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The Daily Star BUSINESS

DHAKA, FRIDAY, MAY 7, 1999

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Kibria on microfinance institutions Time has come for regulating their lending activities

Finance Minister Shah AMS Kibria has said the microfinance institutions (MFIs) in the country should not behave like the 'intermediate money-lending class' and the organisations should try to uphold their dignity and international reputation, reports BSS.

"The concept of micro-finance, which was innovated in our country, has created enthusiasm in different countries across the world including affluent nations like the United States," he said, adding "issues like alleviation of poverty or empowerment of women are basically global in nature."

Kibria was addressing the inaugural session of a work-

shop titled 'Emerging Issues in Microfinance' jointly hosted by Bangladesh Institute of Development Studies (BIDS) and Palli Karma Sahayog Foundation (PKSF) at BIDS conference hall at Agargaon in city yesterday.

Director General of BIDS economist Abu A Abdullah, Managing Director of PKSF Salehuddin Ahmed and BIDS researcher Sajjad Zohir also addressed the opening session.

Kibria said the MFIs or the NGOs should immediately frame their own financial regulatory system, as the current interest rate is intolerable to the poor people.

The Finance Minister said

that the government had no intention to stifle the innovative approaches and ingenuity of the non-government organisations serving as MFIs by introducing regulatory arrangements.

"Time has come for setting up regulatory system to streamline the microfinance enterprises of the MFIs or the NGOs," he opined.

Kibria added: "It becomes an exploitation when an MFI is borrowing at the rate of 3 to 5 per cent interest from PKSF or other funding agencies and lending the same money at the rate of 20 to 25 per cent to the poor group members."

The finance minister said that the microfinance insti-

tutes were meant for curbing the unhygienic money-lending practices in the countryside, which unfortunately had historic its footings in the rural economy of Bangladesh.

He said great leader Sher-e-Bangla A K Fazlul Haque launched political campaigns against such financial practice to ensure welfare of the poor farming families.

Referring to impact of micro-credit, the Minister said growth of the economy is integrally related with the performance of microfinancial endeavours and the impact of micro-credit would be much lower where the economy is stagnant.

Expats remit Tk 5.59cr in April

Expatriates Bangladeshis sent over Tk 4.59 crore in foreign currencies through money orders during the month of April, said an official handout, says UNB.

With this, the total remitted amount of the current fiscal stands at Tk 65.51 crore.

The money sent by the Bangladeshis living abroad has been distributed among the receivers at different parts of the country.

WC Cricket drive
Rangs Electronics
offers price
discounts, gifts

Star Business Report
Rangs Electronics has offered price discounts and attractive gifts for all TV buyers from the Showrooms of its authorised dealers.

The offer was announced on the occasion of opening the World Cup Cricket campaign recently by the Managing Director of the company Akhtar Hussain, says a press release.

The Managing Director reiterated the company's pledge to make SONY RANGS products and services more easily available to prospective buyers.

M Gani, Director, Sabur Ahmed, General Manager, and other senior officials of Rangs Electronics Limited were present on the occasion.

**Singer opens
showroom at
Pallabi**

Singer Bangladesh Ltd opened its 70th showroom-cum-sales centre at city's Pallabi on Wednesday, says a press release.

Chairman and Managing Director of the company Mabuh Jannil inaugurated the new showroom, which reflects Singer's adherence to its commitment.

With the opening of Pallabi shop, the number of Singer showroom-cum-sales centre stands at 70, including 16 in the capital. The opening of the new shop is also an effort on part of the management to bring the country under its marketing network.

Management committee members, executives of marketing and marketing services of Singer were also present on this occasion.

Singer products like refrigerator, colour television, fan, iron, rice cooker etc. will be available at the shop.

DHL to sponsor World Express & Mail Confe

DHL Worldwide Express will sponsor the 10th World Express and Mail Conference, to be held at the Palais De Congress in Brussels between the 17th and 19th of May, says a press release.

As host sponsor, DHL has been actively involved in the planning of the conference programme, which include sessions on postal legislation, international express network development, innovations in express and mail delivery around the world and the impact of electronics and telecommunications revolutions on the distribution industry.

The underlying theme of the conference is gaining competitive edge through partnerships.

The European Logistics Manager of Lucent Technologies will join Patricia Hanigan, DHL's Hi-Tech Industry Development Manager for Europe and Africa, to explain how the two companies have worked together to create and implement a tailor-made global logistics solution for Lucent.



Akhtar Hussain, Managing Director of Rangs Electronics, opens the company's World Cup Cricket campaign recently.

Rangs Electronics photo

Dubus reelected CCIFB president

Star Business Report
Francis Dubus, Country Manager of Credit Agricole Indosuez, has been reelected president of France-Bangladesh Chamber of Commerce and Industry (CCIFB) for the second consecutive term at its annual general meeting on Wednesday.

The annual general meeting (AGM) held at CCIFB's office in the city also elected a 12-member executive committee for the next two years (1999-2001).

AKM Shamsuddin, Managing Director of Rhone-Poulenc Rorer Bangladesh and Benjamin Kharlakian, Project Manager of Alcatel have been elected vice-presidents.

All members of the last two executive committees, excepting Paul Galzi of BCEOM and Roy Hutton of Societe General have been reelected. They have been replaced by Michel FOLLIET, Managing Director of Lafarge Surma Cement Ltd and MA Qayum Khan of Bureau Veitas Bd Ltd.

French Ambassador in Bangladesh Renee Veyret is the honorary member of the executive committee.

The AGM also approved the accounts of the Chamber for the year ending December 31, 1998 and the budget for 1999.

ROk receives \$3.6b overseas construction orders

SEOUL. May 6: South Korea received overseas construction orders worth 3.6 billion US dollars in the first four months of the year, nearly four times than for the same period last year, officials said today, reports AFP.

A construction and transportation ministry official said it was likely South Korea would meet its target of bringing in 7.0 billion dollars worth of orders this year.

"We should have no difficulty reaching our target," he said. Mexico topped the list with orders worth 929 million dollars, followed by Iran with 820 million dollars, Thailand with 395 million, Singapore 275 million, Hong Kong 229 million dollars and Saudi Arabia with 163 million dollars.

Korean companies have seen a rapid expansion in the number of large projects secured in such fields as oil exploration and oil refining this year, in tandem with the recovery of the economy and the ensuring rising international credibility of the nation," a ministry official was quoted as saying by the Korea Times.

Tofail asks sugar mill workers Raise output, or face liquidation

RAJSHAHI, May 6: Commerce and Industries Minister Tofail Ahmed yesterday asked the sugar mill workers to raise production or face liquidation as the exchequer could not bear huge losses every year, reports UNB.

"All mills have to be made profitable by cutting overhead expenditure and shedding off excessive manpower for the sake of their existence in this era of free market economy," the minister told the workers.

Addressing a workers' rally at the Rajshahi Sugar Mills

ground, Tofail urged them to devote greater attention for making the mills profitable.

The present government has created an environment for industrialisation by removing the anomalies.

Citing examples of high recovery rate by sugar mills in Pakistan and India, Tofail Ahmed asked the workers to find ways and means for raising the recovery rate in their mills to bring down production cost.

Sunflower emerging as new cash crop

Sunflower growing as one of the oil seed crops is becoming gradually popular among the country's farmers with the widening demand of edible oil.

The agriculture experts told BSS that Sunflower farming was less risky because it could stand adverse weather conditions and could be sown and cultivated in winter as well as in summer.

The BSS' Chapainawabganj correspondent, one of the districts where cultivation of Sunflower has become popular, said an increasing number of farmers were bringing more and more acres under sunflower cul-

BA hostess strips for bet

LONDON, May 6: A British Airways air hostess set the pulses of Italian baggage handlers racing when she stripped down to her underwear and ran around a Boeing 737 at Genoa airport, the press reported here.

The attractive 23-year-old blonde, waiting to recrew an incoming plane, had bet a colleague that she would perform a half-strip if the BA flight arrived early — which it did.

She amazed passengers and baggage-handlers by walking down the aircraft steps dressed only in shoes, knickers, a loose-fitting safety-waistcoat and the captain's cap.

The BA air hostess then sprinted around the length of the jet "smiling and wiggling" according to onlookers.

The captain on the Sunday flight to Genoa's Christopher Columbus airport reportedly knew of the bet and made every effort to fly in ahead of schedule, taking advantage of favourable wind conditions and uncongested air traffic space.

An airport official told The Daily Telegraph: "I did not see it. But there were a lot of baggage handlers and customs people here who did, and they are still talking about it."

"She was really attractive and it was apparently quite something. I wish I had seen it. She had a yellow tabard, which is the safety vest all personnel must wear on the runway to be visible to other aircraft. As far as we are concerned, she did not break any rules."



Charles Jamieson, Managing Director of the Australian Trade Commission, along with Charles Stuart, Australian High Commissioner in Bangladesh, Gerard Lanzarone, Executive General Manager of Austrade-Middle-East & Indian Ocean Region, and Mike Moignard, Senior Trade Commissioner of Austrade South-Asia, met Mahbub Jamil, President of the Metropolitan Chamber of Commerce and Industry, Dhaka and C K Hyder, MCCI Secretary-General, at the Chamber on Thursday.

— MCCI photo



Muzaffar Ahmed, ICMAB President, at a discussion session on the national budget in yesterday.

The Institute of Cost and Management Accountants of Bangladesh (ICMAB) has proposed a 10 per cent tax rebate for industrial undertakings.

Presently, both the industrial and trading undertakings are paying taxes at equal rates. But considering the need for rapid industrialisation and efforts required to run an industrial undertaking profitably, we feel that some sort of tax incentives would bring a positive result," said Muzaffar Ahmed, ICMAB President, at a discussion session on the national budget in yesterday.

One of the main reasons for industrial sickness in Bangladesh is the non-availability of working capital and to overcome financial constraints of the kind ICMAB suggested simplification of Tax Certificates (TFC).

"Banking and non-banking companies having surplus funds may also invest in TFCs instead of providing working capital to minimise lending risks."

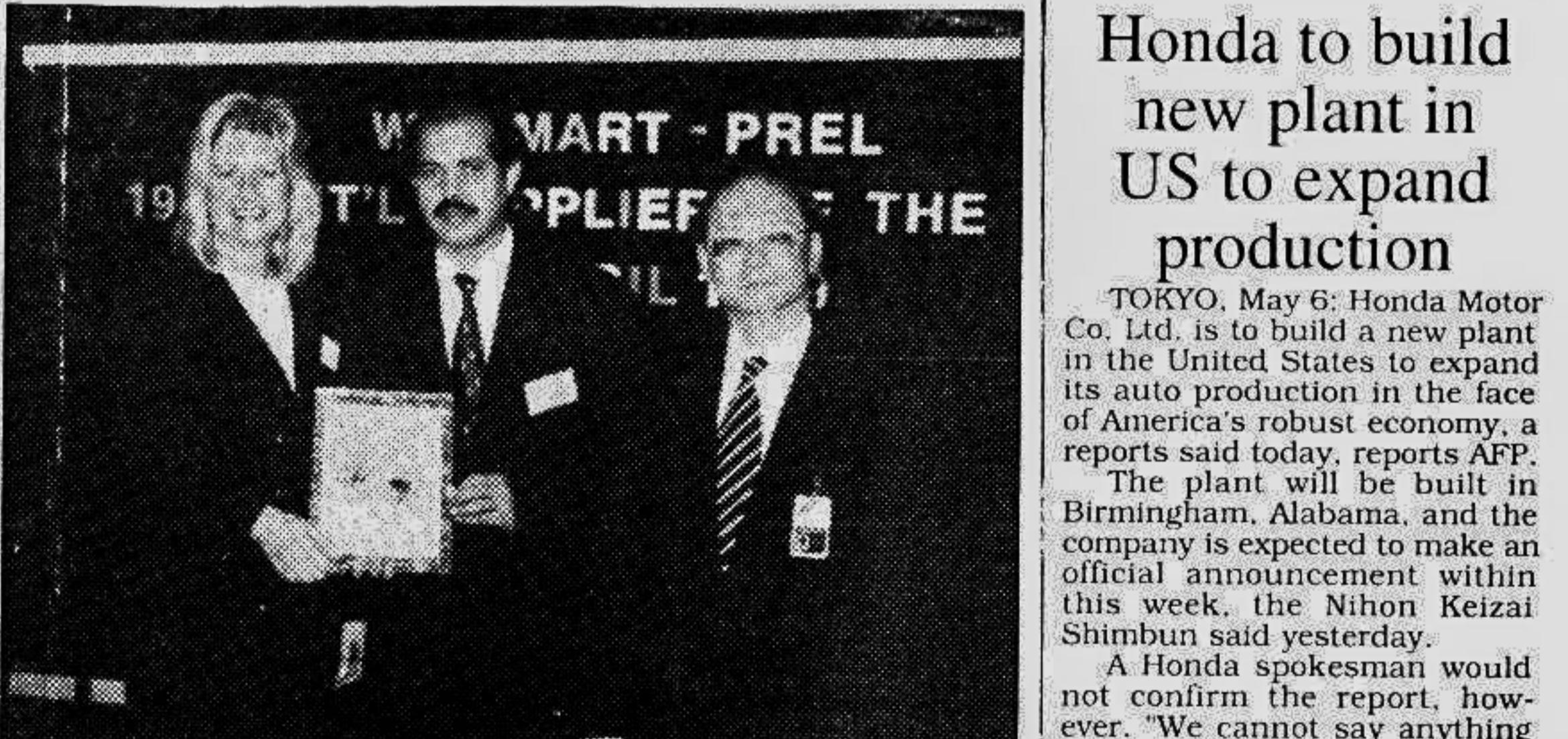
Proposing VAT rate reduction from the existing 15 per cent to 10 per cent, he added "VAT has dual taxation impact. This may bring huge amount of revenue even by reducing the rate provided it is properly administered."

In order to encourage the export-oriented industries, tax rebate for them should be raised from 50 per cent to 75 per cent, he said.

In view of the very poor savings and GDP growth rate in Bangladesh, tax credit should be increased from 15 per cent to 20 per cent and the upper limit be raised from 20 per cent to 25 per cent. Ahmed said that in order to get further benefit from this simplified procedure, benefits may be extended for the interest on savings and fixed deposits, income from lottery, manpower export, insurance commission and indents.

The ICMAB president said trade liberalisation has put the country's products in a situation where there is no alternative to competing imported goods. Under SAPTA, many products from neighbouring countries are entering the local market without facing any duty and or by smuggling.

India and Pakistan have raw materials and they have an edge over Bangladesh. "Therefore, we suggest that the government rationalise the duty structure of imported raw materials in order to make the local products cost-effective, provided these guarantee quality," he added.



Md Atiqul Islam, Director of Islam Garments Ltd, receives the Best Vendor of the Year Award from Vanessa Castagna, Senior Vice President of US Wal-Mart Stores Division. P L Shin, Vice President of Pacific Resources Export Ltd, is also seen.

The company would hire a 1,200 to 1,800 workforce for the plant.

A Honda spokesman would not confirm the report, however. "We cannot say anything at this time," he said. According to the report, Honda will make 3,000-cc sports utility vehicles at the plant with output targeted at 100,000 units a year after 2001.

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