

DOWN TO EARTH

Growing Popularity of Consumer Credit Schemes

By A S M Nurunnabi

A newly-opened private commercial bank has lately given wide publicity to its consumer credit scheme designed to enable persons of limited income to acquire things which will ensure a better life style for them. The per capita income of our people being low, a large percentage of them lead a life with its characteristic feature of hand-to-mouth existence. For such people, bereft of any savings, it is not possible to buy any necessary household appliance or items of entertainment/furniture which make for an easy and better life style.

The main objective of the scheme is stated to follow a welfare-oriented policy to help these sections of people to purchase with payment of small amount in instalments the necessities of life which the well-to-do can afford with their ready money.

There is nothing innovative about the scheme. A couple of other private banks are already operating such kind of scheme but it is less publicised and entails a comparatively higher percentage of security coverage for such loans to be used for purchase of a limited range of products. The distinguishing feature of the present widely-publicised credit scheme of the new bank is its wider range of products available for household, commercial or professional needs, with graduated scales of security deposit and risk money depends on the kind of product the loanee wants to procure under the scheme.

In many developed countries, such credit facilities are easily accessible to the public. Such schemes are popular there because creditors of those countries, by and large, show themselves punctilious and responsible in repaying loan instalments.

The consumer credit facilities offered by the new bank are available for permanent employees or those holding substantive appointments under government, semi-government, autonomous organisations, corporations, banks and other services.

The maximum amount of loan admissible under the scheme is Tk one lakh but for purchase of cars, the maximum amount is Tk 5 lakh. The amount of loan admissible to a loanee is determined on the basis of his income and assets. And the item is purchased through the bank and it is hypothecated to the bank till the loan money is fully repaid.

A foreign bank operating in our country has its own consumer credit schemes. It also gives publicity to its schemes with catchy slogans such as: "The good things in life are yours for the asking... Whatever it is you most want to buy, do it right now. The bank can help you do it." Claimed to have been designed for comfort and convenience of intending loan applicants, the loan can be used for any worthwhile purchase or purpose and for any amount ranging from Tk 40,000/- to Tk 5 lakh.

By way of security for the loan, the scheme requires hypothecation over the asset to be purchased and a lien over another asset of sufficient value. The scheme is claimed to offer a high degree of flexibility with repayment options of 12, 24, or 36 months.

The same bank has another scheme for an engineering/architectural graduate with a business/consultancy in order to help procure any professional/office equipment, such as video projector, computer, fax machine, etc. The maximum amount of loan admissible under this scheme is Tk 5 lakh repayable in 12-48 equal monthly instalments at competitive rate of interest.

Since the concept of consumer credit is comparatively new, some amount of security formalities are inevitably required to be observed to protect the interest of the sponsoring bank. Such formalities include deposit of an initial amount of collateral security in some format or another, sometimes a guarantee by a third party, etc. With some banks, the scope of the credit scheme is limited to

employees of government departments and other organisations. It is hoped that as the culture of regular payment of instalment dues on account of a loan develops, the system may be liberalised in the matter of initial security deposit and other aspects on the lines followed in some developed countries in the West. If that happens, it will open up greater opportunities for consumer credit facilities through other banks also, thereby playing a helpful role in improving the socio-economic level of the people.

Moreover, this new consumer credit facility, though not much in its overall significance, can play some part in utilising our banks' present liquidity overhang.

The Bangladesh Bank has introduced extended banking hours up to 3 pm on all weekdays except Thursdays when the banking hours extended up to 12 noon. The extended period of banking hours is welcome on all hands, as it provides longer business hours to the clients. But lately, it has been observed that some branches of a nationalised bank have introduced a rule of their own under which all bills for utility services such as gas, electricity, etc. will be received up to 1 pm. This rule, whether endorsed by the Bangladesh Bank or not, greatly restricts the convenience of consumers intending to pay up their bills within the extended period up to 3 pm.

As at present, no business is transacted in nationalised banks from 1 pm to 2 pm to allow time for prayer and lunch. If in addition, no utility bills are accepted by some branches of these banks, clients approaching those banks are deprived of the advantage of extended period of banking hours. It is felt that in the interest of the clients, such restriction in the matter of acceptance of utility bills, as practised in some of the banks, be withdrawn immediately. The Bangladesh Bank may kindly look into the matter.



A truck procession was brought out in the city Thursday on the occasion of Eid-e-Miladunnabi.

Patients spend Tk 200 cr a year for treatment abroad

By Staff Correspondent

Bangladeshi patients spend at least Tk 200 crore a year in foreign exchange for treatment abroad.

This is mainly due to high cost and poor quality of medical services in the country, according to speakers at a seminar titled "Role of Private Market in the Health Sector of Bangladesh" here.

The seminar was organised jointly by the Centre for Development Research, Bangladesh (CDRB) and the American Institute of Bangladesh Studies (AIBS) at the Women's Voluntary Association (WVA) auditorium in the city recently. Chairman of CDRB Dr Mizanur Rahman Shelley presided over the seminar.

Dr M Mahmud Khan, the main speaker at the seminar

said that the financial benefit received by physicians for referring patients to clinics or laboratories must be stopped. He also said that the government should encourage formation of local consumer groups to monitor the health care providers.

Suu Kyi has line of communication with junta

RANGOON, Aug 11: Myanmar democracy leader Aung San Suu Kyi said today she had a line of communication with the military government but declined to say if progress had been made towards the dialogue she has called for, reports Reuters.



A model of the sculpture which will be erected at the TSC road island.

Workers demand safety measures in garments units

By Staff Correspondent

Garments workers yesterday staged demonstrations in the city protesting the recent death of nine garments workers in two garments factories and demanding safety measures in factories.

The National Garments Workers Federation and the Srama Vikasha Kedyra Kedra jointly organised a protest meeting in front of the Jatiya Press Club and brought out a procession in the city as part of their 'protest day' programme.

Constable dies in road accident

From Our Correspondent

NARAYANGANJ, Aug 11: A police constable was killed and two were injured in a road accident at Keudhala on Dhaka-Chittagong highway under Bandar thana in the district last night.

Anti-terrorism sculpture to be erected on TSC island

By DU Correspondent

A sculpture depicting 'anti-terrorism' will be erected on the traffic island in front of the Teachers Students Centre (TSC) of Dhaka University.

The 21 feet high sculpture with figures of eight young girls and boys will symbolize the peace-loving students across the country. It will be the biggest sculpture in the country, according to sculptor Shyamol Chowdhury. Primary work has already been completed, he told The Daily Star yesterday.

The sculpture will be dedicated to the memory of Moin Hossain Raju, a leader of the Bangladesh Chhatra Union, who was gunned down during an anti-terrorism procession on March 13, 1992.

Dhaka University will bear the estimated cost of Taka 10 lakh of the sculpture.

Miladunnabi

From Page 1

MPs, diplomats and civil and military officials attended the milad.

All thana and district administrations, universities and other educational institutions also drew up programmes on this occasion.

Bangladesh Television and Radio Bangladesh put up special programmes highlighting the significance of the day. Newspapers carried special supplements.

Bangladesh missions abroad also arranged programmes in celebration of the day.

The Bangladesh Nationalist Party (BNP), Awami League and other political parties held discussions, seminar, Quran Khwani and milad mahfil on the day.

Improved meals were served to the patients in different hospitals, inmates of prisons, children of baby homes and vagrant and destitutes.

Jasne Julius Eid-e-Miladunnabi, grand processions to mark the day were brought out by the Ahle Sunnat Wal Jamaat, Bangladesh Imam Parishad, Antarjati Hubbar Rasul Olkya Parishad, Ahla Darbar Sharif of Chittagong and the Kendrio Fulkuri Ashar.

The Ahle Sunnat Wal Jamaat also organised a seminar on the significance of the day at Mirpur Section Crossing 1.

Jatiya Press Club arranged a milad mahfil while the Bangla Academy held a discussion and the Bangladesh Shishu Academy arranged children's programme on the occasion.

HC order for release of Eliadah stayed

Justice Latifur Rahman, judge of the Supreme Court, granted a stay till Sunday of a prayer of the prosecution on the operation of the High Court's order releasing the American college girl McCord Eliadah convicted of drug trafficking, on completion of minimum jail term, reports BSS.

Deputy Attorney General Shamsul Alam, who pleaded the case in the High Court on behalf of the state, went to the residence of Justice Rahman Wednesday night to pray for the stay of the High Court order.

The two-member bench of the High Court on Wednesday ordered release of Eliadah after reducing her punishment from life imprisonment to two years' rigorous imprisonment on grounds of 'benefit of doubt' on the quantity of heroin she was carrying at the time of her arrest in February 1992.

Deputy Attorney General said the prosecution would file an application to the Supreme Court on Sunday seeking its leave to challenge the High Court judgement.

The Midnight File

US, France to seek meeting of 'contact group' on Yslav crisis

PARIS, Aug 11: French and US officials today agreed to seek a speedy meeting of the five-nation 'contact group' on the Yugoslav conflict, official said here. The meeting of the group, comprising Britain, France, Germany, Russia and the United States, would be aimed at restarting the peace process, a statement issued by the office of French President Jacques Chirac said, reports AFP.

Most of FBCCI leaders loan defaulters: JSD

By Staff Correspondent

Jatiya Samajtantrik Dal (JSD) leaders Kazi Aref Ahmed and Hasanul Haq Inu yesterday alleged that the present leadership of the Federation of Bangladesh Chamber of Commerce and Industries (FBCCI) was criticising politicians in 'an indecent way.'

'Most of the chamber leaders, including its President Salim F Rahman are bank loan defaulters. They should not be allowed to interfere with the political process of the country,' the JSD leaders said in a joint statement. This statement follows the statement issued by FBCCI Vice-President Rashiduzzaman Duda recently.

Tk 2.5 cr realised as fines from vehicle owners

The Dhaka Metropolitan Police (DMP) during the 18 months till June has realised about Taka 2.5 crore as fines from motor vehicle owners for violation of traffic rules and related offences.

Flexible labour market

From Page 1

Bangladesh is characterised by structural inefficiencies due to shortcomings in the labour laws, weaknesses in enforcement of labour laws, politicisation of the trade unions and excessive government interference in labour relations.

The labour market inefficiencies contribute to increase in wage costs unmatched by productivity, and discourage investment, both local and foreign, the MCCI observed.

On the other hand, a flexible market can efficiently allocate labour to emerging opportunities, link real wages to productivity, encourage firms to restructure themselves to remain competitive and strike a balance between employment generation and job security.

'Excessive government intervention has, however, prevented Bangladesh's labour markets from achieving these objectives,' the MCCI said stressing the need for instituting a market-based reforms to eliminate government interference in the collective bargaining process.

The MCCI felt that reforms will also be needed to depoliticise labour to cease centralised influence on

Over 300 shanties gutted at Mirpur

By Staff Correspondent

More than 300 shanties were gutted in a fire at a slum at Mirpur Section-13 in the city Thursday.

The fire reportedly originated from an oven and quickly engulfed the Shahidbari slum.

Police said that the fire broke out at about 6:30 pm and continued for more than two hours.

Fire fighters from different parts of the city rushed to the spot and brought the situation under control.

Former BNP MP joins AL

By Staff Correspondent

Former MP and Rangpur BNP leader Matior Rahman Chowdhury, along with 500 workers, joined the Awami League yesterday, expressing confidence in the leadership of AL chief Sheikh Hasina.

Welcoming the new comers at her Dhanmondi office, Sheikh Hasina said their joining the Awami League would strengthen the on-going movement for elections under a caretaker government.

Party leaders Abdus Samad Azad, Zillur Rahman, Amir Hossain Amu, Tofael Ahmed, Anisul Haq Chowdhury and Advocate Elias Ahmed among others, were present on the occasion.

Clinton vetoes bill

From Page 1

the Security Council what one US official called compelling evidence, including spy photographs and eyewitness accounts, of mass machine-gunnings of Muslims by Bosnian Serb soldiers.

A UN spokesman in Sarajevo said the UN was demanding 'as hotly as we can' immediate access to the site, where as many as 2,700 Muslims may have been machine-gunned outside Srebrenica, captured by Bosnian Serbs last month.

The UN Security Council has ordered an investigation. To carry out the probe, the UN mission in Bosnia-Herzegovina has asked civilian Bosnian Serb leaders for

permission to travel to Srebrenica, the former UN-protected enclave in north-east Bosnia-Herzegovina, said Chris Vernon, a spokesman for the UN Protection Force (UNPROFOR).

Russia, highly critical of Croatia's successful offensive in Krajina, welcomed Serbian President Slobodan Milosevic to Moscow this week and threatened to lift sanctions unilaterally on Belgrade.

US National Security Adviser Anthony Lake, who arrived in Paris today for talks with the French government, will now meet Russian Foreign Minister Andrei Kozyrev on Saturday in the Black Sea resort of Sochi, Interfax news agency said.

SAARC states to help produce skilled manpower

KATHMANDU, Aug 11: South Asian countries on Wednesday agreed to cooperate in the production of necessary skilled manpower through the development of technical education and vocational training, reports Xinhua.

Hasina

From Page 1
dressed by Abdul Mannan, Begum Sajeda Chowdhury, Amir Hussain Amu, Abdur Razzak, Tofael Ahmed, Abdul Jalil, Suranjit Sengupta, Mozaffar Hossain Paltu and Dr Mostafa Jalal Mohiuddin.

Earlier, Sheikh Hasina flanked by party leaders offered *fatiha* and placed wreaths at the grave of Bangabandhu.

Tungipara AL unit organised a milad mahfil and Qurankhwani and fed the destitute on the occasion.

Meanwhile, Sheikh Hasina yesterday expressed deep shock at the sad demise of Sheikh Abdul Hasib.

President of Fakirhar Thana Awami League in Bagerhat district Abdul Hasib, who was also a former chairman, died of cancer at a clinic here on Thursday.

Mostafiz

From Page 1

The government of Bosnia-Herzegovina has the right to get arms for self-defence under Article 51 of the UN charter, Mostafiz said.

The Foreign Minister further said that all territories occupied by Bosnian Serbs must be vacated.

Charge d'Affaires of Iranian embassy in Dhaka attended the function as special guest. It was also addressed by president of Islamic Lawyers Association A B M Nurul Islam, editor of the 'New Nation' Alamgir Mohiuddin and editor of the daily Meillat Chowdhury Mohammad Faruque. Society president H K Abdul Hye presided.

Trucks carrying stones, cement for JMB stranded

CHAPAINAWABGANJ, Aug 11: Some 500 trucks were stranded near Sonamasjid land port in Shibganj thana of the district after a culvert on the Sonamasjid-Kansat road had collapsed last Thursday, official sources said today, reports UNB.

Most of the trucks carrying stones and cement for the Jamuna Multipurpose Bridge from India had to be stopped there since Thursday evening.

PM: Opposition

From Page 1

for Education programme, now being carried out in 1,000 unions of the country, will soon be extended to another 200 unions.

The government is also planning to bring municipal areas under the free education for girls programme. Home Minister Abdul Matin Chowdhury, State Minister for Water Resources Mosharef Hosain Shajahan, Major (ret'd) Abdul Hafiz MP, Abdul Jabbar Engineer, Gazi Nuruzzaman Babul and Sharif Nazrul Islam also spoke.

Dr Kamal

From Page 1

through by-elections to fill in the Opposition-vacated seats. While the political crisis is deepening day by day and the government and the Opposition are moving towards a more problematic situation, he said.

Dr Kamal further said that defaulters were again active in politics and this is bad omen for the nation.

Acting general secretary of Gano Forum Mofizul Islam Khan Kamal placed an organisational report at the meeting which was also addressed by party leaders M Kafiluddin, Advocate Kholiquzzaman, Jamil Chowdhury, Advocate Emdadul Islam, Advocate Nazrul Islam Dulu, Advocate Kazi Abdul Salam, Sanakar Bosh, Advocate Ronesh Moitrya, Advocate Khatibuddin, Jane-Alam, Sadek Ali, C M Murshed, Advocate Zahurul Islam, Dr Abdul Hakim and Nripen Gost.

Sultan museum

From Page 1

College Shaikh Saadi Bhuiyan took part in the discussions.

The minister said late S M Sultan had wanted to educate the masses and bring them to light from darkness. 'Late S M Sultan was against those who do politics in the name of religion,' he said, adding, 'despite all efforts it will not be possible to protect the art works of the late artist if fundamentalism is not checked.'

Speaking about the art works of S M Sultan, Tariqul Islam said he did not create any unintelligible art piece. 'Rather, he used to draw the pictures of hard working, strong, and well-built people who produce to live let others to live,' he said.

Tariqul Islam, however, called for remaining alert against the fundamentalist force Jamaat.



Israeli Foreign Minister Shimon Peres (L) and PLO Chairman Yasser Arafat shake hands yesterday at the Red Sea resort of Taba, Egypt, after announcing an overall agreement on extending Palestinian autonomy on the West Bank. (Story on page 8)

— AFP photo