

We shall march forward: Yunus to colleagues

STAR BUSINESS REPORT

Following is a letter from Nobel Laureate Muhammad Yunus to colleagues on the occasion of his departure from Grameen Bank. Prof Yunus stepped down as managing director of the microfinance bank he founded three decades ago.

In the letter released yesterday, the 'Banker to the Poor' explained his decision to leave the organisation that had become his "life", and how he and his colleagues started in Jobra village and overcame all natural, social and political difficulties before jointly winning the Nobel Peace Prize in 2006.

Yunus wished if he could leave in a more joyful atmosphere, instead of the unfortunate circumstances he had to go through. Here is what he said:

My dear colleagues:

For the past five months, we have all been in an extremely difficult situation. The reasons for this are well known to you all. The Supreme Court has given its verdict. On the basis of this verdict, the Board of Directors of Grameen Bank now has to make a decision. This decision may not take place soon, and because activities of Grameen Bank may be impacted as a result of the verdict, I have, as of yesterday, resigned as Managing Director of Grameen Bank, and have handed over my responsibilities to Deputy Managing Director, Nurjahan Begum.

We have worked together for many years. In Jobra village, we went to the poor to listen to the misery and helplessness caused to them by the loans from the loan sharks. Their stories gave us the idea of providing loans to them. Without knowing anything about giving loans to anyone, we plunged into it. With all of you by my side, we learnt as we went along; we devised our own procedures along the way. Out of this Grameen Bank was born. Today it has become a globally recognised and respected organisation. It is thus not unreasonable that today when we say good-bye, we become emotional. But when we think, we realise that we are not really separating from each other in a way that will create a distance between us. Only our institutional relationship is snapped. But the personal relationship, built over many years under that institutional relationship, still remains. I had wanted to formally end my institutional relationship with you before. I had wanted to retire from Grameen Bank but the Board did not allow me to do that. Many of you had written to me at that time insisting that I should continue in my position.



AFF/FILE

Microfinance pioneer Muhammad Yunus goes to the High Court on March 7 to contest a decision to remove him from his post in Grameen Bank in Dhaka. Prof Yunus resigned as the microlender's chief on Thursday.

We have built a Nobel winning organisation

Over the past 35 years, we have managed to achieve something that was thought impossible. We have transformed a tiny, personal project into a Nobel winning organisation. And by accomplishing this, we gave Bangladesh a place of pride and honour in the international arena. The world has accepted our theoretical structure and practical approach; and both rich and the poor countries have adopted microcredit in their fight against poverty.

It is a matter of pride for all of you that you are the employees of a Nobel Prize winning organisation. But more than that, it is a matter of even greater pride that all of you are the creators of the only Nobel Prize winning bank in the whole world. In the entire world only a fortunate few such as you, are entitled to this rare pride and achievement. But that also give you an important responsibility. You must take up the responsibility to protect your creation, ensure that the progress of the Bank continues without interruption.

From its beginning, Grameen Bank has faced many difficulties. Sometimes they were natural disasters -- floods, storms, and tidal waves, and at other times Grameen Bank has had to face political and religious attacks. We faced all these difficulties; we overcame them and we moved forward. In the future also, you will have to face such difficulties with courage, with patience and with unity.

This is a bank which is owned by 8.3 million poor, rural women. This Bank will remain committed to helping its borrowers'

struggle to realise their dreams in life. We must ensure that as owners they remain in control of the Bank.

In the past 35 years, we have built Grameen Bank as a sound financial organisation. In 1995, we took the decision that we will not take any more donor money; and we have remained true to that decision ever since. We are able to carry out all of our loan programmes with the deposits we have mobilised. The Bank is able to earn profit every year. We are able to hand over this profit as dividend to the owners of our Bank, the poor rural borrowers. This is a source of great joy for us.

The bank which started with Tk 856 given out as loans, today it disburses Tk 1,000 crore in loans every month. We can give interest free loans to over 100 thousand beggars to find ways to get out of the humiliating life of begging.

We have to remain united. The biggest enemy of an organisation is internal division; suspicions and distrust among each other. We have to rise above all these and keep ourselves free of mutual distrust and suspicion. Grameen Bank is a bank based on trust; it is a bank based on discipline we should never forget this.

Within Grameen Bank, you have created a tremendous strength. Unity of purpose is our biggest strength. So long as we have the strength of unity among us, no one will be able to prevent us from carrying out our future initiatives.

This would be a wrong decision

The government has set up a Review Committee to review the activities of Grameen Bank. Regarding the Report of the Review Committee, I do not want to go into

details here. However, I want to raise one issue with you. In the review Report, a proposal to change the structure of Grameen Bank has been made. I am very worried about this proposal. I hope that with this proposal, there will not be any attempt to transform Grameen Bank, a bank that is owned by the poor, into something completely different. If this happens, then it would be a very wrong decision. If Grameen Bank comes under the direct or indirect control or management of the Government, then politics will rear its head in Grameen Bank. For a financial institution, more specifically for a financial institution that is owned by the poor, this would be very bad news. We have always kept Grameen Bank outside the sphere of politics. If Grameen Bank is to survive as it currently exists, then it is necessary to ensure that politics remains out of Grameen Bank. I am requesting, to the leadership of all political parties of the country, to keep Grameen Bank above politics; leave the matter of appointing the Chairman of the Board of Directors to the Board (currently the government appoints the chairman of the Board).

Grameen Bank is an organisation that has brought pride and honour to the country. This is an organisation, which attracts attention from all over the world; it is followed and replicated all over the world. The people of this country, just as the people of the world, do not want that Grameen Bank be harmed. Currently, 96.5 percent of the ownership of Grameen Bank is in the hands of poor women. This ownership structure should be made permanent by amending the law. We must ensure that the right of these women to control and manage their bank is unfettered.

If this right is infringed, if it is violated then Grameen Bank will no longer remain Grameen Bank -- it will get lost in amongst thousands of other organisations.

Grameen Bank is my life

Grameen Bank has become such a large part of my life that it is not possible for me to "depart" from Grameen Bank. Grameen Bank has become my life. This is true for many of us. Grameen Bank has become the centre of our thoughts, experiences and dreams. We are all members of the Grameen Bank family. We cannot think of Grameen Bank as being separate from our families. Which is why even though many have left Grameen Bank, they find it extremely difficult to keep Grameen Bank out of their lives. I have now become one of them.

My dear colleagues:

Today the present chapter of my relationship with you comes to an end in unfortunate circumstances. This ending should have taken place under different, more joyful, atmosphere. However we are deprived from that. In this unusual circumstance, the next chapter of our relationship starts.

My employee identity number in Grameen Bank is #1. I am Grameen Bank's first employee; this has always been a constant source of pride for me. Whether we are inside the bank or outside, as employees of the Bank, our commitment has to be to keep Grameen Bank safe in the face of all opposition; to protect Grameen Bank from all disasters; to safeguard Grameen Bank from all attacks; to ensure that the borrowers and their children can dream of a bright, better future. And finally to ensure that the philosophy, aim and objectives with which Grameen Bank was created, are never compromised.

One day the nation will recognise your contribution in nation building and honour you as national heroes. Though that recognition is not given today -- do not let that be a cause for you to be lax in fulfilling your responsibilities.

Something we started together so many years ago has come a long way. Let it move forward uninterrupted. Let us continue to overcome all barriers and march towards our goals.

Please accept my salaam and good wishes to you all. Please give my salaam and good wishes to all Grameen Bank members, their family members and to members of your families.

I am ending my letter to you with a slogan which you have authored:

Discipline, unity, courage and hard work -- with these we march forward!

Your life-long colleague,
(Professor Muhammad Yunus)



WÄRTSILÄ

Wärtsilä Bangladesh Ltd has recently signed an operation and maintenance deal with IEL Consortium and Associates in Dhaka. Mohammad Shameem, managing director of Wärtsilä, and Salman Karim, managing director of IEL, inked the deal. Wärtsilä Bangladesh also signed a similar agreement with Dutch Bangla Power and Associates. Shameem signed the deal with Obaidul Karim, managing director of Dutch Bangla Power.

Stocks pass bearish week

STAR BUSINESS REPORT

Stocks continued to behave in a bearish manner for a fifth week as investors did not take chances following the government to implement the recommendations of a probe committee.

The benchmark general index of Dhaka Stock Exchange slumped 286.88 points, or 4.86 percent, to 5,612 points on Thursday.

Market experts identified the government's delay in implementing the recommendations made by the stock scam probe body as a major reason behind the current market situation.

They said an overhaul of the Securities and Exchange Commission (SEC) has become a significant factor to bring back stability to the market.

On one hand, institutional investors remain almost inactive in the secondary market, and on the other, many retailers are still suffering losses.

"Maybe some big investors, whose names were in the probe report, are trying to pull down the market deliberately through creating a selling pressure by circular trade, resulting in a panicky situation among the retail investors," said an expert.

The Bangladesh Bank should reduce the CRR (cash reserve requirement) and SLR (statutory liquidity ratio) to increase money flow in the market through the institutional investors, he adds.

The daily average turnover on the DSE stood at Tk 450.67 crore, down by 13.48 percent from the previous week. Of 258 issues traded, only 18 advanced and 240 declined.

The market capitalisation was Tk 271,504 crore on the opening day of the week and at the end of the week, it stood at Tk 261,311 crore, down by 3.75 percent.

Senior StanChart officials due today

STAR BUSINESS DESK

Richard Jones, head of regions (Compliance) of Standard Chartered Bank, is scheduled to arrive in Dhaka today on a three-day official visit. He will be accompanied by Ravi Duvvuru, regional head (Regulatory Compliance) of India & South Asia. During the visit, they will meet regulators and senior officials of the bank.



Richard Jones

Jones joined the bank in 2009, as consumer banking head of Legal and Compliance. He is responsible for compliance functions worldwide where the bank operates. He also drives executions of best practices, work with region/country heads of Compliance to identify, manage and escalate issues and manage regulatory reform proposals that impact the bank's businesses.

Khulna Textile Mill slips into oblivion

QUAZI AMANULLAH, Khulna

The 80-year-old Khulna Textile Mill, which was nationalised in 1974, is set to become a thing of the past as the government moves to set up a textile village on the premises of the loss-making state-entirety.

The proposed textile village in the south-eastern city is expected to come into operation in August.

The government shut down KTM, run by Bangladesh Textile Mills Corporation, spreading over 25.99 acres, in June 1993, when about 1,600 workers and employees lost jobs.

The decision to set up a textile village in place of KTM was taken in October 1999. The conversion work began in July 2000 and was supposed to be complete by June 2002. But the project failed the deadline.

Of the total land on the premises, 22.73 acres have been divided into 40 plots to set up the textile village, while the remaining 3.26 acres have been set aside for a mosque, a temple, a church, a high-school and a shopping mall.

Meanwhile, the management of the mill has paid Tk 50 lakh against the bank loans of Tk 2.08 crore the jute mill borrowed on different occasions since 1975

from Rupali Bank.

The June 30, 2011 is the deadline for paying back the rest of the loan, said Md Mosharef Hossain, manager of KTM.

The proposed textile village will kick off after completing allotment of the 40 plots among interested investors and entrepreneurs, said Hossain. "We have already sold off the machinery and other installations of the mill. The work on dismantling the machines and demolition of installations now continues."

Hossain said the spinning machine of the mill has been sold for Tk 1.7 crore. "We have sold the factory building, office building, two warehouses, a rest-house and some staff quarters for about Tk 2 crore."

The KTM manager said they have sold the weaving machine for Tk 79 lakh. Besides, bidders have submitted proposals to buy trees grown within the mill premises.

"The new textile village could begin its journey in August if everything goes well," he told The Daily Star.

Hossain, however, could not say whether the proposed textile village would be economically viable in the southwestern region, already ravaged by devastating cyclones Sidr and Aila and is still reeling under an adverse impact of climate change.



RUPAYAN GROUP

Liaquat Ali Khan Mukul, chairman of Rupayan Group, and Kees Derks, area manager of IHC Holland, sign a deal at a programme in Dhaka on Thursday under which IHC-Holland will supply two 20-inch suction dredgers to Rupayan Dredging Ltd, a sister concern of Rupayan Group.



SHELTECH

Kutubuddin Ahmed, chairman of Sheltech, launches two new projects of the company at Sheltech Boishakhi Festival in Dhaka on Wednesday. Tanvir Ahmed, director for development, was also present.

Jiban Bima signs deal with Banglalink

STAR BUSINESS REPORT

Jiban Bima Corporation (JBC), the lone state-owned life insurance company, yesterday inked a deal with mobile operator Banglalink to give online premium payment services to its policyholders through cell phones.

As per the agreement, the JBC policyholders can also give the premium by over 15,000 service points of the cell phone operator.

Parikshit Datta Choudhury, managing director of JBC, and Asher Yaqub Khan, chief commercial officer of Banglalink, signed the agreement on behalf of the respective organisations at the JBC's 39th founding anniversary at the Institute of Diploma Engineers in Dhaka.

Choudhury said, "JBC is one of the profitable enterprises and it has no debt against asset. Meanwhile, the life fund of the corporation has shot up to around Tk 1,291 crore, the highest in industry. The amount was only Tk 21.3 crore in 1973.

He said life insurance business has immense potential to grow. Nearly 5 percent people in the country have life insurance policy. So, there is a huge untapped market, he added.

Mohammed Sohrab Uddin, chairman of JBC, stressed the need for strengthening the regulatory mechanism to prevent the ill practices of some private insurance companies.

Currently, the JBC is providing online policy information. Under this service, the policyholders will get the policy information, bonus information, paid-up information and payment history.