

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 purpose 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, MA Awaal, president of BTMA, and Annisul Huq, president of BGMEA, are also seen in the picture.

Yemen Airways to start operation in Dhaka from next month

STAR BUSINESS REPORT

Yemen Airways will start its operation in Dhaka from May 23, airline's officials announced yesterday.

The airline will operate two flights a week on Sundays and Wednesdays, Basel H Alkershi, regional manager (Gulf and Far East) of Yemen Airways, told a press briefing in Dhaka.

"Initially, we will operate on Dhaka-Mumbai-Sana route but from October we intend to fly to the capital Yemen via Dubai," said Alkershi.

The airline also plans to operate its flights from Chittagong and Sylhet, he added.

The 50-year-old carrier will operate Airbus A310-300 having 12 business seats, 189 economy seats and twelve tons of cargo capacity.

Yemen Airways now goes to over 50 destinations including London, Frankfurt, Rome, Milan, Jeddah, Dubai, Doha, Mumbai, Jakarta, Johannesburg, Riyadh and Kuwait.

Among others present at the conference was Ibrahim M Ali, general manager of Bangladesh Aero Vision Ltd, the general sales agent of the airline.

3 students get TMIB-AKTEL scholarships

STAR BUSINESS REPORT

Three students have received TMIB-AKTEL scholarships for 2004.

Posts and Telecommunications Minister Aminul Haque yesterday handed over scholarship documents to the students at a function in Dhaka.

Under the scholarship programme, introduced by AKTEL mobile phone's owning company Telecom Malaysia International, Bangladesh (TMIB) in 1998, every year three students get opportunity to study in Multimedia University (MMU) of Malaysia in engineering electronics, business administration and information technology.

Speaking at the function, the minister thanked sponsors for the scholarship and urged them to increase the number of scholarships from next year.

Syed Marghub Murshed, chairman of Bangladesh Telecommunication Regulatory Commission, Dr Hafiz GA Siddiqi, vice chancellor of North South University, AM Zahiruddin Khan, chairman of TMIB, Nasir Bin Baharom, managing director of TMIB, and Salahuddin Kasem Khan, director of TMIB, also spoke at the function.

Emirates Holidays' fair in Dubai from Apr 29

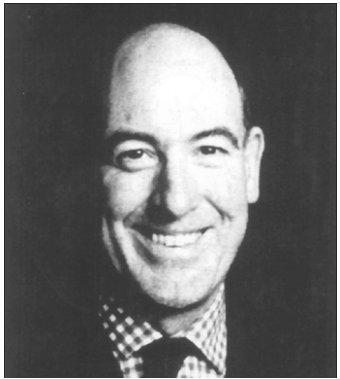
Emirates Holidays will organise a three-day holiday fair from April 29 to May 1, at Dubai, says a press release.

The fair will showcase vacations suited to the needs of its half a million potential customers in the Gulf, Middle East, Mediterranean Europe, East Africa, Indian Sub-Continent and Far East.

The event will give the airlines a chance to unveil its new range of resorts, hotels and tours, highlighted this year for the first time in five separate brochures -- one each for the Middle East, Africa and Indian Ocean, Asia and Australasia, Europe, and USA.

A record 6,000 people are expected to visit the fair to choose their annual holiday. And this year their choice is wider than ever.

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 Intersped 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 Yugiantoro 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 reduce 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 fuel 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.

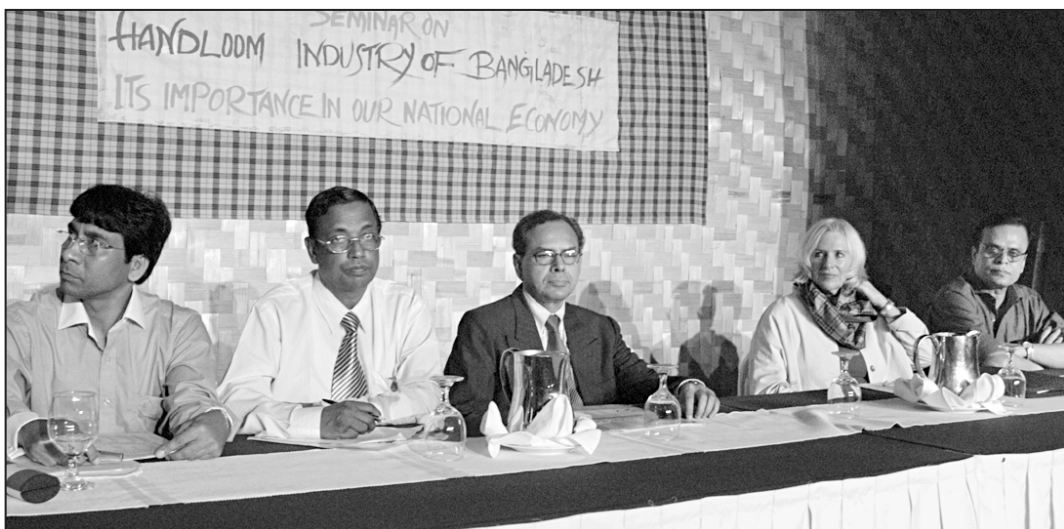


PHOTO: STAR

Suhel Ahmed, commerce secretary, Sirajul Islam, additional commerce secretary and former chairman of Bangladesh Handloom Board, Azadul Haq, managing director of Palli Enterprise Development Ltd, and Nancy Wimmer, a German consultant, among others, pose for photographs at a seminar on handloom industry organised by Palli Enterprise Development in Dhaka yesterday.

China booming but urban poverty set to get worse

AFP, Beijing

Qing Guiyun and her husband Chen Hao spend most of their days in a pedestrian underpass in Beijing's busy Chaoyang business district, she peddling books and he seeking jobs as a part-time home repairman or carpenter.

They are two of some 2.8 million migrant workers, most of whom have left rural areas to seek a fortune in economically booming Beijing. Up to 130 million economic migrants are currently descending on China's cities, mainly along its prosperous eastern seaboard.

Some of these migrants have found success beyond their wildest dreams. Others however remain in the grip of grinding poverty.

"It has been really hard to make

money here, we're lucky if we can make 500 yuan (60 dollars) a month between us," Qing, who hails from rural Guizhou province, one of China's poorest regions, told AFP.

The two share a small apartment with several other migrant workers and enjoy no social or health benefits from the government.

"We have to pay 200 yuan for rent every month and then we need to eat, so it is hard to send any money home," Qing said. "We rarely buy clothes."

According to a report on China's poverty published last month by the Asian Development Bank (ADB), Qing and Chen are a part of a growing army of migrants on the brink of urban poverty, a phenomenon that is likely to get worse before it gets better due to the huge influx of

people into cities.

Although China has had resounding success in reducing poverty among its 750 million rural residents since it began economic reforms in 1978, in recent years poverty, especially in urban areas, has grown, the report said.

"China's success in reducing poverty reflects sustained rapid economic growth, the mainstreaming of poverty reduction efforts, and significant budget allocations for poverty reduction," David Sobel, one of the authors of the report, told AFP.

But "there are no official national figures on urban poverty as urban poverty is handled at the local level ... so our report makes the best estimates of given data."

Handloom products can fetch Tk 500cr a year from exports

25pc cash incentives sought

STAR BUSINESS REPORT

Handloom products can fetch Tk 500 crore a year if the sector gets policy support from the government, entrepreneurs said yesterday.

Handloom product makers also demanded 25 percent cash incentives on exports for the sector's development, which is the second largest employment generating-sector after agriculture.

"If the government gives adequate supports we will be able to earn Tk 500 crore a year by exporting handloom products," said Azadul Haq, managing director of Palli Enterprise Development Ltd, a handloom producer.

Haq was speaking at a seminar styled 'Handloom Industry of Bangladesh and Its Importance in Our National Economy' organised by Palli Enterprise Development Ltd in Dhaka.

He sought government policy for handloom products' growth in terms of production and marketing.

Commerce Secretary Suhel Ahmed echoed the manufacturers' demand and said the government should formulate a separate

policy for the sector.

The commerce secretary said steps will be taken to include handloom products in the Post MFA Action Programme (PMFAAP), which covers six areas.

He also stressed the need for setting up of a permanent design centre to sharpen the sector's competitiveness.

According to Bangladesh Institute of Development of Studies (BIDS), handloom sector meets 77 percent of the total cloth demand of Bangladesh.

Golam Ahsan, managing director of Unity Fabric Industries Ltd, informed the seminar that the sector's contribution to the gross domestic product (GDP) is estimated at 15 percent of the entire manufacturing sector.

According to available statistics, there are 3.1 lakh handlooms in the country, which produce around 150 crore yards of cloth every year by engaging some 10 lakh weavers.

Rabiul Hassan, managing director of Sonali Bank, Sirajul Islam, additional secretary of the ministry of commerce and former chairman of Bangladesh

Handloom Board, and Nancy Wimmer, a German consultant,

G7 officials to hold talks with China on forex reforms

REUTERS, Tokyo

Officials from Japan, the United States and Europe plan to hold talks with their Chinese counterparts on foreign exchange reforms ahead of a meeting of Group of Seven (G7) ministers next week, a newspaper said Saturday.

The informal talks are aimed at urging China to carry out foreign exchange reforms such as a revaluation of the Chinese yuan, the Mainichi Shimbun said, quoting an international monetary source.

The discussions may be held at the vice-minister level next Thursday, a day before the start of a meeting of Group of Seven finance ministers and central bank governors in Washington, the newspaper said.

It would be the first informal meeting between the G7 and Chinese monetary authorities since they met at a G7 meeting in Dubai last September, the newspaper said.

Speculation that Beijing may modify its exchange rate regime, which limits trading in the yuan to a tight band against the dollar, has mounted a longside calls by the United States for China to ditch the controls. Washington says the curbs make Chinese exports unfairly cheap.

China has resisted foreign pressure, from the United States in particular, to revalue, but has long pledged to make the rigid currency more flexible in time.