



Stocks	
DGEN	▲ 2.58% 5,548.22
CSCX	▲ 2.42% 10,524.77
Commodities	
Gold	▼ \$1,105.00 (per ounce)
Oil	▼ \$80.29 (per barrel)
SOURCE: AFP (As of Friday)	

## Clarification

Nobel laureate Muhammad Yunus has clarified a speech he gave at the concluding ceremony of an international conference on microcredit in Dhaka on March 17. Following is the statement Prof Yunus sent to The Daily Star yesterday:

I spoke at the International Conference on Microcredit organised by the Microcredit Regulatory Authority (MRA) of Bangladesh. Most newspapers reported on March 18 that I proposed that the government should fix the interest rates for microcredit institutions. I did not say that. But that's how it was interpreted. Maybe I should have elaborated my proposal to make it clear.

I said microcredit interest rates should be standardised. This is an on-going issue where MRA and Palli Karma-Sahayak Foundation (PKSF) are actively involved with the support of the finance minister. This is to standardise the way in which interest rates are expressed by microcredit institutions. Some do it in declining basis, some do it in an upfront basis with several variations within.

This does not allow easy comparison of various interest rates. There is a good chance that the borrowers will be misled. In the USA all interest rates are required to be expressed in the equivalent of Annualised Percentage Rates (APR). This is a legal requirement.

We can do the same for microcredit interest rates in Bangladesh too. This is what I was proposing in my remarks on March 17. Each microcredit institution can quote its interest rate according to its own preference, but it would also have to quote how much it will mean in standard annualised rate, every time, in clear bold letters. This will bring additional transparency to microcredit.



A board displays candidates for directorship during the DSE election yesterday.

## DSE's new directors Stocks perk up on GP, election

Star Business Report

Four directors, including incumbent president Rakibur Rahman and former president Ahmed Iqbal Hasan, were elected to Dhaka Stock Exchange yesterday.

Ahmed Iqbal Hasan, who had been barred by the market regulator earlier, took part in the election with permission from the High Court.

Without mentioning any reason, the Securities and Exchange Commission did not give Hasan a clearance, which was mandatory for the election.

The two other elected directors are Khwaja Ghulam Rasul and Sharif Ataur Rahman.

AKM Rafiqul Islam, chairman of the election commission for the DSE polls, named the winners.

Rakibur Rahman of Midway Securities bagged the highest number of votes: 178 out of 210 valid votes. Khwaja Ghulam Rasul of Khwaja Equity Services won 155, Ahmed Iqbal Hasan of Ahmed Iqbal Hasan Securities 128 and Sharif Ataur Rahman of SAR Securities 104.

Of 228 votes, 213 were cast. The election commission cancelled three ballots.

Four others also vied for directorship: Abdul Haque of Royal Green Securities (98 votes), Ahmad Rashid Lali of Rashid Investment Services (82 votes), Dastagir Md Adil of Adil Securities (62 votes) and Ghulam Quader of GQ Securities (33 votes).

The newly elected directors and eight existing directors will elect a president, a senior vice-president and a vice-president on March 27 for one year.

The DSE board comprises 25 members: 12 are elected, 12 nominated and one ex-officio.

According to DSE regulations, four directors retire every year and four replace them through direct voting.

The winners vowed to work together for the development of the stockmarket.

The election created a cheerful mood in the stockmarket. Also, Grameenphone contributed to the positive rally.

The major indices were in the green at close, with the DGEN gaining 2.58 percent. The DSI gained 2.48 percent.

## 25 missions miss export targets

STAR BUSINESS REPORT

More than half the diplomatic missions in Bangladesh failed to achieve their export targets for the first seven months of the current fiscal year, according to provisional statistics of Export Promotion Bureau (EPB).

Only 19 of the 44 missions achieved their export targets, while the remaining 25 missions fell short.

In July-January, Bangladesh earned \$ 8.7 billion through exports, which is 4.69 percent lower than in the same period a year ago.

At the same time, earnings fell more than 12 percent short of the \$9.8 billion export target for the period.

It is a long-standing trend that foreign missions fail to achieve their export targets.

Businessmen often allege that the government officials of the country's foreign missions are not skilled enough to communicate with the private sector abroad.

They urged the government to arrange training for officials. But, so far, no pragmatic steps have been taken.

Missions that achieved their export targets include New Delhi, Tripoli,

Nairobi, Manama, Muscat, Thimpu, Tehran, Hanoi, Tokyo, Hong Kong, Doha, Beijing, Yangon, Colombo, Kuala Lumpur, Moscow, Jakarta, Rabat and Cairo.

According to EPB, although 25 missions failed to achieve their respective targets, earnings of six missions -- Dubai, Singapore, Ankara, Canberra, Manila, and Amman -- were higher than in the same period last year.

On the other hand, missions in Brussels, The Hague, Berlin, London, Rome, Ottawa, Stockholm, Madrid, Pretoria, Tashkent, Washington, Seoul, Paris, Islamabad, Bangkok, Riyadh, Kathmandu, Kuwait, and Brunei failed to achieve targets and also earned less than their earnings in the same period of last fiscal year.

Of the 16 commercial wings of Bangladesh working abroad, seven wings achieved their export targets, while nine wings failed.

Commercial wings in Beijing, Tehran, Tokyo, Kuala Lumpur, Yangon, Moscow and New Delhi achieved export targets.

The wings that failed to achieve targets are Washington, Paris, London, Berlin, Canberra, Brussels, Ottawa, Madrid and Dubai.

# SME loan target set for 2010

## Bangladesh Bank unveils Tk 23,995cr plan

STAR BUSINESS REPORT

Bangladesh Bank (BB) has for the first time fixed a target for all banks and financial institutions of distributing Tk 23,995 crore in small and medium enterprise (SME) loans for 2010.

The target and policy for the SME loan distribution were announced yesterday at a meeting of all chief executive officers of the banks and financial institutions with BB Governor Dr Ataur Rahman in the chair. The meeting was held at the BB conference room.

The banks will give up to Tk 25 lakh collateral-free loan to small enterprises and women entrepreneurs. In these cases, the banks can consider personal guarantee including products and machinery of the enterprises as collateral.

The banks will divide the whole country into different zones and a bank would choose one zone for distributing its loans.

The BB governor told journalists that the banks would distribute the loans on area basis. A three-tier monitoring system will be introduced to oversee whether the loans are distributed properly.

Of the Tk 23,995 crore loans, state-owned commercial banks will disburse Tk 3,897 crore, specialised banks Tk 600 crore, private commercial banks Tk 17,478 crore, foreign banks Tk 707 crore and non-bank financial institutions (NBFIs) Tk

1,313 crore.

The central bank has already identified prospective small initiatives in 64 districts for giving SME loans to

The BB directed the banks to give priority to small enterprises and women entrepreneurs. The loan limit for small entrepreneurs would be Tk 50,000 to Tk 50 lakh.

For the medium enterprises no figure has been mentioned. The banks will decide the amount for such entrepreneurs on the basis of need.

Every bank has been directed to introduce a dedicated desk for women entrepreneurs, appoint necessary manpower and provide them with training for financing the SME sector.

The BB policy said the banks would take collateral on the basis of their relation with the customers in case of giving over Tk 25 lakh loans. On the interest rate, the policy said the banks would decide on the rate. However, the banks have been asked to ensure that the rate remains tolerable and conforms the operating cost of the banks.

After the meeting, Association of Bankers, Bangladesh President K Mahmood Sattar said: "We will try to keep the interest rate as low as possible. We will soon decide on which bank will work in which area."

Bangladesh Bank head office and its regional offices will monitor whether the SME loans are distributed and recovered properly. The bank concerned and its regional office will also launch a similar monitoring system.

### BY THE NUMBERS

Total loans	Tk 23,995 crore
State banks to give	Tk 3,897 crore
Specialised banks	Tk 600 crore
Private banks	Tk 17,478 crore
Foreign banks	Tk 707 crore
NBFIs	Tk 1,313 crore

the entrepreneurs, and made a list of 131 enterprises including bakery, handicrafts and cold storage. The list was presented at the meeting.



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