

## Bourses still bullish

### Investors advised to be cautious; SEC keeps vigil on price movement

#### STAR BUSINESS REPORT

As both the stock exchanges have been witnessing bullish trade for the last few days, analysts find no rational basis for the galloping trend and advise investors to be cautious.

Lucrative initial public offerings (IPOs) of banks attracted a significant amount of undeclared money a portion of which is now in the capital market, they said.

Officials of the Securities and Exchange Commission (SEC) and State Stock Exchange (DSE) said they are monitoring the market constantly and keeping close eyes on the price movements.

"Some of the blue chip securities had been undervalued for long,

As some of those companies are declaring good dividends, their prices are going up and it is a normal phenomenon of the market," said a top official of the DSE.

DSE-20 index gained 44.83 points yesterday to close at 1258.45 points. Of the 214 listed issues traded, 206 advanced, only four declined and four remained unchanged. On November 1, 2003, the DSE-20 index was 997.22.

DSE general index also gained 41.08 points yesterday to close at 983.11 points while it was 804.72 on November 1.

"In fact, prices of many shares have gone up by around 40 per cent from a month ago," said a market analyst. "Shares of a cement company was sold at Tk120 on

November 1 and its price was Tk 194.50 yesterday."

A total of 8,444,324 shares and debentures valued at Tk 24.91 crore changed hands in the DSE yesterday as against 5,639,152 shares valued at Tk 17.39 crore on the previous trading day. The turnover on November 1 was Tk 6.41 crore only.

"We welcome natural growth of the market. But I think speculative investment is taking place in the market and small investors who are buying shares at high prices for a short-term gain may be in problem," cautioned Yawer Sayeed, chief executive officer of the Assets & Investment Management Services (AIMS) of Bangladesh Ltd.

"We won't be worried if prices of

selective shares declaring high dividends go up. As prices of most Z category shares are on rise, it is really a matter of concern," he observed.

CSE selective index also went up by 56.24 points to close at 1569.9 points yesterday from 1513.66 points on Monday. Of the 91 listed issues traded yesterday, 86 gained, only three declined and two remained unchanged.

A total of 3,783,868 shares and debentures valued at Tk 7.55 crore changed hands in the CSE yesterday as against 2,470,528 shares valued at Tk 4.60 crore on the previous trading day. On November 1, the turnover in CSE was Tk 46.23 lakh only.

## Good regulatory framework gives cos competitive edge

### International Organisation of Employers chief tells *The Daily Star*

#### RAFIQ HASAN

The visiting president of the International Organisation of Employers (IOE), Francois Perigot, feels that the local authorities should help companies to be competitive in the world market by putting a good regulatory framework in place.

"As free trade brings competition, the authorities in the countries like Bangladesh should provide flexible economic policies and good regulatory framework to help the companies in strengthening competitive edge," he said in an exclusive interview with *The Daily Star* yesterday.

To face the challenges of globalisation the president of IOE suggested more integration of the developing countries with world economy. More integration with world economy would help generate employment and boost economic growth, he said.

Underscoring the need for free flow of products, Perigot, now in Dhaka to attend the 6th Asia Pacific High Level Employers' Conference that began on Monday, said these countries should also try to remove various trade barriers to others.

On the issue of increasing the flow of foreign direct investment (FDI) in countries like Bangladesh, Perigot laid emphasis on good economic activities. "If the condition of a country is good it would attract FDI".

Attractive business conditions, existence of a sound market and a good legal environment are the other pre-conditions for attracting foreign direct investment, the IOE chief said responding to a question

about the possible role of his organisation in attracting FDI in Bangladesh.

He stressed the need for an active role of local employers' organisation for attracting FDI and assured all sort of assistance from his organisation for Bangladesh. The IOE can provide assistance to develop skill in manufacturing companies, he pointed out.

He also said a company should create employment and the trade unions in private and public sectors should protect the workers from any maltreatment.

In this context, he said, as the ILO fixes the standard of social norms all parties should respect the standard formulated by the ILO.

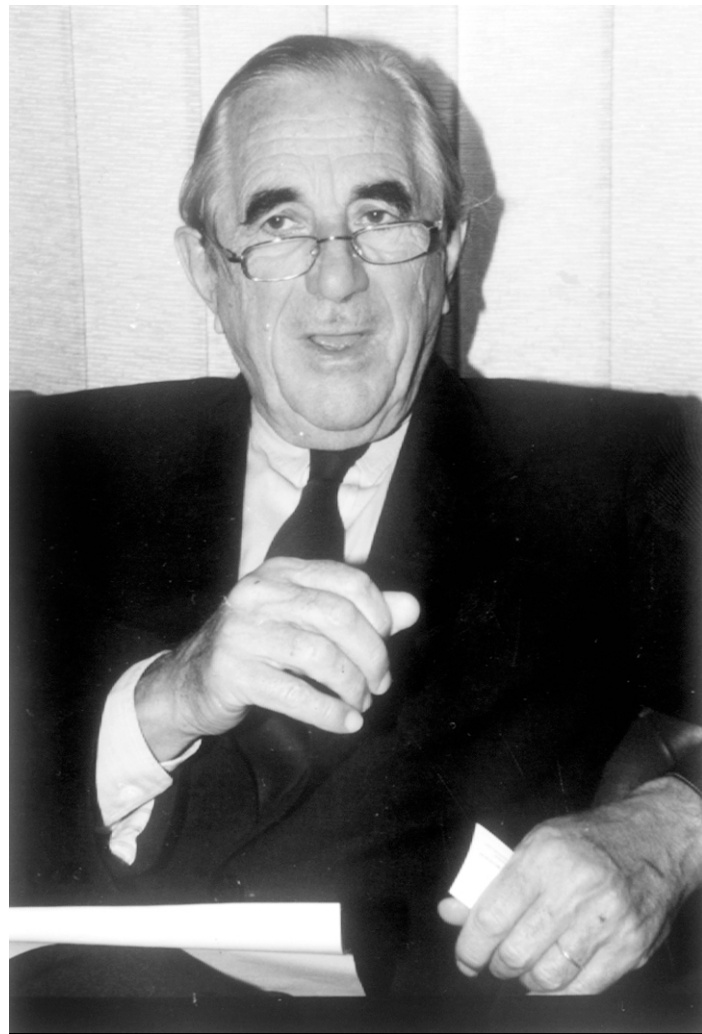
The unions should also work to improve the condition of the workers. The IOE also tries to maintain work standard in accordance with ILO convention. It contributes to fixing social standard of workers in its member countries, he said.

The 6th Asia-Pacific high level conference ends today with adoption of a set of recommendations.

The recommendations and major deliberations of the conference will be taken into consideration while negotiating with governments and other international bodies.

Representatives from 21 Asia-Pacific countries are participating in the conference.

The first such conference was held in Tokyo. The conference mainly deals with social problems and other related issues in the member states. A total of 120 countries in the world are members of the IOE.



Francoise Perigot

## Int'l meet on shrimp starts today

#### STAR BUSINESS REPORT

The first meeting of the Global Aquaculture Discussion Forum (GADF) begins in Dhaka today to establish a better understanding of market developments and emerging trading practices in aquaculture products.

Commerce Minister Amir Khosru Mahmud Chowdhury is expected to be the chief guest while State Minister for Fisheries and Livestock Ukil Abdus Sattar Bhuiyan special guest at the meeting.

The two-day international meeting will also focus on certification systems, codes of conduct, traceability and its implications on the industry.

The meeting, jointly organised by the Bangladesh Shrimp Foundation (BSF) and Network of Aquaculture Centres in Asia-Pacific (NACA), is expected to be attended by representatives from buyers, international organisations, NGOs, donors and trade associations and farmers from the USA, Europe and Asia.

Hongkong and Shanghai Banking Corporation (HSBC) is supporting the event as a partner.

Acting Chief of Party of ATDP Ron Gillespie, BSF Chairman Syed Mahmudul Huq, NACA Director General Pedro B Bueno, Acting Mission Director of USAID Beth Paige, and President of Global Aquaculture Alliance (GAA) George Chamberlain will also address the meeting.

Bangladesh earns around \$300 million annually from shrimp export.

## High prices of gold in India spur recycling, imports fall

#### REUTERS, Bombay

Rising supplies of scrap gold in India, the world's largest consumer, have dented imports and recycling is likely to persist if prices stay high, traders said Monday.

"We have witnessed a surge in scrap supply as gold prices have gone up sharply," said Girish Choksi, a dealer in the western city of Ahmedabad, a leading gold trading centre. "Many jewellers are buying recycled metal to avoid costly imports."

World gold prices have risen by around 14 percent since the start of 2003, helped by global security fears following the US invasion of Iraq. Spot gold stood at \$398.90/399.40 an ounce, up from about \$377 a month ago.

Gold hit \$400.55 last week, its highest level since March 1996, after firms hospitalised New York City subway workers, raising fears of fresh terrorist attacks in the United States. Police later said the incident was not a terror attack.

Dealers said geopolitical concerns had raised gold's safe-haven status as more and more investors sold the US dollar and shifted to the precious metal. Choksi said supply of gold scrap in Ahmedabad had risen to about 35 kg per day from 15 to 20 kg about a month ago. Consumers have been selling old jewellery to encash on firm prices. Jewellers generally buy old ornaments from the users at slightly lower than prevailing prices.

## Dhaka-Colombo FTA to spur bilateral trade

### Lankan envoy tells CCCI president

#### STAFF CORRESPONDENT, Ctg

A free trade agreement (FTA) between Bangladesh and Sri Lanka could bring in tremendous dynamism in the trade and investment of both the countries, Sri Lankan High Commissioner to Bangladesh Gaminis Munasinghe has said.

While paying a courtesy call on Chittagong Chamber of Commerce and Industry (CCCI) President Amir Humayun Mahmud Chowdhury at the latter's office on Monday, the envoy said the FTA would also help improve overall economies.

The Lankan high commissioner pointed out that there was a huge demand of Bangladeshi medicine, melamine products, cement and

CI Sheets in Sri Lanka market because of their qualitative standard and competitive prices.

Munasinghe said the FTA signed between Sri Lanka and India in 1998 has helped Sri Lanka exports to India rise to US\$200 million from only \$34 million previously. It also boosted Indian investment in Sri Lanka significantly, he added.

The high commissioner further said after signing of the FTA, number of Indian tourists in Sri Lanka rose to 80,000 from previously 13,000 only.

He expressed hope that a free trade pact between Bangladesh and Sri Lanka could bring in similar benefits to both the economies by boosting trade and commerce,

investment and tourism industry in both the countries.

Echoing the envoy's views the Chittagong chamber president said an FTA is very important to achieve durable economic growth for both the countries against the backdrop of changing global economic scenario.

He urged upon the Sri Lankan high commissioner to inspire the businessmen of his country to import more jute and jute products, medicine, melamine products, CI Sheets and zippers from Bangladesh.

CCCI Senior Vice-president Ershad Ullah and Vice-president Monzoor-Ul-Amin Chowdhury were also present at the meeting.



PHOTO: STAR

(From Left) International Organisation of Employers (IOE) Secretary General Antonio Penalosa, IOE President Francois Perigot, Bangladesh Employers' Federation (BEF) President M Anis Ud Dowla and Retournard Jean Francois of International Labour Organisation (ILO) at a working session of the 6th Asia-Pacific High-Level Employers' Conference at Sonargaon Hotel in Dhaka yesterday.

## Int'l business conference due in Dhaka Jan 17-18

### Over 200 participants from 28 countries to join

#### UNB, Dhaka

A two-day international business conference will be held here January 17-18 to discuss the present global economic scenario against the backdrop of the terrorist attacks on America and the collapse of Cancun WTO talks.

Over 200 participants from more than 28 countries and international agencies are expected to join the biggest business meet in Dhaka since the Cancun fiasco.

International Chamber of Commerce-Bangladesh (ICCB) is hosting the international business conference, theme of which is 'Global Economic Governance and Challenges of Multilateralism'.

Announcing the programme at a meeting with editors and senior journalists here today, ICCB president Mahbubur Rahman said Prime Minister Khaleda Zia would

formally open the conference at Hotel Sonargaon.

Thai Prime Minister Dr Thaksin Shinawatra would deliver his keynote speech in the opening session.

Samsom H Chowdhury, Rashed Maksud Khan and Abul Kasem were present at the meeting at Dhaka Club.

Bahrain, Bangladesh, Bhutan, China, Czech Republic, France, Germany, India, Indonesia, Ireland, Italy, Japan, Kingdom of Saudi Arabia, Kuwait, Republic of Korea, Nepal, Malaysia, Pakistan, the Philippines, Russia, Singapore, Sri Lanka, Switzerland, Togo, Thailand, Turkey, Vietnam and the United Kingdom have confirmed their participation in the business meet.

Secretary General of UNCTAD Rubens Ricupero and Swedish Minister for International

Development and Cooperation Carin Jamtin are also expected to join the event. The United States of America, however, regretted its participation.

Those who confirmed their participation include former Indian Prime Minister I.K. Gujral, WTO Director General Dr Supachai Panitchpakdi, Indonesian Industry and Trade Minister Rini Sumarno Soewandi, Sri Lanka Commerce Minister Ravi Karunanyake, Turkey's Industry and Trade Minister Ali Cokkun, Governor of Japan Bank for International Cooperation Syosuke Shinozawa, Executive Secretary of UN ESCAP Dr Kim Hak-Su, ICC chairman Jean-Rene Fourtrou, ICC Vice-Chairman Yong Sung Park, ICC secretary general Maria Livanos Cattaui, Bangladesh Foreign Minister M Morshed Khan and Commerce Minister Amir Khosru Mahmud Chowdhury.

## India wins WTO ruling against EU in drug case

#### REUTERS, Geneva

The World Trade Organisation (WTO) backed India Monday in a dispute with the European Union over whether the 15-nation bloc can give special trade advantages to countries fighting drug trafficking.

A panel of WTO trade judges ruled 2-1 that the preferential treatment that Brussels gave to 11 Latin American countries, including cocaine producers Colombia, Peru and Bolivia, as well as India's neighbour Pakistan, broke trade rules.

The EU programme is designed to help the countries fight the trade in illegal drugs by encouraging the development of other businesses, but India objected to the scheme after Pakistan was included in 2001.

According to Indian diplomats in Geneva, the special terms given to Pakistan to sell goods such as clothing and textiles in the EU were costing India more than \$300 million a year in lost trade because its own industries could not compete.

"The EU has failed to demonstrate that the drug arrangements are justified," the judges said in their decision, which the EU can appeal.

## US hails WTO ruling on Japan apple barriers

#### AFP, Washington

The United States Monday hailed a World Trade Organization appellate ruling that Japan imposed unfair restrictions on imports of US-grown apples.

"I am very pleased that the appellate body confirmed that Japan's restrictions on US apples violate WTO rules. This is very important for gaining meaningful access to Japan's market," said US Trade Representative Robert Zoellick.

"Our farmers grow the world's finest agricultural products, and this WTO decision sets an important standard that will help us to keep markets open for US agricultural exports."

Agriculture Secretary Ann Veneman, added, "This ruling reinforces one of the WTO's basic rules -- health and safety requirements must be based on sound science. The US victory in this case brings us one step closer to improved market access for US apple growers in Japan and will help us fight similar trade barriers in markets throughout the world."

## Dhaka for global policy to fight hunger, poverty

### Agriculture minister addresses FAO conference

#### UNB, Dhaka

Dhaka has called upon the Food and Agriculture Organisation (FAO) member countries to develop a policy framework for the implementation of the programmes to alleviate poverty and hunger from the world.

Agriculture Minister MK Anwar made the call speaking on the "State of Food and Agriculture in the Developing and Least Developed Countries (LDCs) with Special Reference to Bangladesh" at the 32nd session of FAO in Rome yesterday.

Ministers from the FAO member countries are attending the biennial conference that began on November 29 and will continue till December 10.

"Hunger now is more a cross-national problem, particularly in the LDCs and developing countries," said Anwar. "Nations need to develop a policy framework on a consensus basis to create a political environment for allocation of resources, and flow of information and technology for the implementation of the programs and projects."

According to a message received here, the minister expressed concern over the increase of undernourished population despite the last World Food Summit's target to reduce to half the number of hun-

gry people by 2015.

He said the number of undernourished population has increased by 18 million to 842 million over the last five years, mainly in the LDCs and weaker developing countries. South Asia has been hosting the highest number of undernourished people, which has increased from 289 million in 1992 to 303 million in 1999.

The minister said the current food security in the weaker economies is being intensified by high population growth, lack of financial resources, constraints in access to irrigation water and natural and manmade disasters.

He also mentioned poor physical and social infrastructure, reduction of agricultural land, barriers to access of agro-products to international market, widening gap between the potential and actual growth in agricultural production and technical constraints to crop diversification as other factors that aggravate the situation.

"We need political will to overcome these constraints and should embark on a common platform for the alleviation of poverty and hunger," he said.

Anwar urged the EU, USA, Canada, Japan and other developed countries to reduce their huge domestic support and export

subsidies in agriculture sector to create a level playing field globally.

He said many of the products, especially agricultural products of the LDCs and developing countries having comparative advantages have been facing tariff and non-tariff barriers in the world market even after the formation of WTO in 1995.

He mentioned that the percentage of agriculture export in total merchandise export of developing countries came down to 7 percent in 2001 from about 50 percent in 1960.

The Bangladesh Agriculture Minister called upon the developed and stronger developing economies to provide duty free and quota free market access for all products, including agriculture products of the LDCs, giving them effective support to level up.

He also urged the FAO to provide technical assistance to improve market processing cycles of agricultural products.

Elaborating the state of agriculture in Bangladesh, Anwar said agriculture is the mainstay of the country's economy. The contribution of this sector in GDP is about 25 percent while 62.93 percent of the total manpower are engaged in agriculture and 70 percent of the rural female population are involved with the sector.

## WB prioritises funding infrastructure dev projects: Saifur

#### BSS, Dhaka

Finance and Planning Minister M Saifur Rahman has said the World Bank (WB) is prioritising funding of infrastructure development projects with the aim of supporting poverty reduction activities in the country.

Speaking to journalists after a meeting with visiting World Bank Executive Director C M Bashudev yesterday, Saifur said the WB is encouraging projects for development of railway, power, ports and such other infrastructure having direct impact in poverty reduction.

He said these are parts of the poverty reduction strategy paper (PRSP) and the WB is looking

forward to see host of projects in this respect.

The talks with Bashudev focused on timely projects preparation and submission to the bank, besides a review of the ongoing WB aided projects.

The finance minister said that the WB has assured timely disbursement of funds and there will be no shortage of funds.

He said that the World Bank has expressed satisfaction over the pace of reforms including financial sector reforms while emphasising on the need for expediting project preparation exercise and improving the quality of project preparation.

## Opec to lay out 2004 strategy at Vienna summit

#### AFP, Paris

The situation in Iraq and the health of global oil demand are likely to be in the limelight at a special ministerial meeting of the Organisation of Petroleum Exporting Countries Thursday in Vienna.

But Opec is unlikely to change its production ceiling of 24.5 million barrels per day (bpd), which went into effect in November, shortly after its surprise decision to cut in September.

"I believe that continuing with the current production ceiling is the best option for the coming period, especially because ... the hike in prices is temporary and for political and psychological reasons," Kuwaiti Energy Minister Sheikh Ahmad Fahd al-Sabah said Monday.