

DSE seeks US help to better capital market

American envoy visits bourse

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has sought technical cooperation and assistance from the United States to overcome the difficulties in managing securities market.

The request was made by DSE Chairman Ahmed Iqbal Hasan to US Ambassador Harry K Thomas when he visited the bourse yesterday to see its activities.

"We expect further investments from your country for the development of securities market of Bangladesh," Hasan said in a written statement to the US envoy.

The ambassador held a courtesy meeting with DSE officials and exchanged views on various aspects of Bangladesh's capital market now undergoing reforms.

Thomas, however, expressed his satisfaction over the activities of the bourse and the reforms, DSE officials told journalists at a briefing after the visit.

The capital market of Bangladesh is improving for the reforms and introduction of technologies, the envoy was quoted as saying by the bourse officials.

The DSE chairman told the US ambassador that Bangladesh being a small developing country is facing difficulties in efficient management of the securities market.

"To address such difficulties, technical cooperation and assistance from the United States, will be of immense benefit to us," he said.

The DSE officials briefed the envoy about the current market

situation, electronic transaction and central depository system, which is likely to go live within a month.

The DSE management is now making efforts to restore the confidence of American investors in capital market as many US companies went back after 1996 share scam.

"Foreign investors are now silent," the DSE chairman said replying to a question at the briefing. He, however, requested all to invest carefully.

The visit of the US ambassador was part of a DSE plan to interact with ambassadors and foreign agencies concerned to have an international exposure.

"This type of meetings will help build a positive image of the mar-

ket which will attract investors from home and abroad," the DSE chairman said.

He further said if the DSE authority does not allow people to know the real situation of the capital market, it would not be possible to bring investment.

Cleveland Charles, head of economic/commercial office of the US embassy in Dhaka accompanied the American envoy during the visit.

Former chairmen of DSE Imtiyaz Husain and MA Haq Hawlader, present Vice-chairman M Abdullah Bokhari, a number of councillors and Chief Executive Officer Salahuddin Ahmed Khan were present on behalf of the bourse.

BEF hails govt move to allow EPZ trade unionism

Bangladesh Employers' Federation (BEF) has hailed the government move to allow trade union rights in the Export Processing Zones (EPZs).

In a statement issued in Dhaka yesterday, President of the BEF M Anis Ud Dowla said the Federation strongly feels that it will be advisable for the government to allow the EPZ workers full trade union rights as provided in the law within the time-limit earlier gazetted by the government, says a press release.

In the EPZs, the workers are paid well and job insecurity is also not rampant. In the absence of these two provocative factors, trade union rights to the workers should not cause any problems.

What is required is that outsiders must not be allowed to involve themselves in the trade unions in the EPZ establishments. Proper institutional arrangement should be put in place to check against any abuse.

The Federation president hopes that the decision to allow trade unionism in EPZ would prove to be beneficial to the national economy.



Commerce Minister Amir Khosru Mahmud Chowdhury, State Minister for Labour and Employment Amanullah Aman, Bangladesh Employers' Federation President M Anis Ud Dowla and Japan Business Federation Chairman Hiroshi Okuda pose for a photograph at the inaugural ceremony of the 6th Asia-Pacific High-Level Employers' Conference at Sonargaon Hotel in Dhaka yesterday.

PHOTO: STAR

Dhaka eyes foreign investment in farm sector

Int'l agri invest fair begins tomorrow

STAR BUSINESS REPORT

As an international agri invest fair begins in Dhaka tomorrow, Bangladesh eyes foreign expertise and investment in farm sector.

As agriculture is the lifeline of the country's economic growth, the upcoming exposition is aimed at exploring new avenues in this sector, State Minister for Agriculture Mirza Fakhru Islam Alamgir said yesterday.

The state minister was addressing a press conference prior to the three-day fair, Agri-Invest 2003 Bangladesh, which begins at the Bangladesh-China Friendship Conference Centre.

Prime Minister Khaleda Zia is expected to inaugurate the exhibition.

The Ministry of Agriculture, Board of Investment (BoI) and South Asia Enterprise Development Facility (SEDF) will jointly organise the exhibition.

The government intends to enhance value addition to agro-products for higher growth by applying bio, hydro and organic technologies in agro-processing system, said BoI Executive Chairman Mahmudur Rahman,

who was also present at the press briefing.

During the current fiscal, the BoI targets US\$400 million investment in the agricultural sector, Rahman said replying to a question.

In the last fiscal, the domestic investment in agriculture rose by 42 per cent, he said.

The exhibition, the first of its kind in Bangladesh, aims at drawing potential foreign investors and new technologies in the farm sector, said SEDF General Manager Anil Sinha.

Ten countries -- Bangladesh, Denmark, Taiwan, Thailand, Malaysia, Norway, India, Switzerland, Italy, and the United Kingdom -- will take part in the exposition.

The countries will display their agro-expertise in 67 stalls in the exhibition.

The exhibition will showcase commercially and environmentally viable processing method of agro-products like fruits, vegetables, spices and medicinal and herbal plants, eco-forestry, food safety, aquaculture, dairy and poultry, and organic farming and bio-fertiliser.

FBCCI, Nepal's apex trade body plan jt business council

STAR BUSINESS REPORT

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Federation of Nepalese Chambers of Commerce and Industry (FNCCI) may sign a memorandum of understanding (MoU) in January for setting up a joint business council.

This was disclosed at a meeting between FBCCI President Abdul Awal Minto, FNCCI President Binod Bahadur Shrestha and Nepal Ambassador to Bangladesh Bhagirat Basnet in Dhaka yesterday.

Both the presidents of FBCCI and FNCCI emphasised to sign the MoU for setting up the joint business council, said a press release.

Shrestha requested the FBCCI president to take necessary initiatives to expand trade between the two countries.

Speaking at the meeting, Basnet showed keen interest about Bangladeshi products and said that the volume of export from Bangladesh specially jute products are increasing every year.

Abdul Awal Minto mentioned less-interaction between the business communities of the two countries is the main obstacle to the growth of business.

The FBCCI president also expressed his interest to talk free trade agreement between the neighbours.

Foreign ownership in Korean banks surpasses 26pc

ANN/THE KOREA HERALD

Foreign ownership in Korean commercial banks averaged 26.3 per cent at the end of June according to a new report compiled by the private think tank Korea Institute of Finance.

The amount takes into account foreign stakes in portfolio investments by domestic banks.

The influx of overseas capital into the domestic banking sector has been a noticeable trend, with private U.S. equity fund Lone Star Funds currently controlling a 51-per cent stake in Korea Exchange Bank, and Newbridge Capital owning a majority 51 per cent in Korea First Bank.

Meanwhile, a consortium involving Carlyle Group and J.P. Morgan is currently in the process of selling its 36.6 per cent stake in KorAm Bank.

KIF said the increase in foreign ownership had an overall salutary effect on the domestic banking sector, increasing the quality of financial services and spurring domestic lenders to improve their lending criteria, among other benefits.

However, the think tank also noted that foreign investment also provided some disadvantages such as instances of discord with local investors and management, or the presence of short-term oriented equity funds, both of which could lead to instability for the sector.

The report also advised pension funds to increase their investments in state-held banks, currently at 105 trillion won (\$87.2 billion), as it would allow them to gain more returns from their investments.

KIF further said that increased participation by these funds would allow the government to dispose more quickly of its holdings in lenders, which it said would be beneficial for the banking sector as a whole.

After investing 161 trillion won in the financial sector following the 1997 Asian financial crisis, the government has been looking to recoup part of the money by selling its bank stakes.

Tk 2.65cr Danish grant for IPSSL Group

BSS, Dhaka

Danish government will provide about Tk 2.65 crore to Bangladeshi company IPSSL Group for training and technical assistance and equipment for providing Hygiene Management Services for the Seafood processing industry of Bangladesh as part of the Danida Private Sector Development (PSD) Programme.

An agreement between Royal Danish Embassy and Bangladeshi company will be signed during the forthcoming Agri-Invest 2003 to be held in Dhaka from December 3 to 5, a Danish embassy press release yesterday said.

The Hygiene Management Services provided by the Danish-Bangladeshi collaboration is expected to have a substantial impact on the export performance of the seafood processing companies especially in case of cooked and other value added products.

Call money rate eases slightly

BSS, Dhaka

The call money rate eased slightly on Monday thanks to inflow of funds from the government's exchequer against repayment of treasury bills, fund managers said.

The call money rate touched its intra-day high at 10 per cent compared to Sunday one at 11.00 per cent while in most deals ranged between 8.50 per cent and 9.50 per cent, leading fund managers said.

"The demand for call money is very strong but pressure on liquidity eased slightly as some private banks could overcome their liquidity problems due to government's repayment against matured treasury bills, dealers said.

Dollar strong against taka

BSS, Dhaka

The US dollar gained further against Bangladesh taka in inter-bank trading yesterday as some banks faced short-fall in dollar funds when they had higher import payments, dealers said.

Meanwhile, the euro hit a record high against the dollar in early Asian trade but later in European openings quickly retreated as traders took profits on the single currency's recent gains made on the back of concerns over geopolitical risks and the US trade deficit, dealers on online trading said.

They said the euro also briefly rose to its highest level against the yen in almost two months as the weekend nationalisation of the failed Japanese Ashikaga Bank initially triggered a sell off in Japanese shares.

The dollar touched its high at Tk 58.4450 per unit and most deals traded between Tk 58.4350 and Tk 58.4400 slightly higher than its previous range on Sunday, dealers of different commercial banks said.

The demand for the greenback was strong from importers when some banks had short-fall due to lower inflow of remittances since the Eid-ul-Fitr, dealers of a leading commercial bank said.



US Ambassador in Dhaka Harry K Thomas poses for a photograph with Dhaka Stock Exchange (DSE) officials during his visit to the bourse yesterday.

PHOTO: STAR

China hopes to expand trade ties with Bangladesh

CPPCC chairman tells finance minister

BSS, Dhaka

Visiting chairman of the national committee of the Chinese people's political consultative conference (CPPCC) Jia Qinglin has reaffirmed China's commitment to expand and strengthen relations with Bangladesh especially in trade and economic sector.

The assurance came from one of the top leaders of China when Finance Minister M Saifur Rahman called on him here yesterday.

Chairman Jia said both the countries should have to put in their united efforts to expand economic cooperation and minimise the trade imbalance that existed between the two countries.

He said China expected to increase its share of investment in the economic development of

Bangladesh.

The minister detailed the initiative taken by the present government to revamp the economy. He said government was successfully implementing development programmes to ensure macro economic stability.

The minister mentioned that the present government has attached high priority to rapid growth for economic emancipation of the common people and taken various programmes for poverty alleviation, rural development, empowerment of women, primary and mass education, micro credit, human recourse development and health care for the benefit of the general mass.

The finance minister recalled the excellent relations that existed between China and Bangladesh.

He thanked the Chinese people for their support in Bangladesh's efforts for development.

The finance minister recalled Chinese contribution to Bangladesh in constructing roads and bridges that had helped this developing nation to attain its targets of self-sufficiency.

The minister said Bangladesh would welcome all new Chinese entrepreneurs as development partners for Bangladesh.

The finance minister also hoped that China would consider steps for reducing widening trade gap with Bangladesh.

The minister reaffirmed Bangladesh's stand on common policy with China relating regional and international peace and stability.

Jute export bags Tk 1670cr in Fy03

UNB, Dhaka

Bangladesh earned Tk 1670.14 crore in foreign currency by exporting jute and jute goods in the last fiscal year.

Of the amount, Tk 518 crore was earned by exporting 25 lakh bales of jute and Tk 1152.14 crore by exporting 3.65 lakh tons of jute goods.

The figures were disclosed at a review meeting held yesterday with State Minister for Jute Lutfur Rahman Khan Azad in the chair.

The meeting was appraised that administrative measures had so far been taken against 11 officers and employees for "corruption and irregularities" in jute purchase at different jute-buying centres.

Matters relating to production of green jute and jute goods and their domestic use and export also came up for discussion at the meeting.

Jute Secretary ASM Abdul Halim, BJMC Chairman Mujibur Rahman and senior officials concerned were present at the meeting at the Jute Ministry.

Two-day SAFE confce opens in Lahore tomorrow

The two-day third annual general meeting and the sixth conference of South Asian Federation of Exchanges (SAFE) will begin in Lahore tomorrow.

The theme of the conference is 'Strengthening Stock Exchange Listing Regimes and Regional Harmonization', says a press release.

The countries of South Asian region including Bangladesh has taken initiative to commence regional cross border trading facilities among the regional bourses.

SAFE has undertaken a study project to assess the listing regulations of the member exchanges in comparison with international and regional best practice in order to identify strengths, weakness and development needs.

Recently the project team members completed this task by visiting the representatives of each of the member stock exchanges and their regulations.

SAFE Secretary General Waliul-Marooof Matin and the International Consultant of the Project Gerry Ritchie were also in the team.

The study result including the findings and experts' recommendation is likely to be discussed in the conference at Lahore.

The SAFE Secretariat, currently located at Chittagong Stock Exchange, has already received consent from the seven securities market regulators of the region (Bangladesh, Bhutan, India, Pakistan, Nepal, Sri Lanka and Mauritius) and the representatives of regulators who will add their valuable inputs.

SAFE expects to inaugurate the cross border trading and listing between India, Pakistan and Sri Lanka. One company from India will be listed in the Pakistan capital market and one from India to Pakistan accordingly. Simultaneously one from Bangladesh to Sri Lanka and one from Sri Lanka to Bangladesh.

Colombo Stock Exchange has already agreed on this proposal.

French Forum 2003 begins Thursday

STAR BUSINESS REPORT

A two-day French Forum 2003 that includes a trade show, discussion and cultural programme begins in Dhaka on Thursday.

Commerce Minister Amir Khosru Mahmud Chowdhury will inaugurate the seventh version of the forum at Dhaka Sheraton Hotel, French Ambassador Michel Lummaux announced at a press conference yesterday.

France Bangladesh Chamber of Commerce and Industry (CCIFB) is organising the annual event jointly sponsored by Lafarge Surma Cement Ltd, GEC of Bangladesh Ltd and SQ Group of Industries.

On the first day of the forum, a discussion meeting will be held on Bangladesh's trade with India,

Pakistan, Sri Lanka, Nepal and Myanmar.

Abul Hasan Chowdhury, former state minister for foreign affairs, will talk problems and prospects of doing business with those countries while government officials, businesspeople, media men and ambassadors will take part in discussion.

A total of 16 French companies will display catalogues, products, services and technologies during the trade show, which will remain open for all from 10am to 8pm.

The participating companies include Alcatel, Alliance Francaise de Dacca, Aveniris Limited, Energypac, Lafarge Surma Cement Ltd, Tele Tel Communications, Trade Services International, Total Gaz and ECM Services Ltd.

However, the closing function of the forum will be held on December 13 with a cultural programme marked by French jazz music. Local artists will also perform in the show.

Bangladesh exports readymade garments, knitwear, leather, jute goods, frozen shrimps and ceramic tableware worth \$500 million a year to France.

Goods imported from France include electrical equipment, agricultural and chemical products, aeronautic equipment, machinery, consumer goods, metals and food items.

CCIFB Treasurer Syed Farhad Ahmed and Director Rifat Rashid were present at the press conference held at the French embassy in Dhaka.