



RUPALI BANK  
Rupali Bank Chairman Ahmed Al-Kabir attends a conference of the bank's heads of corporate branches at Rupali Bank Training Institute in Dhaka yesterday. Managing Director M Farid Uddin was also present.

# Micro lenders asked to use IT to cut costs

**STAR BUSINESS REPORT**  
Microfinance institutions should absorb ICT to cut their operating costs as well as train borrowers to ensure the best use of loans, experts said yesterday. The comments came at a workshop for journalists on 'poverty alleviation strategies and microfinance' at BRAC Centre Inn in the city. Institute of Microfinance (InM), a non-profit research institution, organised the daylong event in association with Promoting Financial Services for Poverty Reduction Programme of UK Department for International Development. InM Chairman Prof Wahiduddin Mahmud said there are many critics who take stand against microcredit in their ideological or political lines. "They only look at problems instead of the good sides of the economic theory and its potential. The biggest discovery of microcredit is that we have come to know that poor

people return money." He said, when microcredit started to prosper in Bangladesh in 1980s and 1990s, development partners such as World Bank and International Monetary Fund (IMF) or pro-free-market press such as Wall Street Journal were against the idea, due to economic liberalisation taking place across the globe. "But microfinanciers had to step in to cater to the poor who were not eligible for formal banking services." The country's hundreds of microfinance institutions are currently going through a difficult period, Mahmud said. Opponents question its effectiveness and refuse to give them credit in cutting poverty, while the government has even gone further, terming them bloodsuckers. But Mahmud said: "We question whether MFIs were able to cut poverty. The government spends thousands of crores of taka every year for implementing an annual development programmes, but we do not see

much development." "The World Bank also took up many projects to eliminate poverty in the past, but we are failing to come out of poverty," said the former caretaker government adviser. He said the government could consider providing subsidies to the MFIs to help them lend at low interest rates. On interest rates, he said: "The cost of delivery is lowest in Bangladesh. If the government provides subsidy to the sector, and the sector can absorb ICT properly, the lending rates will go down further." Mahmud said it is unlikely that commercial banks would visit villages to sell their financial products if MFIs go bust. "After Cyclone Sidr had lashed the country, the then army-backed caretaker government barred MFIs to operate in the affected areas for a while." "The result was the return of moneylenders in the Sidr-affected areas," he said, referring to the cyclone that killed about

4,000 people in 2007. The economist also criticised people who said the microborrowers are being trapped in debt, as they take loans from multi-sources. "Many rich people borrowing from the commercial banks have also been caught in loan-trap. We have to see whether assets of the borrowers have increased." Microfinance specialist Dewan AH Alamgir said many people have been borrowing from the MFIs for years, as they have built up assets and are now going for expansion of their business. He said things have changed a lot in the practices of microcredit in the country. "Payments are no longer weekly-based only. The MFIs have customised their products to cater for the borrowers." Alamgir also said the sky-high interest rates are not widespread. "Ninety percent of the MFIs charge between 20 percent and 30 percent." He said the MFIs who serve nearly three crore clients should absorb ICT to cut their operating

costs. "It will help them reduce interest rates." Alamgir said the MFIs should introduce non-financial products and services instead of relying on lending only. "They should make arrangements to train borrowers on how to best use the money. Enhancing market access will also work." Fazlul Kader, general manager (operations) of Palli Karma-Sahayak Foundation, said critics should not compare interest rates charged by MFIs with those of commercial banks or cooperatives. He also suggested that the MFIs adopt mobile banking to cut the operations costs. Prof SR Osmani of UK-based University of Ulster, Syed M Ahsan, a professor of Concordia University, Canada, M Amanullah Khan, international team leader of PROSPER, and Md Mosleh Uddin Sadeque, interim executive director of InM, also spoke at the workshop, moderated by Monjurul Ahsan Bulbul, editor-in-chief of Boishakhi Television.

## Barua praises role of ship-breakers

**STAR BUSINESS REPORT**  
The industrial development of Bangladesh depends much on the ship-breaking industry, Industries Minister Dilip Barua said yesterday. The minister said "two parties" are responsible for the current deadlock in the ship-breaking industry and they try to make Bangladesh a market for foreign products. However, the minister did not say who the two parties were. Barua was speaking at a roundtable on 'harmonisation between industrial development and environment: perspective Bangladesh', organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at its conference room in Dhaka. Mentioning his recent visit to Dholai Khal, the light engineering hub in the city, Barua said hundreds of light industries in the area largely depend on the ship-breaking scraps. He called for a coordinated effort to safeguard the ship-breaking industry. The minister also said the ship-breaking sector should do business complying with the environmental issues and ensuring the safety of the workers. He said his ministry is working to revive various industries across the country. "The main aim of my ministry is to create an economy led by industrial development." Barua also said the recent industrial policy of the government has given priority to infrastructure development. The industrial policy reflects an economy based on knowledge, technology and environmental awareness, he added. The minister also urged the business community to focus more on corporate social responsibilities and take the environmental issue seriously. FBCCI President AK Azad said the industrial policy should be made strict so the industrialists are compelled to follow it. "Weak infrastructure is the major problem in the country and Petrobangla couldn't keep its commitment to give new gas connection," he added. Without industrial development, the 8 percent GDP growth target is not achievable by 2013, the chief of the apex trade body said. Azad said the country will need \$28 billion to \$30 billion investments by 2013 to achieve such a growth rate. Additional Secretary to the industries ministry ABM Khorshed Alam presented the keynote at the programme. He said the ship-breaking industry is a big recycler and important for keeping the macro and micro-economic balance. Ship-breakers at the meeting said they lack specific guidelines to get the sector categorised under a ministry, and so they need to spend much time to take clearance from the government. AMM Shafiqullah, former vice chancellor of Bangladesh University of Engineering and Technology (Buet), said businesspeople should decide on how they will do



**WESTERN MARINE**  
Commerce Secretary Ghulam Hussain, Western Marine Chairman Saiful Islam and Prime Bank Chairman Azam J Chowdhury attend the keel-laying ceremony of a ferry that Western Marine is building for a Danish company at Patiya in Chittagong yesterday.



**BEPZA**  
Md Moyjuddin Ahmed, member of Bangladesh Export Processing Zones Authority (Bepza), and SMA Razaque, director of Pandora Sweaters Ltd, exchange documents after signing a deal at Bepza complex on Wednesday to establish a \$7.8 million sweater manufacturing industry in Ishwardi EPZ.

## Western Marine to make ferry for Danish buyer

**STAR BUSINESS DESK**  
Western Marine Shipyards yesterday held a keel-laying ceremony of constructing a passenger vessel for a Danish company, the shipbuilder said in a statement. The 49.80-metre ferry will be built for Hundested Rorvig Faergefart under the supervision of French classification society Bureau Veritas. Southeast Bank is financing the project by facilitating a credit line of Tk 44 crore. "This is a great achievement for Bangladesh's shipbuilding industry as well as for Western Marine," the shipbuilder said. Commerce Secretary Ghulam Hussain was the chief guest at the programme at the shipyard of Western Marine at Patiya. Prime Bank Chairman Azam J Chowdhury was also present. Hussain said the government would come forward to assist the shipbuilding industry, now an emerging sector. Western Marine Chairman Saiful Islam said the trade between Bangladesh and Denmark is rising steadily and export of the ferry would further enhance the bilateral trade. Western Marine will deliver the ferry to its buyer by year-end, said Shawakat Hussain, managing director of Western Marine.

## Adfest focuses on changing consumers

**STAR BUSINESS REPORT**  
While talking about advertising, one must not forget that the changing behaviour patterns and lifestyles of today are the key to making a brand successful, speakers said yesterday. The remarks came at a seminar, Redefined Strategy at the Dhaka Advertising Festival, organised by the Advertising Club at Bangabandhu International Conference Centre in Dhaka. "Advertisers and marketers are under huge pressure these days, as they have to think beyond just the consumers and stakeholders. They have to address ever-changing new behavioural patterns every moment," said Nehal Ahmed, chief marketing officer of Qubee, a brand of WiMax services. "One has to make it memorable, engaging and credible whenever contemplating the launch of a campaign for any product. The advertisement has also to be consistent in delivering promises," he asserted. "In addition, a successful advertisement should connect the target group too instead of just communicating messages," Ahmed added. Speakers underscored that one

must listen to the evolving consumer-mindset and strategise communications to suit them. At another seminar, KV Sridhar, national creative director of Leo Burnett India, stressed that being ingenious while communicating with consumers might give the advertiser the necessary lift. Nazim Farhan Choudhury, managing director of Adcomm Limited, and a co-convenor of the Advertising Club, said the objective of organising such an event is to create a platform to impart learning and educate the industry people. A total of 12 companies took part in the daylong festival showcasing different tools and technologies of their trade. The programme also recognised the best advertisements in different categories through celebrating a gala night at the venue, where Abul Kalam Azad, information and cultural affairs minister, was present as the chief guest. Shahriar Amin, head of marketing of Philip Morris International Inc, and Shafquat Wasi, senior vice president of Grey Dhaka, also spoke.

## BGMEA Bhaban opens in Ctg

**OUR CORRESPONDENT, Ctg**  
Information Minister Abul Kalam Azad yesterday inaugurated the Chittagong BGMEA Bhaban in the port city and branded the building as a milestone in the history of the garment industry. Azad said the garment industry plays a major role in alleviating poverty by earning foreign-currency and creating job opportunities. The minister was speaking at a meeting chaired by President of Bangladesh Garment Manufacturers and Exporters Association Abdus Salam Murshedy. Azad described Chittagong as an important place for trade and commerce and said Prime Minister Sheikh Hasina attached importance to the port city. He hoped these problems could be solved through the "wisdom and expertise of the experienced leaders of BGMEA". He hoped Bangladesh would turn into a middle-income state by 2021 -- the year for the country to mark the golden jubilee of its independence. Chittagong is a safe and investment-friendly city, said Chittagong City Corporation Mayor M Manjur Alam. The availability of a seaport and an airport has increased the importance of the city among businessmen, the mayor added. Projects worth Tk 400 crore have already been taken and further projects worth Tk 600 crore have been approved at the pre-Ecneec meeting to develop the city, said Chairman of Chittagong Development Authority Abdus Salam.

## New CPA chief takes over Sunday

**STAFF CORRESPONDENT, Ctg**  
New chairman of Chittagong Port Authority (CPA) Commodore M Anwarul Islam will take his charge formally on Sunday. CPA Secretary Syed Farhad Uddin Ahmed said the new chairman had already submitted his joining letter to the ministry and the charge will be handed over on Sunday. The outgoing CPA Chairman Commodore RU Ahmed met journalists in Chittagong yesterday on his departure. He underscored the need for early implementation of the ongoing development projects, including New Mooring Container Terminal (NCT) to increase the capacity of the port taking the growth rate of cargo handling into account. Mentioning the increasing growth rate of overall cargo handling, including bulk cargo and containers by Chittagong Port in recent years, the outgoing chairman said the growth rate of container handling jumped to 21 percent in 2009. Ahmed predicted container handling will maintain an annual growth rate of 12-14 percent in incoming years if the democratic rules prevail. He hoped if the NCT goes into full operations, in two years the Chittagong Port will be able to handle 20 lakh TEUs (twenty foot equivalent units) containers every year. Ahmed stressed the need for taking the project of Karnaphuli Container Terminal immediately after the completion of NCT project. Over 1.34 lakh TEUs containers were handled in 10 container berths of the port last year, according to a CPA official. M Anwarul Islam said the existing six berths of general cargo berth allocated for handling the bulk cargoes are not enough. Three more berths are needed for bulk cargoes as import of such cargoes is increasing, Islam added.



**Mi3**  
Shaiful Khandoker, chairman of Mi3, a USA-Bangladesh joint IT solution company, gives speech on a corporate session at Dhaka Sheraton Hotel on Wednesday.



**ABARANI ENGINEERING**  
Kazi Maksudul Momin, managing director of Abarani Engineering Ltd, attends a seminar organised by the company at the Westin Dhaka recently. Sami Jamil A Al Hindi, Saudi chargé d' affaires in Dhaka, was also present.