earlier. Sales grew to 38.8bn kronor from 32bn kronor a year earlier.

H&M opened new online markets this year in France, Italy and Spain and China, which received "a very good response from customers," Persson said.



■ Dr Fakhro being honoured at the event

tic trade Hameed Yousif Rahma, who was honoured during the forum, gave a presentation about Business Licensing Integrated System (BLIS) which is a strategic project for Bahrain, prepared under the supervision and support of both the Economic Development Board

and the eGovernment Authority.

This project covers a large number of ministries and agencies with regard to commercial and industrial licensing.

The project aims to create a high efficiency, sophisticated electronic system to register and license commercial

companies in Bahrain and complete link with all electronic system of government agencies, simplify procedures and improve the kingdom's business competitiveness in various global indicators in line with Bahrain Economic Vision 2030.



■ The Industry and Commerce Minister yesterday received United Nations Development Programme resident representative and UN co-ordinator Peter Grohmann. Dr Fakhro praised UNDP's role in supporting economic and social activities. The minister affirmed the importance of initiatives launched by the UNDP and its projects and programmes. Under-Secretary for commerce affairs Nader Almoayyed and assistant under-secretary for foreign trade Eman Al Doseri attended.

Lending to firms falls in euro zone

FRANKFURT: Lending to euro zone households and companies contracted for the 28th month in a row in August, though at a slower pace, putting a keener spotlight on European Central Bank (ECB) efforts to get credit flowing again.

Euro zone banks, particularly in the crisis-stricken countries, have tightened up on lending as they adapt to tougher capital requirements and undergo health checks, while companies are holding back on investments, unsure of the future.

The euro zone economy ground to a halt in the second quarter and with inflation in what ECB president Mario Draghi has called the "danger zone" below one percent for almost a year now, the ECB saw the need to add new stimulus steps in June and September.

The ECB has now started to offer

banks four-year loans at ultra-cheap rates and plans to buy asset-backed securities and covered bonds from October to lighten the weight on banks' balance sheets and entice them to lend.

But economists are sceptical about whether the plan will work, saying bank lending to private euro zone businesses needed to grow at a 3pc annual rate on a sustained basis to stir inflation.

August lending rates are nowhere near such levels.

In August, loans to the private sector continued to fall, down 1.5pc from the same month a year earlier after a contraction of 1.6pc in July, ECB data showed yesterday. Private sector loans have not grown since April 2012.

"It remains questionable as to how much all the liquidity measures announced by the ECB will encourage banks to lift their lending," IHS Global

Insight economist Howard Archer said.

"...it is also questionable how much businesses' demand for credit will pick up while the economic and political outlook looks so uncertain," he said.

Draghi told Lithuanian business daily *Verslo Zinios* in an interview published yesterday a continued weakness in credit growth was likely to curb the euro zone recovery.

Euro zone companies rely mainly on bank funding rather than capital markets, which is why it is so crucial to fix lingering problems in the sector.

For that purpose, the ECB is putting the bloc's top banks through a thorough review of their balance sheets to weed out bad loans, update collateral valuations and adjust capital.

The picture varies across the euro zone. While lending to companies in Ireland fell at an annual rate of 11.8pc

SSG appoints Mike Orlov as partner

MANAMA: SteppingStone Global (SSG) has appointed Mike Orlov as a partner.

"We are delighted to have Mike join the company given his experience and skills and the alignment of his values with those of SSG," said company founder and president Jean Nicolai.

He added, "With more than 70 written recommendations and many hundreds of endorsements on his LinkedIn site, Mike not only has an enviable career, but has been recognised as an exceptional operator by the people who have worked with him."

"With SSG committed to consulting, coaching and training where the individual is at the core of the work, it operates on a value-system which ensures success for any company using its services, I am looking forward to being

part of the company's continued success," Mr Orlov said.

"SSG is more than a classic consulting firm, more than a coaching service and so much more than a training company," he said.

Earlier, he was chief executive at Primedia International, an organisation with offices across the GCC and headquartered in Bahrain.

Mr Orlov has 35 years of experience in the industry. He has been a publisher of magazines in the UK and the UAE, ran a national newspaper advertisement sales team in the UK, held a board directorship at the *London Evening Standard* and been a director of one of Northern & Shell's businesses. Having launched brands in Dubai for ENG, Mr Orlov was also chief performance officer for the business intelligence firm News Group International.



■ Mr Orlov