

Jt Islamic banks-insurers move can boost economy

President opens two-day int'l confce on *takaful*

BSS, Dhaka

President Prof. AQM Badruddoza Chowdhury yesterday said insurance is considered to be the most effective and economic way of compensating the loss arising out of untoward happenings.

"Human life is full of uncertainty. One cannot avoid risk of life and property fetching unforeseen contingencies and hence the concept of insurance took its shape in various ways," he said while inaugurating the International Summit on Takaful (Islamic insurance) Dhaka-2002 at a local hotel.

The President said it is a socio-economic institution that reduces risk both to the society and the individual as well. It is a scientific basis and is effected by legal contracts, under which the insurer is promise-bound to compensate the insured for a defined loss suffered during the tenure of contract, he added.

Jointly organised by Islami Insurance Bangladesh Limited and Islamic Banking and Finance Institute, Malaysia, the function was addressed by State Minister for Commerce Md. Barkat Ullah Bulu, Chairman of the Islami Insurance Bangladesh Limited Mohammad

Sayed, Managing Director ABM Nurul Huq, Chairman of the Executive Committee Tofazzal Hossain and Chief Executive Officer of Islamic Banking and Finance Institute, Malaysia Mustapha Hamat.

The President said Islamic scholars are not happy with the present form of insurance; they feel that it is not fully justified according to Islamic Shariah.

This confusion is wide and absence of clear guidelines have prevented a section of Muslim population from taking up insurance protection, he said, adding such confusion initiated thorough research and examination of Islamic principles and the Muslim scholars and economists have now come out with a clear conception about co-operative system of insurance other than the existing one.

The President said accordingly, it has been devised that Islamic alternative to insurance is 'Takaful' which means solidarity and mutual cooperation.

"We believe, Islam is a complete code of life. Almighty Allah has given us all kinds of guidelines through divine revelations in the Holy Quran and practical implementation of those guidelines through our

Prophet (SM)," he said.

He said it is natural that the Muslims should practise Islamic economic principles, but at the same time we must accept the present system of economy which is based on western pattern and hence it is not an easy task to bring about a change in the existing system overnight compatible with realities of present day.

The president said although a few Islamic banks have been established in Bangladesh on the principles of Islamic Shariah code, no Islamic Insurance Company was established in the past.

This has now been fulfilled with the establishment of a few Islamic Insurance Companies, both general and life in Bangladesh, based on principles of Islamic Shariah code, he said.

The President said the combined efforts of Islamic banks and Islamic insurance companies will expedite the process in the existing economic system through mutual collaboration, adjustment and healthy competition without entering into conflict and clash with the conventional systems.



PHOTO: EBL

Khondokar Azharul Haque, Managing Director of Dhaka WASA, and K Mahmood Sattar, Managing Director & CEO of EBL, exchange documents after signing an agreement Monday in the city. Under the deal, the bank will collect Dhaka WASA bills.

EBL to collect Dhaka WASA bills

Eastern Bank Limited (EBL) will collect Dhaka WASA bills at its all ten branches in the city, says a press release.

K Mahmood Sattar, Managing Director & CEO of EBL, and Dr Khondokar Azharul Haque, Managing Director of Dhaka WASA, signed the deal on behalf of their respective organisations on Monday.

Golden Life Ins meet held in Rajshahi

OUR CORRESPONDENT, Rajshahi

A regional meeting of a project of Golden Life Insurance Limited was held at a local community centre in the city on Thursday.

Presided over by Rajshahi Regional Manager of the company Asad Hossain, the meeting was attended, among others, by the company's Senior Executive Vice President Kazi Ataur Rahman as chief guest and Joint Vice President Majedul Islam as special guest.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer
58.5500	58.5800	USD	57.4000	57.2314	57.1629
52.4898	52.5767	EUR	49.9473	49.7639	49.6873
84.2883	84.3303	GBP	81.0841	80.8176	80.2831
31.6095	31.6341	AUD	29.4556	29.3632	29.2831
0.4560	0.4561	JPY	0.4407	0.4405	0.4395
35.5811	35.6056	CHF	34.3893	34.2948	34.2103
5.7064	5.7115	SEK	5.4992	5.4816	5.4656
37.1621	37.1866	CAD	36.0366	35.9430	35.8598
7.5144	7.5157	HKD	7.3551	7.3374	7.3200
32.287	32.3085	SGD	31.3818	31.3380	31.2234
16.0710	16.0886	AED	15.4925	15.4706	15.4521
15.7369	15.7553	SAR	15.1905	15.1538	15.1356

Usance export bills

	TT Doc	30 days	60 days	90 days	120 days	180 days
USD	57.2817	56.9282	56.4564	55.9139	55.3242	54.0032
EUR	49.8522	49.5446	49.1340	48.6619	48.1486	46.9990
GBP	80.9103	80.4111	79.7447	78.9784	78.1554	76.2795

The local interbank foreign exchange market was subdued Saturday. Demand for dollar was sluggish, Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 10 and 11 per cent for the day.

Trade fair begins in Rajshahi Friday

OUR CORRESPONDENT, Rajshahi

A month long trade fair under the auspices of Rajshahi Chamber of Commerce and Industry (RCCI) begins at local Collectorate Ground here on Friday.

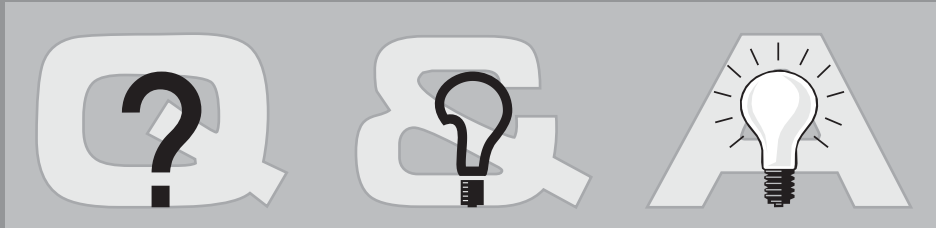
Post and Telecommunication Minister Barrister Aminul Hoque will inaugurate the fair.

Some 10 pavilions and 120 stalls will feature the fair, organisers said.



PHOTO: ACME

Acme Laboratories Ltd Deputy Managing Director Afzalur Rahman Sinha, Director Tanvir Sinha, among others, are seen at the company's Annual Sales Conference-2001 in the city yesterday.



Sunday Business Solutions

Do you have business problems? Write to us at:

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The Daily Star runs a business solution column which appears on Sundays. While running your business, you come across problems and wish someone would help. This column will provide you with insights to solve your problems. Write to us or to Sarwar Ahmed, MBA (sarwar@asia.com) who hosts this column.

What makes you tick?
In their book, *The Individualized Corporation*, Sumantra Ghoshal and Christopher Bartlett list common characteristics that make high performing organizations. Their model gives consistent emphasis to the human level and shows a philosophic background deviating from the traditional one of command and control, present in most of today's companies.

Perhaps this may sound all too theoretical in Bangladesh, but most of the thoughts are so akin to what I believe in that I thought I share some extracts with you. Companies face an increasingly dynamic global environment with fierce, knowledge-intensive competition. They can only survive and expand through a relentless combination of innovation and productivity improvements.

At the foundation of everything ... is a deep, genuine, and unshakable belief in the ability of the individual. Successful corporate leaders have recognized that the unique knowledge and capabilities (talents, energy, creativity, initiative) of individual employees are the most important sources of competitive advantage. Thus, their new management philosophy focuses on the power of the individual as the driver of value creation in the company and on the importance of individuality in management.

Management needs to reflect on its respect for the individual in a supportive culture that is open to questioning from below and tolerant of failure. Only in such an environment are individuals really empowered, since they have the freedom to take the risks required in changing the status quo.

Creating small performance units - at the heart of success is an organization composed of small independent units to which employees feel an intense loyalty and where entrepreneurial initiative is allowed to flourish.

ish. Inspiring individual initiative requires that individuals feel a sense of ownership in what they do; this is achieved in smaller units more easily than in large ones.

Developing self-discipline - In an environment where people enjoy more freedom, they go beyond the need to follow directives and conform to policies; in highly disciplined organizations they take responsibility for their own actions. The most powerful means of building discipline ... are to establish clear performance standards, democratize information, and develop a context of continuous challenge based on internal peer comparisons.

Developing individual expertise - recruiting and developing human assets are at the core of a company's competitiveness; a company must develop people who are hungry for knowledge. Continually stimulate employees through an education and development agenda. One of the great benefits of this investment in individuals' development is that in addition to adding to their value as human assets, such commitment builds strong bonds of personal loyalty to the organization.

Shaping people's behaviors - all the entrepreneurship and creativity most companies need are already present within their organizations but are stifled and debilitated by an oppressive internal atmosphere ... rather than focusing on changing individual behaviors, the more important challenge is to change that internal environment - "the smell of the place" - the behavioral context - that in turn influences people's behaviors.

A rebirth of professional management - management is, above all else, about achieving results through people. Not that there is no value to crunching numbers, analyzing trends, or restructuring activities. But these traditional responsibilities have, for too long, distracted managers from their most basic and most valuable role - being able to attract, motivate, develop and retain individuals with scarce and valuable knowledge and skills. It is a role that is, at the same time, both enormously simple and incredibly difficult.