

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 4.38%	▲ 4.44%	\$1,438.00 (per ounce)	\$106.18 (per barrel)	▼ 1.43%	▼ 1.76%	Flat	▲ 1.8%	BUY TK 72.15	98.79	115.25	0.86
5,779.91	10,569.17			18,222.67	10,505.02	3,066.52	2,996.20	SELL TK 73.15	104.22	120.90	0.94

star BUSINESS

DHAKA TUESDAY MARCH 8, 2011, e-mail:business@thedailystar.net

Let's Make The
WORLD CUP CRICKET 2011
A Success

NCC Bank Ltd.
Where Credit and Commerce Integrates

www.nccbank.com.bd

Microloans reach out to 13cr families worldwide

Microcredit grows 16-fold in 2009, says a global report

STAR BUSINESS REPORT

More than 64 crore people in the world benefitted from microloans in 2009, an all-time high, according to a report released by the Microcredit Summit Campaign yesterday.

The loans to about 13 crore poorest families -- five persons per family on average -- positively affected some 64.1 crore people, which is greater than the combined population of the European Union and Russia.

"Microcredit has very effectively lifted millions of poor women and their families out of poverty," said Melanne Vermeer, US Ambassador at large for Global Women's Issues.

"With the 100th anniversary of International Women's Day being celebrated on March 8, it is gratifying to see that over 81 percent of the very poor who received microloans were women -- that is more than 100 million people."

She said women entrepreneurs are one of the smartest investments in microfinance. Not only have they shown strong returns in the success of their businesses, they consistently have demonstrated high loan-repayment rates and they re-invest in their families and their communities.

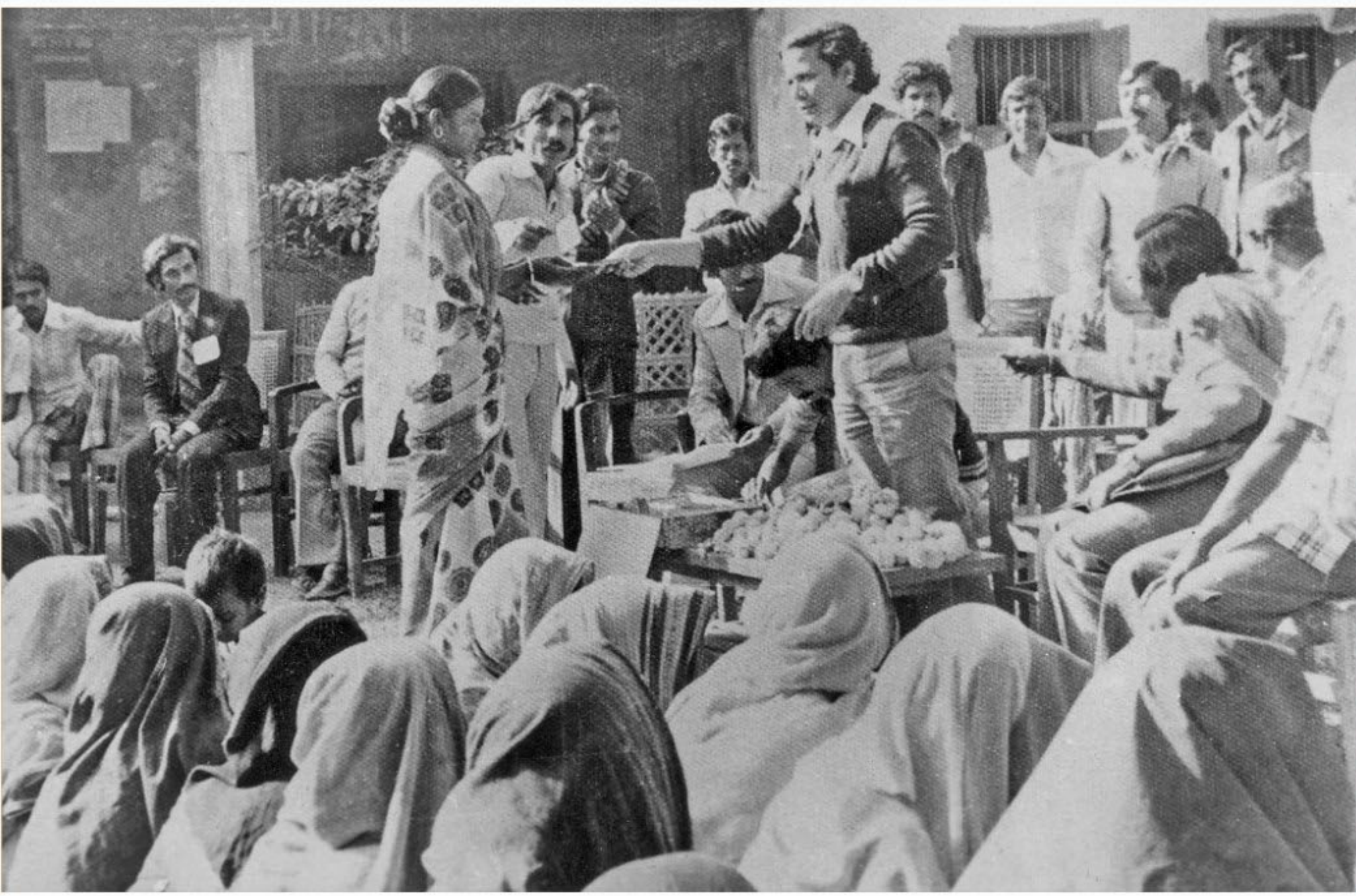
In the 12 years since the Campaign's founding, the number of very poor families with microloans has grown more than 16-fold from 76 lakh in 1997.

The report includes data from over 3,500 institutions with more than 93 percent of the information collected last year and verified by a third party.

Sir Fazle Hasan Abed, founder of Brac, the world's largest nongovernmental organisation, said microfinance is the most exciting thing that has happened to poor people over the last 30 years in terms of social inclusion.

"By ensuring financial inclusion we have worked with the poor in a way that honours their dignity, and we have shown that poverty alleviation needs a multi-pronged approach," he said, according to a statement.

He said there is a lot of greed infiltrating microfinance. "A lot of people wish to



Prof Muhammad Yunus distributes microloans in his early days. Microfinance has been an effective tool of social inclusion for the poor over the last 30 years.

make a lot of money out of it, and that worries me."

"Although I understand the rationale when return on investment is high, more money will flow into the sector, but people should not take advantage of it and make money out of poverty."

He also stressed that the sector needs to address the issue of over indebtedness that may be affecting some segments of the borrowers and not lose sight of its development focus.

Nobel laureate and Microcredit Summit Campaign co-founder Prof Muhammad Yunus hopes microfinance institutions would remain committed to their mission of helping the poor by charging low interests and that appropriate laws will be adopted for MFIs to enable them to attract and accept local deposits and lend

out those deposits rather than seeking loan funds from commercial investors.

Larry Reed, the report's author and former CEO of the Opportunity International Network, said microfinance is more than just credit for micro-entrepreneurs.

"Some of the most compelling impact data is coming from savings programmes for the poor and very poor, and there is a lot of promise in outreach to rural areas, including agriculture finance and insurance, especially when integrated with other development efforts."

This comes at a time when the industry itself is facing its one of the most turbulent periods in recent memories across the world including Bangladesh, its birthplace. The microcredit pioneer, Prof Yunus, is fighting in court the government's

attempts to remove him from Grameen Bank he founded three decades ago.

The Microcredit Summit Campaign aims to reach 17.5 crore of the world's poorest families by 2015 and ensure that 10 crore of those families move above the World Bank's \$1.25-a-day poverty threshold.

Launched in 1997, the Campaign is a project of RESULTS Educational Fund, a US-based advocacy organisation committed to creating the will to eliminate poverty.

It has surpassed its goal of reaching 10 crore million poorest families with credit for self-employment and other financial and business services.

The next Global Microcredit Summit will be held on November 14-17, 2011 in Valladolid, Spain.

Dollar declines

SAJJADUR RAHMAN

The dollar edged down against the taka on a flow of higher remittances and lower import payments in February, giving bankers and importers a 'sense of relief'.

At the customer level, the dollar was sold at Tk 73 yesterday, down from Tk 74 in February. However, the inter-bank rate of taka/dollar was at Tk 72.50 yesterday.

Bankers said the central bank's flexibility in selling dollars also acted as a tonic to help ease the volatility that the market witnessed in the past two months.

In an order yesterday, Bangladesh Bank (BB) asked the chief executive officers of all scheduled banks not to dis-spect any LC, alone on the shortage of foreign currency issue.

"An increase in remittances and a fall in import payments have reduced the gap between the demand and supply of the greenback," said Ashim Kumar Saha, head of treasury of NCC Bank.

BB data shows the country received \$974.46 million in remittances in February, up by nearly \$4 million of January's \$970.54 million. The inflow of remittances in February was the highest monthly earning in the current fiscal year except that in November (\$998 million).

On the other hand, the payments for imports (LC settled) have gone down by more than \$700 million or 22.50 percent in February compared to January. In February nearly \$2,427 million worth of LCs were settled compared to \$3,132 million in January and \$2,850 million in December.

Higher import payments have been pushing up the demand for the greenback for the past few months. The import prices of fuel oil, edible oil, wheat, rice and cotton have increased significantly. Per tonne of edible oil was sold at \$480 a year ago, but the price is now at nearly \$1,000. Similarly, fuel oil price went up over \$100 from \$60 a barrel last year.

The rising import payments for power plant equipment and capital machinery also made the greenback costlier in the market, according to the bankers.

"The remitters sent more money in February," said Anis A Khan, managing director and CEO of Mutual Trust Bank. The expatriate workers, particularly those in the Middle East countries, sent more money home in February as they felt the recent uprising in the region might affect their stay in those countries in the months to come.

But Khan said import payments could not increase because of the banks' fund crisis. Another CEO of a private commercial bank backed Khan's view.

"I've refused Tk 400-Tk 500 crore worth of loan demands only in the last month because of a fund crisis," said the CEO, requesting not to be named.

sajjad@thedailystar.net

SEC fines 12 brokers

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday fined 12 brokerage houses Tk 1 lakh each, as they provided credit to their clients to buy junk or 'Z' category shares.

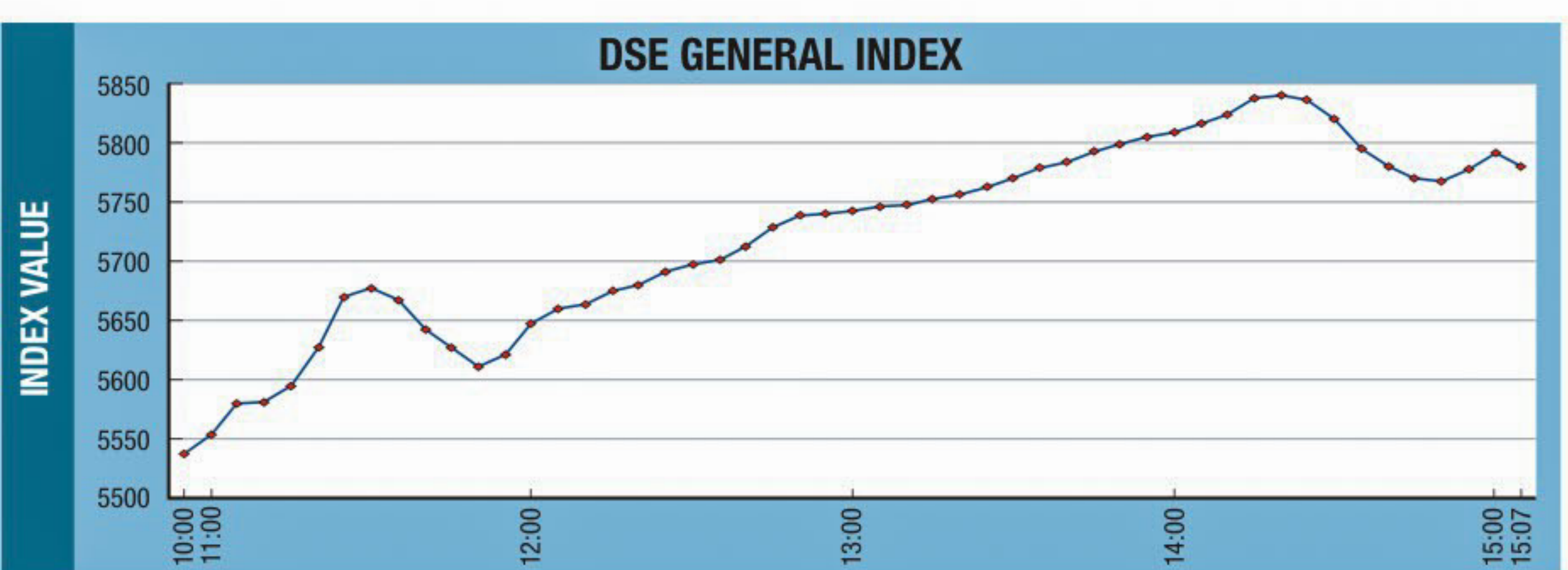
The commission at a meeting last week decided to launch the probe, which found evidences of unfair play by the brokers.

The brokerage firms are Nouvelle Securities, Salam and Company, Azam Securities, Al-Mutaha Trading Company, Subvalley Securities, Wifang Securities, Securities Breaking and Management Service, Fakhru'l Islam Securities, Alliance Securities, Sinha Securities, Island Securities and DSFM Securities.

They provided margin loans to their clients to buy 'Z' category shares, and so these junk shares had become overpriced, said a market insider.

The SEC earlier requested the Dhaka Stock Exchange to find out the companies that provide loans to buy junk shares.

Stocks buoyant on rescue fund



STAR BUSINESS REPORT

Stocks gained for a third day as investors regained their confidence, helped by the news of Tk 5,000 crore fund created for share and money markets.

The benchmark general index of Dhaka Stock Exchange (DGEN) advanced 243 points, or 4.4 percent, to 5,780 points. The daily turnover on the DSE stood at Tk 822 crore, up Tk 256 crore from the previous day.

The selective price index of Chittagong Stock Exchange gained 450 points, or 4.44 percent, to close at 10,569 points on the day.

Eight state-run institutions will invest cash to create the planned Bangladesh Fund in an effort to rein in the stockmarket slide. Half of the fund will be used to buy shares from

the secondary market, while the rest will be set aside for the money market to be used, especially through bonds or syndicated loans.

Insiders said retail investors bought shares, inspired by big institutional investors that went into heavy buying instead of the 'wait and see' policy taken in the previous weeks.

The participation of new investors also increased as the market is now in a positive zone, they added.

Fakhor Uddin Ali Ahmed, president of CSE, said: "The buying from the investors pulled the market up, and I hope the market will be stable in a few days."

Most of the shares of major sectors such as banks, non-bank financial institutes, insurers, fuel and power, textile and pharmaceuticals

gained massively on the day.

Grameenphone, a heavy weight, also drove the market, gaining by 5.62 percent. Of the total 256 issues traded on the DSE, 242 advanced and 14 declined.

Beximco topped the turnover leaders with 17.23 lakh shares worth Tk 47.75 crore traded yesterday.

The other turnover leaders were Bextex, Makson Spinning Mills, Union Capital, People's Leasing and Financial Services, Grameenphone, Aftab Automobiles, Southeast Bank, Golden Son and United Airways.

City General Insurance was the highest gainer of the day, posting a 9.94 percent rise in its share prices, while Southeast Bank was the worst loser, as its share prices slumped 13.74 percent.

Buyback law on the cards

Unb, Dhaka

The government will place a bill in the parliament during the current session to amend the Company Act and incorporate the share buyback system in a bid to improve the stockmarket situation, Finance Minister AMA Muhith said yesterday.

The minister said this when a delegation of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) called on him at the Finance Ministry.

Muhith said that he has already directed concerned officials to prepare a draft of the bill. "The FBCCI leaders requested me to discuss this issue with them before finalising the draft," he added.

Once the buyback law is passed, a company will be able to buy back its own shares held by the public either to increase the share value or to eliminate threats by shareholders who may be looking for a controlling stake.

www.mutualtrustbank.com

Officextracts | 09604101234 • 01713013137 • 9899544 • info@officextracts.com

KASPERSKY