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CIB joins global women banking alliance

Advancing women in small to medium-size enterprises

By Najla Moussa
Daily Star Egypt staff

CAIRO: The Central Bank (CIB) of Egypt, the fifth-largest financial institution in the country in terms of asset size, has just become the first Middle East and North Africa (MENA) regional member of the Global Banking Alliance for Women, a consortium of best practices banks that leverage the women's market for profit as well as social good, founded by a group of banks recognized by the Organization for Economic Cooperation and Development (OECD) for their role in advancing the growth of women in business worldwide.

At a full-membership signing ceremony that took place at the 2006 Global Summit of Women in Cairo (of which CIB was one of the main sponsors) in the presence of Minister of Investment Mahmoud Mohieddin, the alliance recognized the bank's leadership in the retail women's market as well as its recent partnership with the International Finance Corporation (IFC), the private sector arm of the World Bank Group, to develop a women entrepreneurs program.

"Women entrepreneurs have the potential to create much needed jobs for our country," said Mohieddin at the ceremony. "I applaud CIB Egypt for their vision and commitment to Egypt's economic growth and development."

According to the International Finance Corporation's (IFC) Gender Entrepreneurship Markets (GEM) 2005 report on Egypt, Egyptian women still lag far behind men in their participation in the la-

bor market, despite strides in women's economic participation. While the total female labor participation rate has increased over the past decade from 18.48 percent in 1994 to 24 percent in 2004, the highest unemployment rates are among the young and educated women in rural areas. Although women's participation in the labor force has grown five times faster than men's, their rates of unemployment

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continues to be between two to three times that of men's unemployment rate.

Women are largely employed by the public sector, accounting for almost one-third of government employees (32 percent in 2004). In the private sector, women constitute one-sixth (16 percent) of employees.

The estimated female participation rate of women in the micro, small and medium enterprises (MSME) sector in Egypt is 18 percent of the total number of MSMEs. Women-owned and operated businesses are still overwhelmingly in the micro enterprise sector, with less than 3 percent in the SME sector. Many private companies are still unregistered but there is approximately 10 to 15 percent female ownership amongst Egypt's listed private companies. This number could actually be smaller as family-owned businesses often register the business in the woman's name so that the male in the family can retain privileges of state employment, or to reduce taxation, according to the report.

Findings of the 2005 Egypt Investment Climate Assessment (ICA) also indicate that female-owned firms, though smaller, are increasingly found in new sectors and are active in more intensive non-traditional exports, with larger numbers of female employees demonstrating higher performance.

"We at CIB consider becoming women's bank of choice as a long-term strategy to meet the demand for tailored financial services by an ever-increasing number of women entrepreneurs in Egypt. To this end, we see our partnership with IFC and the Global Banking Alliance for Women as a strategic opportunity to further pro-

mote women's entrepreneurship in Egypt and the Middle East region overall," said Mohamed Ashmawy, CIB's first vice-chairman and managing director.

CIB is one of the few privately owned Egyptian banks that have zeroed in on an untapped customer segment in financial services; women. The bank offers a "businesswomen's club" to discuss investment options and provides female clients with information-sharing and swapping seminars. The bank has also sponsored women-related charity events, such as the Run for Breast Cancer Cure, and has launched a card for women, under the name Heya, the Arabic word for "she."

CIB Egypt's staff also reflects gender equality in a male-dominated industry. Currently, two of the seven board members are women, while 45 percent of the bank's senior management and 60 percent of overall staff are female.

Since 2005, the Secretariat of the Global Banking Alliance for Women has been housed at the headquarters of the International Finance Corporation (IFC), within its Gender Entrepreneurship Markets (GEM) unit.

The IFC's GEM program, launched in December 2004, is a new initiative to mainstream gender issues throughout IFC operations, and addresses the economic inefficiencies and social inequities that arise when aspiring businesswomen are prevented from realizing their potential because of gender inequality, while, at the same time helping to better leverage the potential of women in emerging markets.

Through the Alliance, the IFC and CIB are aiming to assist women in business, particularly those of SMEs, an industry the IFC takes special interest in. While the IFC and CIB have partnered up to support SMEs in the past, such as in September 2003, when the two private arms signed a major advisory service mandate to assist in developing retail and SME finance operations, this is the first occasion where women in SME projects will be addressed.

"As CIB's partner, we at IFC look forward to working closely with CIB to further enhance its ability to reach women customers, especially women owners of small and medium enterprises," said Mary Porter Peschka, IFC's senior operations manager, Private Enterprise Partnership, Middle East and North Africa (PEP-MENA).