

# NGOs should face action for illegal activities

Prof Yunus speaks to MCCI members

**STAR BUSINESS REPORT**

Grameen Bank Managing Director Prof Muhammad Yunus yesterday said steps should be taken against the NGOs if they are found involved in illegal activities.

He underscored the need for a legal framework and an independent regulatory body for the non-governmental organisations (NGOs).

"This has now become essential so that NGOs can collect funds for lending purposes from local sources instead of depending on external sources or grants," Prof Yunus said.

The Grameen Bank founder was speaking at a meeting with the members of Metropolitan Chamber of Commerce and Industry (MCCI) at its conference hall in Dhaka.

Many NGOs are being forced to shut down due to lack of funds as they were dependent on grants. But microcredit institutions are not facing

this type of problem, he said.

Grameen Bank, a microcredit institution, did not take any fund from external sources after 1995 and now its funds come entirely from savings and its own sources, added Prof Yunus, managing director of Grameen Bank.

The renowned microcredit institution has a total of 1,225 branches and about 34 lakh borrowers, 95 percent of whom are women.

Prof Yunus said Grameen Bank this year launched an exclusive microcredit programme for the beggars under which the bank is providing them with interest-free credit.

Speaking on the small and medium enterprises (SMEs) he said drastic changes are needed in the present financial policy to help the SMEs overcome their problems.

The SMEs are facing failure because of the existing banking system, he said adding, "Time has

come to think about a different banking structure for the SMEs, if needed."

Prof Yunus said the problems of SMEs should be looked into if the government really wants to make the economy vibrant.

He said the poor are still deprived of access to loan. "On several occasions bankers told me that poor people are not the right groups to get bank loans."

In his speech, MCCI President Kutubuddin Ahmed appreciated the role of Prof Yunus and his Grameen Bank in poverty reduction.

He said throughout the world Dr Yunus is recognised as a role model for accessing the poor, particularly women, with microcredit.

Bangladesh is the only country where microcredit outreach could cover 70 percent of the poor families while other countries could hardly reach even 10 percent, he added.

The MCCI chief said Grameen

Bank has improved the attitude of the borrowers towards repayment of loans, which has been a major problem in credit delivery in Bangladesh.

About the paradox of business-NGO relationship, he said Dr Yunus has proved that business and NGOs can play supplementary roles.

"In a globalised world, business and many NGOs will increasingly find that there is scope to work jointly for sustainable social and economic growth."

Kutubuddin Ahmed mentioned that Dr Yunus has been adjudged as one of the 25 most influential businesspeople of the world by a panel of professors from the Wharton School at the Pennsylvania University.

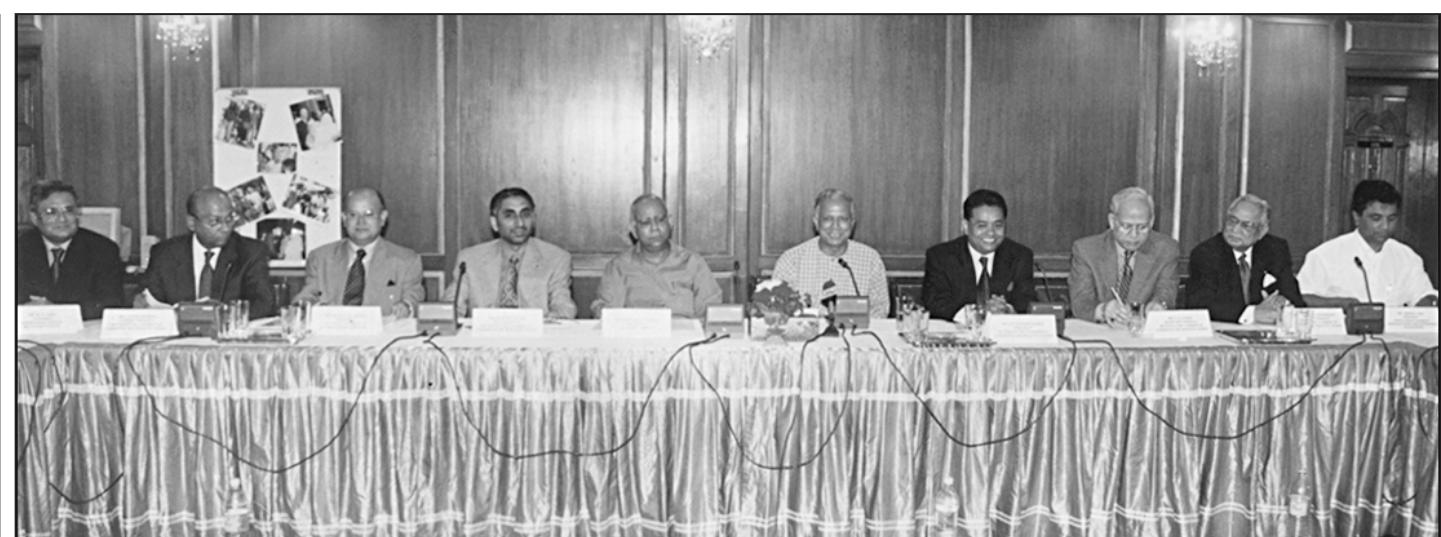
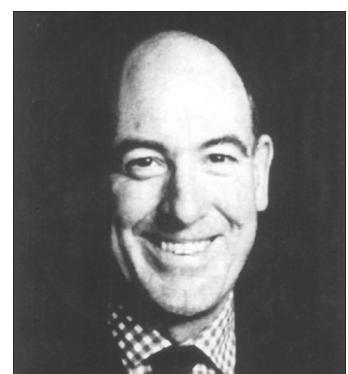


PHOTO: MCCI

Professor Muhammad Yunus (5th from right), managing director of Grameen Bank, speaks at a meeting with the members of Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka yesterday. Mahbubur Rahman, president of ICC-Bangladesh, Kutubuddin Ahmed, president of MCCI, Fazle RM Hasan, president of DCCI, MAAwal, president of BTMA, and Annisul Huq, president of BGMEA, are also seen in the picture.

Chairman of Ogilvy & Mather Asia Pacific in Dhaka



Miles Young, chairman of Ogilvy & Mather Asia Pacific, a Hong Kong-based advertising agency, arrived in Dhaka yesterday on a four-day visit.

He will have discussions with clients on developments and strategic move of Ogilvy & Mather (O&M), says a press release.

Young will also meet agency people in InterSpeed Advertising, an associate of O&M, to discuss business issues.

Young joined Ogilvy in 1983. He served in various important capacities in the O&M Direct Europe from 1990 to 1995. Then he moved to Hong Kong to take up the position of Chairman of O&M Asia Pacific.

**HSBC to extend loan to buyers of Honda cars**

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh will provide car loans to the customers of DHS Motors, the sole distributor of Honda vehicles in Bangladesh, at a preferential rate of 13 percent.

A memorandum of understanding (MoU) to this effect was signed between the two organisations recently, says a press release.

Mamoon Mahmood Shah, manager, Personal Financial Services of HSBC in Bangladesh, and N A T Rouf, director (Sales & Services) of DHS Motors, sole distributor of Honda vehicles in Bangladesh, signed the MoU on behalf of their organisations in Dhaka.

The customers will have to pay a nominal loan-processing fee.

**IBM clicks up stronger profits in 1st quarter**

**AFP, New York**

IBM clicked up a strong rise in first quarter profits, matching Wall Street forecasts as it notched up a double-digit percentage gain in earnings from last year to 1.6 billion dollars, the company said Thursday.

Big Blue said net profits struck 1.6 billion dollars in the first quarter, up 16 percent from the 1.4 billion dollars chalked up in the first quarter of 2003.

The computer and tech services leader said earnings per share rose 18 percent to 93 cents, in line with Thomson First Call estimates, compared with 79 cents in 2003.

## Opec allows members to produce beyond limits

Chief to visit Russia

**REUTERS, Jakarta**

Opec President Purnomo Yusgiantoro said on Saturday he would visit Russia to talk about the global oil market, adding the cartel was allowing members to produce above official output limits as oil prices stayed high.

Russia, the world's second-biggest oil exporter and a non-Opec country, recently suggested that the producers' cartel and non-Opec nations team up to bring sky-high oil prices down to protect global economic growth. Moscow feared that if prices stayed strong, global inflation risks would rise significantly.

Purnomo, who is also Indonesian oil minister, said he had received an invitation from the Russian government to visit the country.

"I may visit Russia before the Opec meeting in Beirut in June," he told reporters during a visit to a hydropower plant in Subang, 78

miles east of the capital, Jakarta. Asked about Opec's efforts to reverse oil prices, he said, "We currently allow (supply) leakage because prices have not yet fallen. We hope prices will be in the Opec range of \$22-\$28."

Production is currently still above quota because we allow them (Opec members) to produce more as prices are still high."

The Organisation of the Oil Exporting Countries agreed to cut output by one million barrels per day (bpd), or four percent, from April 1, worried that oil prices could fall once demand tapers off after the northern hemisphere winter.

But soaring Chinese demand, which Opec forecast would push world consumption growth to a four-year high, and low US oil stocks have kept US crude prices near a 13-year closing high above \$38 hit last month. New York crude settled at \$37.69 a barrel on Friday, up 17

cents from the previous day.

Strong prices have given Opec little incentive to cut supply from March levels, when production from the 10 members with quotas was around 2.6 million barrels per above the 23.5 million bpd ceiling that took effect this month.

The price for Opec's basket of crude rose to \$32.54 a barrel on Thursday, prompting Opec-member Venezuela, the world's fifth-largest oil exporter, to urge the cartel to adjust the top end of its preferred \$22-28 a barrel price target to \$30.

Venezuelan oil minister Rafael Ramirez said on Friday oil prices, which have held above the cartel's price band for all but one day since November, had been influenced by situations outside Opec's control, such as the conflict in Iraq.

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