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TRANSCOM
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 8855366-8, 01712-665463

Stocks

DGEN	Flat
2,969.48	
CSCX	0.08%
4,939.56	

Currencies

	Buy TK.	Sell TK.
USD	68.05	69.05
EUR	105.11	109.83
GBP	135.86	141.03
JPY	0.68	0.71

Commodities

Gold	\$1,003.50 (per ounce)
Oil	\$110.21 (per barrel)

(As of Friday)

More News



Prem Chand, managing director of Nokia in Bangladesh, in relaxed mood. Nokia, the Finnish mobile giant now has 75 percent of the Bangladesh handset market.

FBCCI polls today
 The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) goes into polls today to elect 24 directors, 12 each from both chamber and association group.

Tea prospect shines
 Endowed with a favourable weather, the prospect of tea production seems better this year than that of last year, according to tea experts and producers.

International

High wheat prices raise US grocery costs
 If you think the cost of gassing up your car is outrageous, wait until you need to restock your pantry. The price of wheat has more than tripled during the past 10 months, making Americans' daily bread and bagels and pizza and pasta feel a little like luxury items. And baked goods aren't the only ones getting more expensive.

India not to allow any FDI in retail sector
 The government of India is not considering any proposal to allow foreign direct investment (FDI) in retail sector, agriculture minister, Mr Sharad Pawar said.

Bangla Biz Lexicon

Human hauler-a small van or pick up truck that has been converted locally to carry passengers, mainly used on short routes.

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Poor control of unlicensed micro-credit institutions

Regulatory body admits in wake of scams

SAJJADUR RAHMAN
 Micro-credit Regulatory Authority (MRA) is poorly equipped to deal with hundreds of unlicensed micro-finance institutions (MFIs) despite the fact that it is the sole authority to regulate the institutions, officials at the agency admitted yesterday.

Even the authority has nothing to do with thousands of NGOs registered under different authorities offering micro-financing services. No NGOs are allowed to do microfinancing without the licences from MRA under a law that came into effect on 27 August 2006.

"We've no mechanism of our own to detect NGOs engaged in micro-financing without licences," a top official of the MRA said in the wake of recent scandals.

In the last couple of weeks, some NGOs disappeared with around Tk 500 crore after swindling poor villagers in northern districts.

The official said: "We've to depend on district administrations to find illegal MFIs." The MRA is also entitled to prepare detail rules relating to the operations of micro-credit, guideline for internal and external audit of accounts, collection of deposits and use of profits of NGOs. But the officials said it is impossible to carry out all these activities with MRA's existing capacity.

The MRA has started sensitising government agencies and people by advertising in newspapers after some MFIs recently disappeared with money deposited with them.

According to newspaper reports, some 30 fake NGOs operating in remote villages in Natore, Rajshahi and neighbouring districts swindled about 10 lakh poor people who trusted them to get weekly dividends.

On the morning of February 29, villagers of Naldanga thana



File photo shows agitated members of Provati Grameen Unnayan Sangstha, an NGO, displaying membership documents at Nashratpur village in Naldanga upazila of Natore district after the NGO disappeared with about Tk 100 crore. Officials at the Micro-credit Regulatory Authority admit the agency is poorly equipped to deal with hundreds of unlicensed micro-finance institutions.

NGOs REGISTERED AS ON DEC 2007	
NAME OF DEPTTS	NUMBER OF NGOS
Social Welfare Department	49,000
Cooperative and Joint Stock	10,000
NGO Affairs Bureau	2,000

No NGOs are allowed to do microfinancing without the licences from MRA under a law that came into effect on 27 August 2006

on the illegal MFIs operating at their respective districts," said the top official. He said: "DCs are also asked to sit with the registered NGOs once in every month."

"We can't do anything unless we know about the illegal MFIs," another senior official replied to a query. "We can't regulate and monitor thousands of MFIs sitting in the office," he added.

On the issue of unlicensed micro-financing, he said NGO authorities will face maximum Tk 5 lakh in fine or one year in jail or the both if they are found

guilty. After enactment of the law in August 2006, the MRA sought applications from MFIs for licences.

According to the secretariat of the MRA located in Bangladesh Bank, some 4,236 NGOs applied for certificates till the deadline of February 2007.

Of which, 665 were selected for licences and another 2,538 are in the waiting list on condition that they would fulfil the criteria set by the authority for licences. Some 1,000 applications were cancelled initially,

officials said. About 200 MFIs have already been given the licences to operate their micro-credit activities.

An MFI has to have either Tk 40 lakh as outstanding loans or at least 1,000 borrowers as a criterion for getting a licence.

According to government statistics, there are some 49,000 NGOs registered under the Social Welfare Department, about 10,000 under the Cooperative and Joint Stock Companies and another about 2,000 under the NGO Affairs Bureau.

Dollar's plunge pushes eurozone past US

AFP, Frankfurt
 The dollar's plunge has made the eurozone the world's biggest economy by one measure and has underscored shifts that are reorienting the 15-nation bloc towards Asia, Russia and oil-rich Gulf states, analysts say.

"With the euro now trading around 1.56 against the dollar, the size of its annual output (at market value) has exceeded that of the United States," US investment bank Goldman Sachs estimated last week.

"Brief as the development may prove to be, European policy makers will no doubt derive some pride" from the event, it said.

The single European currency has skipped from record to record amid fears the US economy is heading into recession at a time of national housing and financial crises.

Interest rates have been cut in the United States to spur business activity, while the European Central Bank (ECB) has kept lending rates steady owing to concern over eurozone inflation that hit a record of 3.3 percent last month.

Meanwhile, the economy of 320 million people -- which churns out 15 percent of global gross domestic product -- has slowed but shown a degree of resiliency to the US slump that few would have counted on just a few years ago.

Historically thrifty German consumers helped the national retail sector gain 2.7 percent in January, with the trend continuing in February according to the HDE sector association.

US retail sales fell by 0.6 percent in January as the celebrated US shopper bypassed malls in the face of higher unemployment and inflation and falling housing prices.

Talk of an economic decoupling of Europe from the United States has risen as a result, but policymakers and analysts are quick to point out that global economies are interlinked, even though they move through separate cyclical phases.

"We are in a largely interdependent world so anything that happens in Europe has an influence on the US, I am happy to tell you, and anything that happens in the US has an influence in Europe," ECB president Jean-Claude Trichet said early this month.

Asian prospects weighed down by oil, food prices

AFP, Singapore
 Runaway oil prices, rocketing food costs and a feeble US economy will hurt Asia-Pacific economic growth prospects this year and create social problems especially among the poor, analysts said.

Oil touched uncharted territory at 111.00 dollars a barrel last week, and analysts said they expect prices to boil further.

The recent oil price rise, a slowing US economy, global financial market turmoil and escalating inflation make for a powerful combination that could hobble export-oriented Asia's economic growth in 2008, economists said.

Compared with the oil shocks in the 1970s and 1980s, the current price rise comes against the backdrop of a sharp slowdown in the United States, noted Cyn-Young Park, an economist with the Asian Development Bank (ADB) in Manila.

Inflation, driven by soaring energy and food costs, is also complicating the problem

because it limits the room for manoeuvre among policy-makers, she said.

Moves to re-introduce subsidies to help the poor are likely to backfire because they will erode state coffers, she added.

"This time, oil prices are rising against a little bit harsher external environment for Asia. The region's major trading partners, particularly the United States, are slowing," Park told AFP by telephone from Manila.

"We expect a sharper slowdown in the United States. With external demand (for exports) weak and the price of oil and other commodities rising, of course they will have a significant impact on economic growth."

The effects of the high oil prices, the slowing US economy and surging inflation will be factored into the ADB's economic outlook for the region to be released next month, Park said.

Singapore, Southeast Asia's most advanced economy, has already downgraded its growth forecast for this year.

RMG export growth under threat on yarn price hike

REFAYET ULLAH MIRDHA
 The apparels export growth is now under threat on persistent yarn price hike in the local market, according to industry insiders.

"We beat China, Pakistan and India in terms of growth in exports of apparel items. But we might not maintain this growth trend if the prices of yarn in the local market go up further. We will just lose our competitiveness in the international market," said BKMEA (Bangladesh Knitwear Manufacturers and Exporters Association) President Fazlul Hoque, urging the local yarn manufacturers to the item's price at tolerable level.

Yarn producers say they have no choice, blaming the rise in the prices of yarn on the cost of cotton, the raw material. They pointed to the fact that the cotton price increased to US\$ 87 cents per pound from \$78 cents per pound in December and \$60 cents a pound in September last year.

The '30 count' variety of yarn is now selling at a price ranging from US\$ 2.90-\$3.0 per kg compared with its rates at \$2.75-\$2.80 per kg last December.

The '20 count', which is popularly known as 'open-end yarn', is now selling at \$2.35-\$2.40 per kg compared with its previous rates at \$1.90-\$2.0 per kg, knitwear producers said.

The industry people said 40-count variety of yarn is selling at \$3.85-\$3.90 per kg compared with its previous rates at \$3.40-\$3.45 per kg.

Yarn producers said the price of 30-count variety of yarn was sold at \$ 2.40 per kg in January last year, which reached around \$ 2.45 in July. It increased to \$2.50 in August and the rate continued upwards in September, manufacturers said.

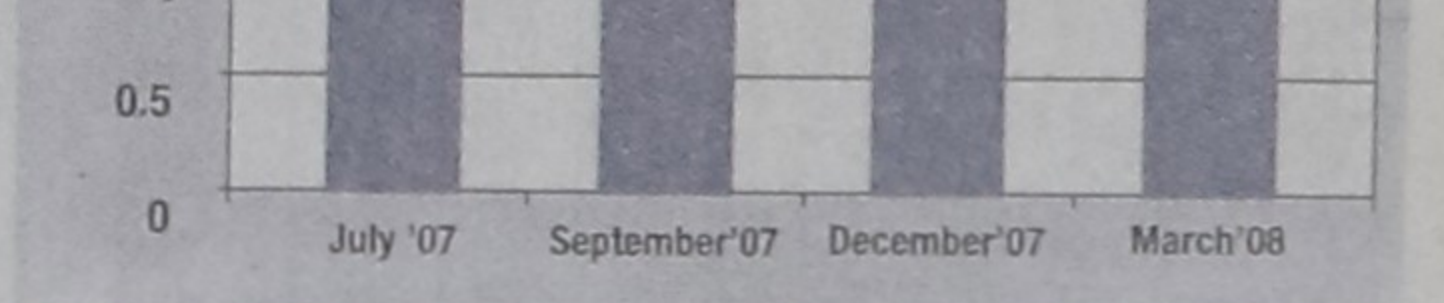
At present, in neighbouring India '30 count' variety of yarn is selling at \$2.10 per pound, according to Ahmed Ali, vice president of BTMA (Bangladesh Textile Mills Association).

India has two advantages in yarn marketing. "India can produce a substantial quantity of cotton and that country has its own technology and machinery," Ahmed Ali said.

He said the local yarn producers can now meet 80 percent of the demand, but in the case of woven it is only 35 percent.

Meanwhile, the Ministry of Textile and Jute yesterday in a meeting said the yarn prices in the local market increased due mainly to the monopoly section of unscrupulous traders enjoy.

As per a survey by the textile ministry, low supply of yarn against the higher demand for the item, double taxation in cotton import at the customs and price hike of raw materials worldwide were also responsible for the price hike of the item in the local market.



People crowd a fruits stall in Singapore on March 14, 2008. Runaway oil prices, rocketing food costs and a feeble US economy will hurt Asia-Pacific economic growth prospects this year and create social problems especially among the poor, analysts said.